
Senate Amendment**Conference Agreement**

No provision restricts benefits wholly funded by State or local governments, but States may use the sponsor-alien deeming provisions, described below, to determine whether a sponsored individual qualifies for assistance under such a program.

Subtitle C - Attribution of Income and Affidavits of Support**10. REQUIREMENTS FOR AFFIDAVITS OF SUPPORT (Sec. 422 of House bill, Secs. 502 and 503 of Senate amendment)****A. When Required and Enforceability**

Administrative authorities may request an affidavit of support on behalf of an alien seeking permanent residency. Requirements for affidavits of support are not specified under current law.

Under the Immigration and Nationality Act, an alien who is likely to become a public charge may be excluded from entry unless this restriction is waived, as is the case for refugees. By regulation and administrative practice, the State Department and the Immigration and Naturalization Service permit a prospective permanent resident alien (also immigrant or green card holder) who otherwise would be excluded as a public charge (i.e., insufficient means or prospective income) to overcome exclusion through an affidavit of support or similar document executed by a individual in the U.S. Individuals who execute affidavits of support commonly are called sponsors, even though that term also is used under immigration practice to refer to individuals and other entities who undertake various other acts (e.g., file a visa preference petition for a relative or prospective employee or undertake to resettle individuals who enter in refugee status) and who may or may not also execute affidavits of support. About one-half of the aliens who

When affidavits of support are required, they must comply with the following:

(1) Executed as Contract

No affidavit of support may be accepted to overcome a public charge exclusion unless the affidavit is executed as a contract that is legally enforceable against the sponsor by the Federal government and by any State or local government with respect to any means-tested benefits paid to the sponsored alien before the alien becomes a citizen. (p. 175) However, affidavits of support are not to be construed to provide any right to sponsored aliens. (p. 176)

(2) Affected Programs

Any federal, State or local means-tested benefits paid to sponsored alien. (p. 175)

When affidavits of support are required, they must comply with the following:

(1) No affidavit of support may be relied upon to overcome a public charge exclusion unless the affidavit is executed as a contract that is legally enforceable against the sponsor by the sponsored alien and by Federal, State, and local governmental entities that provide the sponsored alien with means-tested assistance during the support period described below. (p. 389)

(2) Programs for which reimbursement shall be requested are: (1) AFDC or its successor; (2) Medicaid; (3) Food Stamps; (4) SSI; (5) any State general assistance program; and (6) and other Federal, State or local need-based program. However, governmental entities cannot seek reimbursement with respect to (1) emergency medical services under Medicaid; (2) short-term emergency disaster relief; (3) assistance provided under the National School Lunch Act or the Child Nutrition Act of 1966; (4) the Head Start program; (5) public health assistance for immunizations and, if determined necessary by HHS, testing for or treatment of communicable diseases; and (6) programs specified by the Attorney General that (i)

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obtain legal permanent resident status have had affidavits of support filed on their behalf.

Various State court decisions, including decisions by the highest courts in California and New York, have held that these affidavits, as currently constituted, do not impose a binding obligation on the sponsor to reimburse State agencies providing aid to the sponsored alien. (Note. The current practice is for welfare agencies to pay benefits to qualified aliens and then try to recover reimbursement from sponsors.)

(3) Qualification of Sponsor

To qualify to execute an affidavit of support, an individual must be within the definition of sponsor set out in item G(1), below.

(4) Time Limit on Reimbursement

Governmental entities that provide benefits may seek reimbursement up to 10 years after a sponsored alien last receives benefits. In the affidavit of support, the sponsor must agree to submit to the jurisdiction of any Federal or State court regarding reimbursement of the cost of benefits received by the alien. (p. 175)

(5) Length of Sponsorship Period

Sponsorship extends until alien becomes a citizen. (p. 176)

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deliver services at the community level, (ii) do not condition assistance on the recipient's income or resources, and (iii) are necessary to protect life, safety, or public health (e.g. soup kitchens). (p. 391, p. 387)

(3) To qualify to execute an affidavit of support, an individual must be within the definition of sponsor set out in item G(1), below.

(4) Governmental entities may seek reimbursement of other means-tested assistance up to 10 years after a sponsored alien last receives benefits. In the affidavit of support, the sponsor must agree to submit to the jurisdiction of any Federal or State court regarding reimbursement of the cost of benefits received by the alien. (p. 389)

(5) Sponsor must agree in the affidavit of support to provide sufficient financial support so that the sponsored individual will not become a public charge until the individual has worked in the U.S. for 40 qualifying quarters, regardless of whether the individual chooses to naturalize or not. (p. 389) A qualifying quarter is a 3-month period (1) which counts as a quarter for the purposes of social security coverage, (2) during which the individual did not receive needs-based assistance, and (3) which occurs in a tax year for which the individual had income tax liability. (p. 394)

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B. Forms

No statutory provision. The Department of Justice issues a form (Form I-134) that complies with current sponsorship guidelines.

The Attorney General, in consultation with the Secretary of State and the Secretary of HHS, shall formulate an affidavit of support within 90 days after enactment, consistent with this section. (p. 176)

C. Statutory Construction

No provision.

Nothing in this section shall be construed to grant third party beneficiary rights to any sponsored alien under an affidavit of support. (p. 176)

D. Notification of Change of Address

There is no express requirement under current administrative practice that sponsors inform welfare agencies of a change in address. However, a sponsored alien who applies for benefits for which deeming is required must provide various information regarding the alien's sponsor.

Until they no longer are potentially liable for reimbursement of benefits paid to sponsored aliens, sponsors must notify welfare agencies of any change of their address within 30 days of moving. Failure to notify may result in a civil penalty of up to \$2000 or, if the failure occurs after knowledge that the sponsored alien has received a reimbursable benefit, of up to \$5000. (p. 176)

E. Reimbursement Procedures

No Federal statutory requirements. The highest courts of several states (including California and New York) have held that individuals who execute affidavits of support are not thereby obligated to reimburse State agencies for assistance provided to sponsored aliens.

If a sponsored alien receives any benefit under any means-tested public assistance program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance. Thereafter the official may seek reimbursement in court if the sponsor fails to respond within 45 days of the request that the sponsor is willing to begin repayments. The official also may seek reimbursement through the courts within 60 days after a sponsor fails to comply with the terms of repayment. The

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The Attorney General, the Secretary of State, and the Secretary of HHS shall jointly formulate an affidavit of support within 90 days after enactment, consistent with this section. (p. 390)

[The Senate amendment expressly requires that affidavits of support permit sponsored individuals to enforce support obligations of their sponsors as contained in the affidavits.]

Until they no longer are potentially liable for reimbursement of benefits paid to sponsored individuals, sponsors must notify the Attorney General and the State, district, territory or possession in which the sponsored individual resides of any change of their address within 30 days of moving. Failure to notify may result in a civil penalty of up to \$2000 or, if the failure occurs after knowledge that the sponsored individual has received a reimbursable benefit, of up to \$5000. (p. 390)

Upon notification that a sponsored individual has received a reimbursable need-based benefit (see above), the appropriate government official shall request reimbursement in accordance with the same procedures and limitations that are in the House bill. The Commissioner of Social Security is to prescribe regulations for requesting reimbursement from sponsors, and such regulations must include the notification of sponsors (at their last known address) by certified mail. (p. 390)

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F. Jurisdiction

State law sets forth which types of cases its courts will hear, subject to due process requirements on minimal connections between activities, people, or property within the State and the matter being litigated.

Attorney General in consultation with the Secretary of HHS, shall prescribe regulations on requesting reimbursement. No action may be brought later than 10 years after the alien last received benefits. (p. 177)

No provision.

G. Definitions**(1) Sponsor**

An individual who (1) is a citizen or national of the U.S. or an alien who is lawfully admitted to the U.S. for permanent residence; (2) is at least 18 years of age; and (3) resides in any State. (p. 178)

(2) Means-Tested Public Benefits Program

A program of public benefits of the Federal, State or local government in which eligibility or the amount of benefits or both are determined on the basis of income, resources, or financial need. (p. 178)

(3) Federal Poverty Line

No provision.

(4) Qualifying Quarter

No provision.

No State court shall decline for lack of jurisdiction to hear any action brought against a sponsor for reimbursement for the cost of any benefit if the sponsored individual received public assistance while residing in the State. (p. 392)

An individual who (1) is a citizen or national of the U.S. or an alien who is lawfully admitted to the U.S. for permanent residence; (2) is at least 18 years of age; (3) resides in any State or U.S. territory; and (4) is able to demonstrate (through evidence which includes attested copies of tax returns for the 2 most recent tax years) the means to maintain an income equal to 200% of the Federal poverty line for the individual and the individual's family, including the person sponsored. (p. 393)

No provision.

Same meaning as in section 673(2) of the Community Services Block Grant Act. (p. 393)

A 3-month period (1) in which the sponsored individual earned at least the minimum necessary

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H. Clerical Amendment

Not applicable.

A minor clerical amendment. (p. 179)

L. Effective Date

Not applicable.

The changes regarding affidavits of support shall apply to affidavits of support executed no earlier than 60 days or later than 90 days after the Attorney General promulgates the form. (p. 179)

11. ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO SPONSORED IMMIGRANTS (Sec. 421 of House bill, Secs. 502 and 503 of Senate amendment)**A. Federal Benefits**

In determining whether an alien meets the means test for Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and Food Stamps, the resources and income of an individual who filed an affidavit of support for the alien (and the income and resources of the individual's spouse) are taken into account during a designated period after entry.

During the applicable deeming period, the income and resources of an individual who files a binding affidavit of support (as required above) for an alien (and the income and resources of the individual's spouse) are to taken into account under all Federal means-tested programs (with the exception of housing-related assistance) in determining a sponsored alien's neediness. (p. 174) Current law remains effective for aliens whose sponsors filed affidavits before the new affidavit requirements become effective (60-90 days after enactment).

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for the period to count as one of 40 calendar quarters required to qualify for Social Security retirement benefits; (2) during which the sponsored individual did not receive need-based public assistance; and (3) which falls within a tax year for which the sponsored individual had income tax liability. (p. 394)

No provision.

No provision.

During the applicable deeming period, the income and resources of an individual who filed an affidavit of support for an alien (and the income and resources of the individual's spouse) are to be taken into account under all Federally-funded means-tested programs (with the exception of the programs below) in determining the sponsored individual's neediness. (p. 383)

Excepted programs are (1) emergency Medicaid services; (2) short-term emergency disaster relief; (3) assistance provided under the National School Lunch Act or the Child Nutrition Act of 1966; (4) the Head Start program; (5) public health

Present Law

House Bill

**B. Amount of Income and Resources
Deemed**

While the offset formulas vary among the programs, the amount of income and resources deemed under AFDC, SSI, and Food Stamps is reduced by certain offsets to provide for some of the sponsor's own needs.

No provision for deeming less than full income and resources.

assistance for immunizations and, if determined by HHS, testing for or treatment of communicable diseases; and (6) programs specified by the Attorney General that (i) deliver services at the community level, (ii) do not condition assistance on the recipient's income or resources, and (iii) are necessary to protect life, safety, or public health (e.g. soup kitchens). (p. 387)

Individuals who are exempt from deeming include (1) honorably discharged legal alien veterans and their spouses and unmarried children; (2) refugees; (3) asylees (including aliens who have had their deportation stayed because it would return them to a country which will persecute them); and (4) individuals who have been battered or subjected to extreme cruelty, if application of deeming would endanger their well-being. (p. 416)

If an agency determines that a sponsored individual would not be able to obtain food and shelter without the agency's assistance (taking into account the income and resources actually provided to the individual by the sponsor and others), then deeming will not apply for a period of 12 months and the agency need take into account during this period only the amount of support the sponsor actually provides. (p. 384)

If the address of the sponsor is unknown to the sponsored individual, then assistance is provided until 12 months after the sponsor is located.

Present Law

House Bill

C. Length of Deeming Period

For AFDC and Food Stamps, sponsor-to-alien deeming applies to a sponsored alien seeking assistance within 3 years of entry. Until September 1996, sponsor-to-alien deeming applies to a sponsored alien seeking SSI within 5 years of entry.

For aliens whose sponsors have filed binding affidavits of support as required above, the sponsors' income and resources are deemed to the alien until the alien becomes a citizen. (p. 174)
Current law remains effective for aliens whose sponsors filed affidavits before the new affidavit requirements become effective (60-90 days after enactment).

D. State and Local Benefits

The highest courts of at least 2 States have held that the Supreme Court decision barring State discrimination against legal aliens in providing State benefits (*Graham v. Richardson*) prohibits State sponsor-to-alien deeming requirements for State benefits.

In determining the eligibility and amount of benefits of an alien for any State or local means-tested public benefit program, the income and resources of the alien shall be deemed to include the income and resources of their sponsor (and their sponsor's spouse). Housing related assistance continues to be treated as under current law. (p. 174)

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Deeming applies until the immigrant has worked 40 qualifying quarters (the period of time future sponsors must agree to support the immigrant) or for 5 years from the alien's arrival in the U.S. (for current noncitizens), whichever is longer. Deeming continues until the above requirements are met, regardless of whether the immigrant naturalizes or not. (p. 384)

[A qualifying quarter is a 3-month period (1) in which the sponsored individual earned at least the minimum necessary for the period to count as one of 40 calendar quarters required to qualify for Social Security retirement benefits; (2) during which the sponsored individual did not receive need-based public assistance; and (3) which falls within a tax year for which the sponsored individual had income tax liability. (p. 394)]

With the exception of those programs exempted from all benefit restrictions (see above) and those aliens exempt from deeming requirements, States and local governments may deem a sponsor's income and resources (and those of the sponsor's spouse) to a sponsored individual in determining eligibility for and the amount of needs-based benefits. State deeming provisions must also provide for temporary assistance if the sponsor is not assisting the sponsored individual or cannot be located. (p. 385)

Subtitle D - General Provisions**12. DEFINITIONS (Sec. 431 of House bill, Sec. 507 of Senate amendment)****A. In General**

Federal assistance programs that have alien eligibility restrictions generally reference specific classes defined in the Immigration and Nationality Act.

Unless otherwise provided, the terms used in this title have the same meaning as defined in Section 101(a) of the Immigration and Nationality Act. (p. 179)

B. Lawful Presence

Some programs allow benefits for otherwise eligible aliens who are "permanently residing under color of law (PRUCOL)." This term is not defined under the Immigration and Nationality Act, and there has been some inconsistency in determining which classes of aliens fit within the PRUCOL standard.

For purposes of this Title, the determination of whether an alien is lawfully present in the U.S. shall be made in accordance with regulations issued by the Attorney General. An alien shall not be considered to be lawfully present in the U.S. merely because the alien may be considered to be permanently residing in the U.S. under color of law ("PRUCOL") for purposes of any particular program. (p. 179)

C. State

There is no single definition of "State" for purposes of alien eligibility under Federal assistance programs. The Immigration and Nationality Act defines "State" to include the District of Columbia, Puerto Rico, Guam, and the Virgin Islands of the United States.

The term "State" includes the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa. (p. 180)

No provision.

An individual is lawfully present if the individual is a citizen, non-citizen national (i.e. American Samoan), permanent resident alien, refugee, asylee (including an alien who has had his/her deportation stayed because it would return him/her to a country which would persecute him/her), or an alien who has been paroled into the U.S. by the Attorney General for at least 1 year. Individuals who are not lawfully present are ineligible for any federal benefit. (p. 401)

No provision.

Present Law

House Bill

D. Public Benefits Programs**(1) Means-Tested Program**

A program of public benefits of the Federal, State, or local government in which eligibility for benefits under the program, or the amount of benefits, or both, are determined on basis of income, resources or financial need. (p. 180)

(2) Federal Benefit

No provision.

(3) Federal Means-Tested Public Benefits Programs

A means-tested public benefit program of (or contributed to by) the Federal Government under which the Federal Government establishes standards for eligibility. (p. 180)

(4) State Means-Tested Public Benefits Program

A means-tested program of a State or political subdivision under which the State or political subdivision specifies the standards of eligibility, and does not include any Federal means-tested public benefits program. (p. 181)

13. CONSTRUCTION (Sec. 432 of House bill)

Not applicable.

Nothing in this title shall be construed as addressing alien eligibility for governmental programs that are not means-tested public benefits programs. (p. 181)

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No provision.

Federal benefit means any grant, contract loan, professional or commercial license, retirement benefit, health or disability benefit, public housing, food stamps, higher education benefits, unemployment benefit, or any similar benefit provided by a Federal agency or with appropriated Federal funds. (p. 401) (Individuals who are not lawfully present are ineligible for federal benefits.)

No provision.

No provision.

[The Senate amendment's bar to Federal benefits for individuals who are not lawfully present covers a wide range of contracts, grants, licenses, and other assistance that is not means-tested.]

Present Law

House Bill

Subtitle E - Conforming Amendments

**14. CONFORMING AMENDMENTS
RELATING TO ASSISTED HOUSING (Sec.
441 of House bill, Sec. 502 of Senate amendment)**

No provision.

A series of technical and conforming amendments.
(p. 181)

Senate Amendment

Conference Agreement

A series of technical and conforming amendments.
(p. 388)

Title V - Reduction in Federal Government Positions

Present Law

House Bill

1. REDUCTIONS (Sec. 1201 of Senate amendment)

DHHS reports that 118 employees in the Office of Family Assistance (OFA) work on AFDC and 209 (full-time equivalent positions) in regional offices of the Administration on Children and Families. The OFA employees include 30 who spend some time interpreting AFDC/JOBS policy and participating with States in State plan development.

No provision.

2. REDUCTIONS IN FEDERAL BUREAUCRACY (Sec. 1202 of Senate amendment)

No provision.

Requires the DHHS Secretary to reduce the Department workforce by 245 equivalent (FTE) positions related to the AFDC program (which the amendment would replace) and by 60 full-time equivalent managerial positions. It also requires the Secretaries of Agriculture, Education, Labor, HHS, and Housing and Urban Development to report to Congress by December 31, 1995 on the number of (FTE) positions required to carry out "covered" activities before and after enactment of the amendment and to reduce the number of employees by the difference in numbers. (p. 639)
A covered activity is defined as one that the Department must carry out under a provision of this Act or a provision of Federal law that is amended or repealed by the Act. (p. 636)

This section also provides for a reduction of 75% of the FTE positions "at each such Department" that relate to any direct spending program, or program funded through discretionary spending, that is converted into a block grant program under the Act (but it calls for this action to be taken by the DHHS Secretary alone to each such Department). (p. 642)

Present Law

House Bill

**3. REDUCING PERSONNEL IN
WASHINGTON, D.C. AREA (Sec. 1203 of
Senate amendment)**

No provision.

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In making reductions the Secretaries are encouraged to reduce personnel in the Washington, D.C. area office before reducing field personnel.
(p. 643)

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The Senate amendment would permit a public housing agency to establish a ceiling on monthly rent charged to a tenant. The amendment stipulates that the amount must reflect the reasonable rental value of the unit, as compared with similar types and sizes of dwelling units in the market area, must at least equal the monthly cost to operate the housing, and must not exceed the amount payable as rent under current law (30 percent of adjusted income, or 10 percent of gross income). (p. 568)

The amendment would permit a public housing agency to disregard up to 20 percent of the earned income of the family, thus reducing its rental payment. It provides that if a housing agency offers this earnings incentive, the operating subsidy for the unit shall take no account of the resulting change in rental income until actual subsidies equal those that would have been received if all earnings were counted. (p. 569)

Present Law

House Bill

**3. FAILURE TO COMPLY WITH OTHER
WELFARE AND PUBLIC ASSISTANCE
PROGRAMS (Sec. 1003 of Senate amendment)**

See item 7, below.

No provision.

**4. APPLICABILITY TO INDIAN HOUSING
(Sec. 1004 of Senate amendment)**

The Housing and Urban Development (HUD)
Indian Housing Program operates through Indian
housing authorities. In general Indian housing
authorities are comparable to public housing
authorities in structure and function.

No provision.

**5. IMPLEMENTATION (Sec. 1005 of Senate
amendment)**

No provision.

Senate Amendment

Conference Agreement

The amendment would provide that there be no reduction in public or assisted housing rents in response to a tenant's reduced income resulting from non-compliance with welfare or public assistance program requirements; permits reduction where State or local law limits the period during which benefits may be provided. (p. 573)

Provisions of this title apply to public housing developed or operated pursuant to a contract between the HUD Secretary and an Indian housing authority. (p. 573)

The Secretary must issue regulations necessary to carry out this title and its amendments. (p. 574)

Present Law

House Bill

**6. DEMONSTRATION PROJECT FOR
ELIMINATION OF TAKE-ONE-TAKE-ALL
REQUIREMENT (Sec. 1006 of Senate
amendment)**

A federal rule requires that if a multifamily rental housing owner makes at least one unit available to a person with a section 8 certificate or voucher, the owner cannot refuse another section 8 participant on the sole basis that he has a section 8 subsidy.

No provision.

**7. FRAUD UNDER MEANS-TESTED
WELFARE AND PUBLIC ASSISTANCE
PROGRAMS (Sec. 1007 of the Senate
amendment)**

If a family's adjusted cash income declines--no matter what the reason--its housing benefit is increased (that is, its rental payment is decreased, by 30 cents per dollar). This applies to cash income from any source, including means-tested benefit programs. However, the housing programs take no account of noncash income. Thus, if food stamp benefits decline, housing benefits are unaffected.

No provision.

**8. EFFECTIVE DATE
(Sec. 1008 of Senate amendment)**

No provision.

No provision.

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Creates a demonstration project in Madison, Wisconsin, the amendment would eliminate a so-called "take-one, take-all" requirement that concerns tenant applicants with section 8 certificates or vouchers. (p. 574)

The amendment provides that if a person's means-tested benefits from a Federal, State, or local program are reduced because of an act of fraud, their benefits from public or assisted housing (and from food stamps and family assistance) may not be increased in response to the income loss caused by the penalty. (p. 575)

Date of enactment. (p. 576)

Title VII - Protection of Battered Individuals

Present Law

House Bill

**I. EXEMPTION OF BATTERED
INDIVIDUALS FROM CERTAIN
REQUIREMENTS (Sec. 701 of the Senate
amendment)**

No provision.

No provision.

No provision.

Permits the entities administering the program of Temporary Assistance for Needy Families, Child Support Enforcement, Supplemental Security Income (SSI), and food stamps to exempt from specified program rules people who were battered or subjected to extreme cruelty if it is judged that application of the rule would endanger their physical, mental, or emotional well-being. The requirements, limits, or penalties from which battered persons may be exempted include: (p. 416)

(a) Temporary Family Assistance Program -- mandatory work rule, requirement to enter a personal responsibility contract, 5-year time limit, requirement that unwed teenage parents live in adult-supervised setting, denial of aid (if State chooses this option) for new babies born to families already in the program, and denial of aid (if State chooses this option) for children born to unwed mothers under 18. A battered person who is exempted from work requirements of the program of temporary family assistance shall not be included for purposes of calculating the State's work participation rate. (p. 417)

Present Law

House Bill

No provision.

No provision.

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(b) Child support enforcement--the provision that requires the Federal Parent Locator Service to provide information regarding the location of an absent parent to an "authorized" person. A noncustodial parent who has a court order for child visitation rights would be included in the list of authorized persons and as such would be entitled to obtain information from the Federal Parent Locator Service on the whereabouts of the custodial parent. The Federal Parent Locator Service would be able to deny any location information to an authorized person if the person being sought were a battered person.

The requirements under the new programs (as established by the Senate amendment) to support and facilitate noncustodial parents' access to and visitation with their children. (p. 417)

(c) Food stamp program--the requirement (as revised by the Senate amendment) that the income and resources of a sponsored alien's sponsor be deemed to the alien; the State-option requirement for custodial parents to cooperate with child-support agencies (added by the Senate amendment); all work-related requirements (including the new work requirement for able-bodied adults without dependents added by the Senate amendment). (p. 417)

Present Law

House Bill

No provision.

No provision.

(d) Allows battered noncitizens to be eligible for SSI.

(e) Noncitizens--Battered noncitizens are exempt from the following provisions under the noncitizens title:

(1) State option to prohibit noncitizens from receiving benefits under any federally-funded means-tested program; and

(2) The deeming of a sponsor's income to a noncitizen for 5 years or the length of time specified in the affidavit of support, whichever is longer. (p. 417)

The term "battered or subjected to extreme cruelty" includes physical acts resulting in, or threatening to result in, physical injury; sexual abuse such as forcing the caretaker relative of a dependent child to engage in sexual acts or threats of or attempts at physical or sexual abuse; mental abuse; and neglect or deprivation of medical care. (p. 417)

Title XII - Miscellaneous Provisions

Present Law

House Bill

**I. EXPENDITURE OF FEDERAL FUNDS IN
ACCORDANCE WITH LAWS AND
PROCEDURES APPLICABLE TO
EXPENDITURE OF STATE FUNDS (Title
XIII, Sec. 1301 of Senate amendment)**

According to the National Conference of State Legislatures, there currently are six States in which Federal funds go to the Governor rather than the State legislature. Those States are Arizona, Colorado, Connecticut, Delaware, New Mexico, and Oklahoma.

No provision.

Stipulates that funds from certain Federal block grants to the States are to be expended in accordance with the laws and procedures applicable to the expenditure of the State's own resources (i.e., appropriated through the State legislature in all States). This provision applies to the following block grants: temporary assistance to needy families block grant under title I, the optional State food assistance block grant under title III, and the child care block grant under title VI of the Senate amendment. Thus, in the States in which the Governor previously had control over Federal funds, the State legislatures now would have control. (p. 644)

Present Law

House Bill

**2. ELIMINATION OF HOUSING
ASSISTANCE WITH RESPECT TO
FUGITIVE FELONS AND PROBATION AND
PAROLE VIOLATORS (Sec. 1302 of Senate
amendment)**

No provision.

No provision.

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Ends eligibility for public housing and Section 8 housing assistance of a person who is fleeing to avoid prosecution after conviction for a crime, or attempt to commit a crime, that is a felony where committed (or, in the case of New Jersey, is a high misdemeanor), or who is violating a condition of probation or parole. The amendment states that the person's flight shall be cause for immediate termination of their housing aid. (p. 645)

Requires specified public housing agencies to furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, social security number, and photograph (if applicable) of any SSI recipient, if the officer furnishes the public housing agency with the person's name and notifies the agency that the recipient is a fugitive felon (or in the case of New Jersey a person fleeing because of a high misdemeanor) or a probation or parole violator or that the person has information that is necessary for the officer to conduct his official duties, and the location or apprehension of the recipient is within the officer's official duties. (p. 646)

Present Law

House Bill

**3. SENSE OF THE SENATE REGARDING
ENTERPRISE ZONES (Sec. 1303 of Senate
amendment)**

No specific provision. However, as stated, the provisions outlined in the Sense of the Senate language already can be done under present law.

No provision.

**4. SENSE OF THE SENATE REGARDING
THE INABILITY OF THE NON-CUSTODIAL
PARENT TO PAY CHILD SUPPORT (Sec.
1304 of Senate amendment)**

No provision.

No provision.

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Outlines some findings related to urban centers and empowerment zones and includes sense of the Senate language that urges the 104th Congress to pass an enterprise zone bill that provides Federal tax incentives to increase the formation and expansion of small businesses and to promote commercial revitalization; allows localities to request waivers to accomplish the objectives of the enterprise zones; encourages resident management of public housing and home ownership of public housing; and authorizes pilot projects in designated enterprise zones to expand the educational opportunities for elementary and secondary school children. (p. 648)

It is the Sense of the Senate that States should pursue child support payments under all circumstances even if the noncustodial parent is unemployed or his or her whereabouts are unknown; and that States are encouraged to pursue pilot programs in which the parents of a minor non-custodial parent who refuses or is unable to pay child support contribute to the child support owed. (p. 650)

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5. FOOD STAMP ELIGIBILITY (Sec. 1305 of Senate amendment)

For purposes of determining eligibility and benefits under the Food Stamp program, the income--less a pro rata share--and financial resources of an ineligible alien are included in the income and resources of the household of which the alien is a member. [Sec. 6(f) of the Food Stamp Act]

No provision.

6. SENSE OF THE SENATE ON LEGISLATIVE ACCOUNTABILITY FOR UNFUNDED MANDATES IN WELFARE REFORM LEGISLATION (Sec. 1306 of Senate amendment)

P.L. 104-4, the Unfunded Mandates Reform Act of 1995, enacted March 22, 1995, responds to the concern of many State and local officials regarding costs placed upon them by "unfunded mandates." The Act addresses this issue by requiring the Congressional Budget Office (CBO) to estimate the costs to State, local, and tribal governments and the private sector of unfunded intergovernmental mandates that exceed a specified amount and to make the information available to the Congress before a final vote on a given piece of legislation is taken.

No provision.

Permits States to include all of an ineligible alien's income and resource in the income and resources of the household of which the alien is a member. (p. 650)

[Note: This provision applies only to those aliens made ineligible under present food stamp law, not to those who might be made ineligible for food stamps under new provisions in the Senate amendment.]

In addition to restating the "purposes" section of P.L. 104-4 as findings, the Senate amendment includes sense of the Senate language that indicates that before the Senate acts on the conference agreement on H.R. 4 (or any other welfare reform legislation), that the Senate would like CBO to include in its 7-year estimates the costs to States of meeting all work requirements (and other requirements) in the conference agreement, including those for single-parent families, two-parent families, and those who have received cash assistance for 2 years; the resources available to the State to meet these work requirements and what States are projected to spend under current welfare law; and the amount of additional revenue needed by the States to meet the work requirements. In addition, the Senate would like CBO to estimate how many States would pay a

Present Law

House Bill

**7. SENSE OF THE SENATE REGARDING
COMPETITIVE BIDDING FOR INFANT
FORMULA (Sec. 321 of House bill, Sec. 1307 of
Senate amendment)**

Under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), States must carry out cost containment measures in procuring infant formula (and, where practicable, other foods). Cost containment must be by competitive bidding or another method that yields equal or greater savings. Any cost savings may be used by the State for WIC program purposes. [Sec. 17(b) and (h) of the Child Nutrition Act]

With respect to assistance provided to women, infants, and young children under the Family Nutrition Block Grant, States are required to establish and carry out a cost containment system for procuring infant formula. States must use cost containment savings for any of the activities supported under the Family Nutrition Block Grant and must report on their system and the estimated cost savings compared to the previous year. (p. 124)

**8. ESTABLISHING NATIONAL GOALS TO
PREVENT TEENAGE PREGNANCIES (Sec.
1308 of Senate amendment)**

A. Goals

No provision.

No provision.

Senate Amendment

Conference Agreement

penalty rather than raise the additional revenue needed to comply with the specified work requirements. (p. 651)

Includes Senate findings on the success of the WIC program in: improving the health status of women, infants, and children, saving Medicaid expenditures, and establishing the importance of infant formula manufacture rebates in helping to fund the WIC program. The amendment states that it is the sense of the Senate that any legislation enacted by Congress must not eliminate or in any way weaken present competitive bidding requirements for the purchase of infant formula in programs supported with Federal funds. (p. 653)

Requires the Secretary to establish and implement by January 1, 1997, a strategy to: (1) prevent a 2% increase in out-of-wedlock teenage pregnancies, and (2) assure that at least 25% of U.S. communities have teenage pregnancy programs in place. HHS is required to report to Congress by June 30, 1998, on progress made toward meeting these 2 goals. (p. 655)

Present Law

House Bill

B. Prevention Programs

The Social Services block grant (SSGB) (sec. 2002 of SSA, 42 USC 1397a) entitles States to an allotment for services not limited to, but including: child day care; protective services for children and adults; services for children and adults in foster care; home management services; adult day care; transportation; family planning services; training and related services; employment services; information, referral and counseling; meal preparation and delivery; health support services; and, combinations of services to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, alcoholics, and drug addicts.

No provision.

See also: Title XX of the Public Health Service Act establishes the Adolescent Family Life (AFL) program to encourage adolescents to delay sexual activity and to provide services to alleviate the problems surrounding adolescent parenthood. One-third of all funding for AFL program services go to projects that provide "prevention services." The purpose of the prevention component is to find effective means within the context of the family of reaching adolescents, both male and female, before they become sexually active to maximize the guidance and support of parents and other family members in promoting abstinence from adolescent premarital sexual relations. (The FY1995 appropriation for AFL was \$6.7 million.)

Senate Amendment

Conference Agreement

Amends the Social Services block grant (SSGB) (sec. 2002 of the Social Security Act) to require the Secretary to conduct a study of the relative effectiveness of different State programs to prevent out-of-wedlock and teenage pregnancies and to require States conducting programs under this provision to provide data required by the Secretary to evaluate these programs. (p. 656)

Present Law

House Bill

**9. SENSE OF THE SENATE REGARDING
ENFORCEMENT OF STATUTORY RAPE
LAWS (Sec. 1309 of Senate amendment)**

No provision.

No provision.

**10. SANCTIONING FOR TESTING
POSITIVE FOR CONTROLLED
SUBSTANCES (Sec. 1310 of Senate amendment)**

Eligibility and benefit status for most of the Federal welfare programs are not affected by a recipient's use of illegal drugs. Even under the SSI program, as long as a recipient who is classified as a drug addict or alcoholic participates in an approved treatment plan when so directed and allows his or her treatment to be monitored, he or she is in compliance with the SSI rules, and in most cases the SSI benefit would continue without interruption.

No provision.

Senate Amendment**Conference Agreement**

Includes language that states that it is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws. (p. 657)

Stipulates that States shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances. (p. 657)

Present Law

House Bill

11. ABSTINENCE EDUCATION (Sec. 1311 of Senate amendment)

The Maternal and Child Health (MCH) block grants (title V of the SSA, 42 USC 701) provides grants to States and insular areas to fund a broad range of preventive health and primary care activities to improve the health status of mothers and children, with a special emphasis on those with low income or with limited availability of health services. Sec. 502 includes a set-aside program for projects of national or regional significance. (The FY1995 appropriation for MCH was \$684 million.) See also: Title XX of the Public Health Service Act establishes the Adolescent Family Life (AFL) program to encourage adolescents to delay sexual activity and to provide services to alleviate the problems surrounding adolescent parenthood. One-third of all funding for AFL program services go to projects that provide "prevention services." The purpose of the prevention component is to find effective means within the context of the family of reaching adolescents, both male and female, before they become sexually active to maximize the guidance and support of parents and other family members in promoting abstinence from adolescent premarital sexual relations. (The FY1995 appropriation for AFL was \$6.7 million.)

No provision.

Senate Amendment

Conference Agreement

Amends the Maternal and Child Health (MCH) block grants (title V of the SSA) to set aside \$75 million to provide abstinence education--defined as an educational or motivational program that has abstaining from sexual activity as its exclusive purpose--and to provide at the option of the State mentoring, counseling and adult supervision to promote abstinence with a focus on those groups most likely to bear children out-of-wedlock. Also increases the authorization level of MCH to \$761 million. (p. 657)

Present Law

House Bill

12. SCORING (Title VIII, Sec. 801 of House bill)

In 1985, Congress passed legislation aimed at bringing the Federal budget into balance by the early 1990s. That legislation, the Balanced Budget and Emergency Deficit Control Act of 1985, commonly referred to as Gramm-Rudman-Hollings Act after its primary sponsors, establishes a series of declining annual deficit targets and creates a process (known as sequestration) intended to insure that the deficit targets are adhered to even if Congress and the President fail to reduce the deficit sufficiently through legislative action. Under the sequestration process, across-the-board reductions in spending for many Federal programs are made automatically toward the start of the fiscal year if the deficit for that year is estimated to exceed the statutory target.

13. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS (Sec. 802 of House bill, Sec. 320 of Senate amendment)

In 1978, Congress passed the Electronic Fund Transfer Act to provide a basic framework establishing the rights, liabilities, and responsibilities of participants in electronic fund transfer systems and required the Federal Reserve Board to develop implementing regulations, which generally are referred to as Regulation E.

The House bill specifies that the discretionary spending limits in the Balanced Budget and Emergency Deficit Control Act of 1985 are to be adjusted each year based on actual appropriations compared to the level appropriated for FY 1995. Thus, if appropriations equalled the authorized amounts, the discretionary spending limits would be increased by the difference between the authorization level under H.R. 4 and the 1995 appropriation. (Under the House bill AFDC-related child care expenditures would change from mandatory spending to discretionary spending.) (p. 412)

The House bill exempts from Regulation E requirements any electronic benefit transfer program (distributing needs-tested benefits) established under State or local law or administered by a State or local government. (p. 412)

Senate Amendment

Conference Agreement

No provision.

See Sec. 320 in Senate amendment, which exempts from Regulation E any food stamp electronic benefit transfers. (p. 260)

**CONFERENCE COMPARISON OF
H.R. 4**

COMPREHENSIVE WELFARE REFORM

PART 2

Title VIII - Child Protection
Title IX - Child Care Block Grants

October, 1995

Prepared for use of the conferees

**Organization of Conference Comparison Document by Title
as Compared with Titles of House Bill and Senate Amendment**

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Supplemental Security Income	II	VI	II
Child Support Enforcement	III	VII	IX
Noncitizens	IV	IV	V
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Protection of Battered Individuals	VII	—	VII
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Child Nutrition	X	III	IV
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Title VIII - Child Protection

Present Law

House Bill

The House bill ends 22 child protection programs and places the money from these programs in a consolidated child protection block grant. The goals of the consolidated block grant include all the major goals of the 22 terminated programs. The Senate amendment repeals three programs and

1. ESTABLISHMENT OF CHILD PROTECTION BLOCK GRANT (Sec. 201 of House bill)

A. Purpose

Child Welfare Services, now provided for in Title IV-B of the Social Security Act, are designed to help States provide child welfare services, family preservation and community-based family support services, and improve State court procedures related to child welfare.

Title IV-E Foster Care and Title IV-E Adoption Assistance are intended to help States finance foster care and adoption assistance maintenance payments, administration, child placement services, and training related to foster care and adoption assistance.

The purpose of the Title IV-E Independent Living program is to help older foster children make the transition to independent living.

The House provision replaces Title IV-B and Title IV-E of the Social Security Act and several additional programs (see below) by establishing a block grant to enable eligible States to carry out child protection programs to:

- (1) identify and assist families at risk of abusing or neglecting their children;
- (2) operate a system for receiving reports of abuse or neglect of children;
- (3) investigate families reported to abuse or neglect their children;
- (4) provide support, treatment, and family preservation services to families which are, or are at risk of, abusing or neglecting their children;
- (5) support children who must be removed from or who cannot live with their families;
- (6) make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families; and
- (7) provide for continuing evaluation and improvement of child protection laws, regulations, and services. (p. 65)

[Additional programs to be replaced are: the Child Abuse Prevention and Treatment Act; the Abandoned Infants Assistance Act; adoption

consolidates and streamlines others by reauthorizing and amending the Child Abuse Prevention and Treatment Act (CAPTA). In this document, the House's child protection block grant is described first, followed by the Senate's CAPTA reforms.

The Senate amendment would leave intact child welfare services, foster care, adoption assistance and independent living, which are permanently authorized under Titles IV-B and IV-E of the Social Security Act. The Senate amendment would reauthorize the Child Abuse Prevention and Treatment Act; adoption opportunities; abandoned infants assistance; missing children's assistance; investigation and prosecution grants, and children's advocacy centers under the Victims of Child Abuse Act. The amendment would repeal both the Temporary Child Care and Crisis Nurseries Act and the Family Support Centers under the McKinney Homeless Assistance Act. (p. 576)

The Senate amendment gives the Secretary authority under CAPTA to make grants to the States for purposes of assisting the States in improving the child protective service system of each State in:

- (1) screening intake, assessing, and investigating of reports of abuse and neglect;
- (2) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations;

Present Law

House Bill

opportunities under the Child Abuse Prevention and Treatment and Adoption Reform Act; family support centers under the McKinney Homeless Assistance Act; grants to improve investigation and prosecution of child abuse cases, and children's advocacy centers under the Victims of Child Abuse Act; crisis nurseries under the Temporary Child Care and Crisis Nurseries Act; and Family Unification under Section 8 of the Housing Act.]

- (3) improving case management and delivery of services;
- (4) enhancing the general child protection system by improving risk and safety assessment tools and protocols and automation systems;
- (5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families;
- (6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;
- (7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors;
- (8) developing, implementing, or operating information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions;
- (9) developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

Present Law

House Bill

B. Eligible States**(1) Eligible State**

To be eligible for funding under Title IV-B and IV-E, States must have State plans (developed jointly with the Secretary under title IV-B, and approved by the Secretary under Title IV-E).

(2) Outline of Child Protection Program

States must have a child welfare services plan developed jointly by the Secretary and the relevant State agency which provides for single agency administration and describe services to be provided and geographic areas where services will be available, among numerous other requirements. To receive their full allotment of incentive funds under Title IV-B, States also must comply with extensive Federal Section 427 protections. The State plan also must meet many other requirements, such as setting forth a 5-year statement of goals for family preservation and family support and assuring the review of progress toward those goals. For foster care and adoption assistance, States must submit for approval a Title IV-E plan providing for a foster care and adoption assistance program and satisfying numerous requirements. The Child Abuse Prevention and Treatment Act requires States to have in effect a law for reporting known and suspected child abuse and neglect as well as providing for prompt investigation of child abuse and neglect

An "eligible State" is one that, during the 3-year period that ends on October 1 of the fiscal year, has submitted to the Secretary a plan that describes how the State intends to pursue the purposes described above. (p. 66)

A State plan must include the following:

(1) Outline of Child Protection Program including 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, using adult relatives as the preferred placement for children separated from their parents if such relatives meet all relevant standards;
- h. preventing child abuse and neglect; and
- i. establishing and responding to citizen review panels. (p. 66)

Senate Amendment**Conference Agreement**

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. See Item 6.1., below, for summary of state eligibility under CAPTA.

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. CAPTA requires a 5-year plan that is coordinated with the State plan for child welfare services and family preservation. For amendments to CAPTA requirements, see Section 6 of this document, below.

Present Law

House Bill

reports, among many other requirements.

(3) Certifications

To receive funds under the Child Abuse Prevention and Treatment Act, States must have a law in effect that provides for reporting of known and suspected instances of child abuse and neglect and provides immunity from prosecution for reporters of abuse or neglect. States also must have a program to investigate allegations of abuse or neglect, must preserve confidentiality of records, provide that every abused or neglected child involved in a court proceeding is represented by a guardian ad litem. To receive funding under Title IV-B and IV-E of the Social Security Act, States must comply with certain procedures for removal of children from their families when necessary, and must develop case plans for each child that are reviewed at least every six months and contain specified information.

Also included in the submitted plan must be the following certifications:

- a. certification of State law requiring reporting of child abuse and neglect;
- b. certification of State program to investigate child abuse and neglect cases;
- c. certification of State procedures for removal and placement of abused or neglected children;
- d. certification of State procedures for developing and reviewing written plans for permanent placement of each child removed from the family that:
 - 1) specifies the goal for achieving a permanent placement for the child in a timely fashion;
 - 2) ensures that the plan is reviewed every 6 months; and
 - 3) ensures that information about the child is gathered regularly and placed in the case record;
- e. certification that when the State begins operating under the block grant on or after October 1, 1995, families receiving adoption assistance payments at that time continue to receive adoption assistance payments;
- f. certification of State program to provide Independent Living services to 16-19 year old youths (at State option to age 21) who are in the foster care system but have no family to turn to for support;
- g. certification of state procedures to respond to reporting of medical neglect of disabled infants; and

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. CAPTA requires several certifications, many of which are identical to those outlined for the House bill. For amendments to CAPTA requirements, see Section 6 of this document, below.

Present Law

House Bill

(4) Determinations

State Title IV-B plans are developed jointly with the Secretary. State Title IV-E plans must be approved by the Secretary. The Secretary must approve any plan that complies with statutory provisions.

C. Grants to States for Child Protection**(1) Entitlement**

Titles IV-B and IV-E of the Social Security Act contain several types of funding, including substantial entitlement funding, for helping States provide assistance to troubled families and their children.

(2) Child Protection Grant Amount

Federal funds for child welfare and child protection activities consist both of direct spending under Titles IV-B and IV-E of the Social Security Act, and appropriated funds under Title IV-B of the Social Security Act and selected additional programs, including the Child Abuse Prevention and Treatment Act. (For additional programs, see Item I.A. of this document, above.)

- h. a declaration of State child welfare goals; States must, within 3 years of the date of passage, report quantifiable information on whether they are making progress toward achieving their self-defined child protection goals. (See Data Collection and Reporting, item (g) below). (p. 67)

The Secretary of HHS must determine whether the State plan includes all of the elements required above but cannot add new elements or review the adequacy of State procedures. The Secretary may not require a State to alter its child protection law regarding determination of the adequacy, type and timing of health care. (p. 71)

The block grant money is guaranteed funding to States. Each eligible State is entitled to receive from the Secretary an amount equal to the State share of the Child Protection Grant amount for fiscal years 1996 through 2000. (p. 72)

The Child Protection Grant amount is composed of both a direct spending component and an appropriated component as follows: \$3.930 billion in 1996, \$4.195 billion in 1997, \$4.507 billion in 1998, \$4.767 billion in 1999, and \$5.071 billion in 2000 in direct spending; and \$486 million in each year 1996-2000 in appropriated spending. (p. 73)

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. See item 6.N., below for description of similar CAPTA provision on medical care.

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. See item 6, below for description of similar CAPTA provision.

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. The amendment authorizes a total of \$263 million for FY1996 and such sums as necessary for FY1997 through FY2000 for State grants, State demonstration projects, discretionary activities and community-based family resource and support grants under CAPTA; adoption opportunities grants; and abandoned infants assistance grants.

Present Law

House Bill

(3) State Share

No specific allocation formula governs the allocation of foster care and adoption assistance funds to States; States are reimbursed on an open-ended entitlement basis for eligible expenditures on behalf of eligible children. Independent living allocations to States are based on each State's share of Title IV-E foster children in FY 1984. Family violence grants are awarded on the basis of State population. [Note: The family violence program would not be repealed by H.R. 4.] Child abuse State grants and community-based family resource grants are awarded on the basis of population under the age of 18. State allocations for child welfare services under Title IV-B are based on per capita income and population age 21 and under.

"State share" means each State receives the same proportion of the block grant each year as it received of payments to States by the Federal government for the following selected child welfare programs in either the average of years 1992 through 1994 or in 1994, whichever is greater:

- a. Foster care maintenance, administration, and training;
- b. Adoption assistance maintenance, administration, and training;
- c. Title IV-E independent living awards;
- d. Family violence and prevention services;
- e. Child abuse State grants;
- f. Child abuse community-based prevention grants; and
- g. Child welfare services. (p. 73)

Senate Amendment**Conference Agreement**

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. See Item 6, below, for description of similar CAPTA provision.

Present Law

House Bill

(4) Definition of State

Under Titles IV-B and IV-E of the Social Security Act, "State" means the 50 States and the District of Columbia. The Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa receive funds through set-asides and under special rules.

"State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. (p. 74)

(5) Use of Grant

Funds must be used for: "protecting and promoting the welfare of children... preventing unnecessary separation of children from their families...restoring children to their families if they have been removed...family preservation services...community-based family support services to promote the well-being of children and families and to increase parents' confidence and competence." Foster care maintenance and adoption assistance payments are an open-ended entitlement to individuals.

A State to which funds are paid under this section may use such funds in any manner that the State deems appropriate to accomplish the purposes of this part. Permissible spending includes, but is not limited to: abuse and neglect reporting systems, abuse and neglect prevention, family preservation, foster care, adoption, program administration, and training. (p. 74)

(6) Transfer of Funds

No provision.

In FY1998 and succeeding years, States may transfer up to 30% of funds paid under this section for activities under any or all of the following: the temporary assistance for needy families block grant; the social services block grant under Title XX of the Social Security Act; the child care and development block grant; and any food and nutrition or employment and training grants enacted during the 104th Congress. Rules of the recipient program will apply to the transferred funds. Funds may be transferred into the Child Protection Block Grant from other block grants and are then subject to the rules of this part. (p.

Senate Amendment**Conference Agreement**

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. CAPTA grants can be used for improving child protective services, investigation and reporting of abuse and neglect, case management and delivery of services to children and families, training for service providers and abuse reporters, demonstration projects, kinship care arrangements, abuse and neglect prevention, and similar activities.

No provision.

Present Law

House Bill

(7) Timing of Expenditures

Provisions vary under programs to be replaced. Under Title IV-E, States have up to two fiscal years in which to claim reimbursement for expenditures.

(8) Rule of Interpretation

For-profit foster care providers are not eligible for Federal funding under Title IV-E.

(9) Timing of Payments

Under Title IV-B, the Secretary makes payments to States periodically. Under Title IV-E, the Secretary reimburses States for expenditures on a quarterly basis.

(10) Penalties

States that do not comply with Section 427 child protections may not receive their share of Title IV-B appropriations above \$141 million. However, effective April 1, 1996, these protections are to become State plan requirements and the incentive funding mechanism will no longer be in effect. Section 1123 of the Social Security Act requires the Secretary to establish by regulation a new Federal review system for child welfare, which would allow penalties for misuse of funds.

75)

A State to which funds are paid under this section for a fiscal year shall expend such funds not later than the end of the immediately succeeding fiscal year. (p. 76)

Nothing in this act shall preclude for-profit short- and long-term foster care facilities from being eligible to receive funds from this block grant. (p. 76)

The Secretary must make payments on a quarterly basis. (p. 76)

The Secretary must reduce amounts otherwise payable to a State by any amount which an audit conducted under the Single Audit Act finds has been used in violation of this part. The Secretary, however, shall not reduce any quarterly payment by more than 25 percent. The amount of misspent funds will be withheld from the State's payments during the following year, if necessary, to recover the full amount of the penalty.

a. If an audit conducted pursuant to the Single Audit Act finds that a State has reduced its level of expenditures in FY1996 or 1997 below its level of non-Federal expenditures in FY1995 under Title IV-B or Title IV-E, the Secretary must reduce subsequent amounts otherwise payable to the State

Senate Amendment**Conference Agreement**

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

No provision.

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

Present Law

House Bill

(11) Limitation on Federal Authority
See item (10), above.

D. Child Protection Standards

In order to receive its full share of appropriations for child welfare services under subpart 1 of Title IV-B, each State must meet section 427 protections, including requirements that it: conduct an inventory of children in foster care; operate a tracking system for all children in foster care; operate a case review system for all children in foster care; and conduct a service program to reunite foster children with their families if appropriate, or be placed for adoption or another permanent placement. In addition, if Federal appropriations for the program reach \$325 million for two consecutive years, States also must implement a preplacement preventive services program to help children remain with their families. [This funding level has never been reached] Effective April 1, 1996, these provisions are scheduled to become mandatory

by an amount equal to the difference between State spending in FY1995 and the current year.

b. The Secretary must reduce by 3 percent the amount otherwise payable to a State for a fiscal year if the State has not submitted a report required (see item 7 below) for the immediately preceding fiscal year within 6 months after the end of the year. The penalty may be rescinded if the report is submitted within 12 months after the end of the year. (p. 76)

Except as expressly provided in this part, the Secretary may not regulate the conduct of States under this part or enforce any provision of this part. (p. 79)

(1) The following standards are included in the bill to indicate what States must do to assure the protection of children and to provide guidance to the Citizen Review Panels:

- a. the primary standard by which child welfare system shall be judged is the protection of children;
- b. each State shall investigate reports of abuse and neglect promptly;
- c. children removed from their homes shall have a permanency plan and a dispositional hearing within 3 months after a fact-finding hearing; and
- d. all child protection cases with an out-of-home placement shall be reviewed every 6 months unless the child is already in a long-term placement. (p. 79)

(2) A State receiving funds from this block grant

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact.

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. CAPTA requires a number of certifications by the State, including several that are similar to standards in the House block grant. For details see Item 6.1; below.

No directly comparable provision in Titles IV-B or

Present Law

House Bill

State plan requirements, rather than funding incentives, under legislation enacted on Oct. 31, 1994 (P.L. 103-432). States also will be required to review their policies and procedures regarding abandoned children and to implement policies and procedures considered necessary to enable permanent decisions to be made expeditiously with regard to placement of such children.

E. Citizen Review Panels

(1) Establishment; Composition; and Frequency of Meetings
No provision.

(2) Duties
No provision.

(3) State Assistance
No provision.

may consider: establishing a new type of permanent foster care placement referred to as "kinship care" in which adult relatives would be the preferred placement option if they met all relevant standards, and could receive needs-based payments and supportive services; and, in placing children for adoption, giving preference to adult relatives who meet applicable standards.

Each State to which funds are paid under this part must have at least 3 Citizen Review Panels. Each Panel is to be broadly representative of the community from which it is drawn. (p. 80)

The Panels, which must meet at least quarterly, are charged with the responsibility of reviewing cases from the child welfare system to determine whether State and local agencies receiving funds under this program are carrying out activities in accord with the State plan, are achieving the child protection standards, and are meeting any other child welfare criteria that the Panels consider important. (p. 81)

The members and staff of any Panel must not disclose to any person or government agency any information about specific cases. States must afford a Panel access to any information on any case that the Panel desires to review, and shall provide the Panels with staff assistance in performing their duties. (p. 81)

Senate Amendment**Conference Agreement**

IV-E. Under CAPTA, the Secretary may award grants to public entities to develop or implement procedures using adult relatives as the preferred placement for children removed from their home; see item 6.H. below.

No provision.

No provision.

No provision.

Present Law

House Bill

(4) Reports

No provision.

Panels must produce a public report after each meeting and States must include information in their annual report detailing their responses to the panel report and recommendations. (See Data Collection and Reporting, item G. below.) (p. 82)

F. Clearinghouse and Hotline for Missing and Runaway Children

The Missing Children's Assistance Act, authorized as part of the Juvenile Justice and Delinquency Prevention Act, authorizes a toll-free hotline and national clearinghouse to collect and disseminate information about missing children.

The Attorney General of the United States shall have the authority to establish and operate a national information clearinghouse, including a 24-hour toll free telephone hotline, for information on missing children cases. An appropriation not to exceed \$7 million per fiscal year is authorized for this purpose. (p. 82)

G. Data Collection and Reporting**(1) Annual Reports on State Child Welfare Goals**

No provision.

Three years after the effective date and annually thereafter, each State to which funds are paid under this part must submit to the Secretary a report containing quantitative information on the extent to which the State is making progress toward its child protection program goals (as described above). (p. 82)

(2) Annual State Data Reports

States are not required to report specific child welfare data. Section 479 requires the Secretary to publish regulations that implement a system for the collection of adoption and foster care data. These regulations were published as final on Dec. 22, 1993, and are mandatory for all States. In addition, section 13713 of the

Each State to which funds are paid under this part must annually submit to the Secretary of Health and Human Services a report that includes the following annual statistics:

- (1) the number of children reported to the State during the year as abused or neglected;
- (2) of the number of reported cases of abuse or neglect, the number that were substantiated;

Senate Amendment**Conference Agreement**

No provision.

Reauthorizes the Missing Children's Assistance Act through FY 1997 (see Item 12.A. of this document, below).

No provision.

No directly comparable provision in Titles IV-B or IV-E. Current law would remain intact. States receiving CAPTA grants must submit annual data reports to the Secretary (see Item 6.1, below). CAPTA requires States to report 10 data elements, many of which are substantially similar to the House reporting requirements.

Present Law

Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66) makes available enhanced federal matching funds (75 percent federal match instead of 50 percent) for planning, design, development and installation of statewide automated child welfare information systems. Regulations governing these systems were published on Dec. 22, 1993, and May 19, 1995. The enhanced match expires after Sept. 30, 1996.

House Bill

- (3) of the number of reported cases that were substantiated, (a) the number that received no services under the State program funded under this part; (b) the number that received services under the State program funded under this part; and (c) the number removed from their families;
- (4) the number of families that received preventive services from the State;
- (5) the number of children who entered foster care under the responsibility of the State;
- (6) the number of children who exited foster care under the responsibility of the State;
- (7) types of foster care placements made by State and the number of children in each type of care;
- (8) average length of foster care placements made by State;
- (9) the age, ethnicity, gender, and family income of children placed in foster care under the responsibility of the State;
- (10) the number of children in foster care for whom the State has the goal of adoption;
- (11) the number of children in foster care under the responsibility of the State who were freed for adoption;
- (12) the number of children in foster care under the responsibility of the State whose adoptions were finalized;
- (13) the number of disrupted adoptions in the State;
- (14) quantitative measurements showing whether the State is making progress toward the child protection goals identified by the State;
- (15) the number of infants abandoned during the year, the number of these infants who were adopted, and the length of time between abandonment and legal adoption;
- (16) the number of deaths of children occurring while said children were in custody of the State;

Senate Amendment

Conference Agreement

Present Law

House Bill

(3) Authority of States to Use Estimates

No provision.

(17) the number of deaths of children resulting from child abuse or neglect;
(18) the number of children served by the State Independent Living program;
(19) other information which the Secretary and a majority of the States agree is appropriate to collect for purposes of this part; and
(20) the response of the State to findings and recommendations of the citizen review panels.
(p. 83)

States may fulfill the data collection and reporting requirements by collecting the required information on either individual children and families receiving child protection services or by using scientific statistical sampling methods. (p. 85)

(4) Annual Report by the Secretary

No provision.

Within 6 months after the end of each fiscal year, the Secretary must prepare an annual report on State data for Congress and the public. (p. 86)

H. Research and Training

Current law authorizes appropriations for research under Title IV-B of the Social Security Act and the Child Abuse Prevention and Treatment Act. In FY 1995, \$6 million is appropriated under Title IV-B and \$9 million under CAPTA.

An appropriation of \$10 million per year is authorized for the Secretary to spend at her discretion on research and training in child welfare. (p. 86)

No provision.

Requires the Secretary, in administering CAPTA, to prepare annual reports, based on State data, for Congress and the national information clearinghouse on child abuse and neglect. (See Item 6.I, below.) - Requires Secretary in 6 months after receiving State reports to prepare and submit annual report to Congress.

No directly comparable provision in Titles IV-B or IV-E. Current law under Title IV-B would remain intact, and CAPTA would be reauthorized. Although CAPTA has no separate authorization for research and training, the Secretary has discretionary authority to conduct research and training. For details see Item 6.G., below.

Present Law

House Bill

I. National Random Sample Study of Child Welfare

No provision.

The Secretary is provided with \$6 million per year for fiscal years 1996-2000 to conduct a national random-sample study of child welfare. The study will have a longitudinal component, yield data reliable at the State level for as many States as the Secretary determines is feasible, and should alternate data collection in small States from year-to-year to yield an occasional picture of child welfare in small States. The Secretary has discretion in drawing the sample and in selecting measures, but should carefully consider selecting the sample from all cases of confirmed abuse and neglect and then following each case over several years while obtaining such measures as type of abuse or neglect involved, frequency of contact with agencies, whether the child was separated from the family, types and characteristics of out-of-home placements, number of placements, and average length of placement. The Secretary must prepare occasional reports on this study and make them available to the public. The reports should summarize and compare the results of this study with the data reported by States. Written reports or tapes of the raw data from the study should be made available to the public at a fee the Secretary thinks appropriate. (p. 86)

J. Removal of Barriers to Interethnic Adoption**(1) Multiethnic Placements**

State law governs adoption and foster care placement. Forty three States permit race matching either in regulation, statute, policy or practice. The Metzenbaum Multiethnic Placement Act of 1994

Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 is repealed. (See conforming amendments, item 2 below.) In addition, a State or other entity that receives Federal assistance may not deny to any person the

Senate Amendment

Conference Agreement

No provision.

No provision.

Present Law

House Bill

permits States to consider race and ethnicity in selecting a foster care or adoptive home, but States cannot delay or deny the placement of the child solely on the basis of race, color or national origin.

(2) Penalties
No provision.

(3) Private Cause of Action
Noncompliance with the Metzenbaum Act is deemed a violation of title VI of the Civil Rights Act.

2. CONFORMING AMENDMENTS (Sec. 202 of House bill)

No provision.

opportunity to become an adoptive or a foster parent on the basis of the race, color, or national origin of the person or of the child involved. Similarly, no State or other entity receiving Federal funds can delay or deny the placement of a child for adoption or foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent or the child involved. (p. 88)

A State or other entity that violates this provision during a period shall remit to the Secretary all funds that were paid to the State or entity during the period. (p. 89)

An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred. (p. 89)

This section contains technical amendments that conform provisions of the bill to Titles IV-D and XVI of the Social Security Act, and to the Omnibus Budget Reconciliation Act of 1986, and provide for the repeal of Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994, Title IV-E of the Social Security Act, section 13712 of the Omnibus Budget Reconciliation Act of 1993, and subtitle C of Title 17 of the Violent Crime Control and Law Enforcement Act of 1994. (p. 90) (Under section 371 of Title III-C of the House bill, the following additional programs are repealed related to the

Senate Amendment**Conference Agreement**

No provision.

No provision.

No provision.

Present Law

House Bill

Child Protection Block Grant: abandoned infants assistance, the Child Abuse Prevention and Treatment Act, adoption opportunities, crisis nurseries, missing children's assistance, family support centers, certain activities under the Victims of Child Abuse Act, and Family Unification under the Housing Act.) (p. 153)

**3. CONTINUED APPLICATION OF
CURRENT STANDARDS UNDER MEDICAID
PROGRAM (Sec. 203 of House bill)**

Children for whom federal foster care payments are made are deemed to be "dependent children" for purposes of Medicaid eligibility.

Conforms Medicaid coverage of this title with title I of the House bill. In general, the Medicaid provision is designed to ensure that individuals who receive Medicaid coverage under current law will continue to be covered after passage of H.R.4. Here is a summary of Medicaid provision from title I: "An individual who on enactment was receiving AFDC, was eligible for medical assistance under the State plan under this title, and would be eligible to receive aid or assistance under a State plan approved under part A of title IV but for the prohibition on grant funds being used to provide assistance to noncitizens, minor unwed mothers or their children, or children born to families already on welfare, would continue to be eligible for Medicaid. Families leaving welfare for work would also continue to receive the 1-year Medicaid transition benefit." (p. 92)

No provision.

Present Law

House Bill

4. EFFECTIVE DATE (Sec. 204 of House bill)

No provision.

Unless otherwise indicated in particular sections of the bill, the amendments and repeals made by this title take effect on October 1, 1995. The amendments shall not apply with respect to powers, duties, functions, rights, claims, penalties, or obligations applicable to aid or services provided before the effective date, or to administrative actions and proceedings commenced, or authorized to be commenced, before the effective date. (p. 93)

**5. SENSE OF THE CONGRESS REGARDING
TIMELY ADOPTION OF CHILDREN (Sec.
205 of House bill)**

No provision.

It is the sense of the Congress that:

- (1) too many adoptable children are spending too much time in foster care;
- (2) States must increase the number of waiting children being adopted in a timely manner;
- (3) Studies have shown that States would save significant amounts of money if they offered incentives to families to adopt special needs children who would otherwise require foster care;
- (4) States should allocate sufficient funds for adoption and medical assistance to encourage families to adopt children who are languishing in foster care;
- (5) States should offer incentives for families that adopt special needs children to make adoption more affordable for middle-income families;
- (6) States should strive to provide children removed from their biological parents with a single foster care placement and case team and to conclude an adoption of the child, when adoption is the goal, within one year of the child's

Senate Amendment**Conference Agreement**

No provision.

Title VIII of the Senate amendment addresses adoption issues. See Section 13, below. (p. 418)

Present Law

House Bill

	placement in foster care; and (7) States should participate in programs to enable maximum visibility of waiting children to potential parents, including a nationwide computer network to disseminate information on children eligible for adoption. (p. 93)
6. CHILD ABUSE PREVENTION AND TREATMENT; GENERAL PROGRAM (Subtitle A of Title XI of the Senate amendment)	Repeals CAPTA, to be replaced by the Child Protection Block Grant. (p. 154)
A. Reference	No provision.
B. Findings Section 2 of CAPTA contains findings with regard to the scope of child abuse and neglect, the need for a comprehensive approach to address child abuse and neglect, various goals with regard to national policy, and the appropriate federal role in this area.	No provision.
C. Office of Child Abuse and Neglect Section 101 of CAPTA requires the Secretary of HHS to establish a National Center on Child Abuse and Neglect.	No provision.

Provides that, unless otherwise indicated, any amendments or repeals should be considered to apply to the Child Abuse Prevention and Treatment Act (CAPTA). (p. 576)

Amends section 2 to update findings with regard to the scope of child abuse and neglect and to make minor changes, including change of references from "child protection" to "child and family protection." (p. 576)

Amends section 101 to allow the Secretary of HHS to establish an Office on Child Abuse and Neglect which would be responsible for executing and coordinating the functions and activities authorized by CAPTA. Repeals current mandate for a National Center on Child Abuse and Neglect. (p. 577)

Present Law

House Bill

D. Advisory Board on Child Abuse and Neglect

Section 102 of CAPTA requires the Secretary to appoint a U.S. Advisory Board on Child Abuse and Neglect, and specifies the composition and duties of the board.

No provision.

E. Repeal of Interagency Task Force

Section 103 of CAPTA requires the Secretary to establish an Interagency Task Force on Child Abuse and Neglect.

No provision.

F. National Clearinghouse for Information Relating to Child Abuse and Neglect

Section 104 of CAPTA requires the Secretary to establish a national clearinghouse for information relating to child abuse and neglect.

No provision.

Amends section 102 by repealing current mandate for a U.S. Advisory Board on Child Abuse and Neglect, and instead allows the Secretary of HHS to appoint an advisory board to make recommendations concerning child abuse and neglect issues. Duties of the new board would include making recommendations on coordination of Federal, State and local child abuse and neglect activities with similar activities regarding family violence at those levels; specific modifications needed in Federal and State laws to reduce the number of unfounded or unsubstantiated cases of child maltreatment; and modifications needed to facilitate coordinated data collection with respect to child protection and child welfare. (p. 578)

Repeals section 103 of CAPTA. (p. 581)

Amends section 104 to retain authorization for a national information clearinghouse on child abuse and neglect, and expands the duties of the clearinghouse to include collecting data on false and unsubstantiated reports and deaths resulting from child abuse and neglect, and, through a national data collection and analysis program, to collect and make available State child abuse and neglect reporting information which, to the extent practical, is universal and case specific, and integrated with other case-based foster care and adoption data collected by HHS. (p. 581)

Present Law

House Bill

G. Research, Evaluation and Assistance Activities

Section 105 of CAPTA authorizes the Secretary, through the National Center, to conduct research and technical assistance related to child abuse and neglect.

Authorizes appropriations of \$10 million annually for the Secretary to conduct research and training related to child welfare. (See Item I.H., above).
(p. 86)

H. Grants for Demonstration Programs

Section 106 of CAPTA authorizes the Secretary to make grants to public agencies and private nonprofit organizations for demonstration or service programs or projects, that must include an evaluation component; resource centers; and discretionary grants that may be used for a variety of purposes.

No provision.

Amends section 105 to restructure the research activities function of the Secretary of HHS by deleting references to the National Center and by requiring research on additional issues, including substantiated and unsubstantiated reported child abuse cases. Authorizes technical assistance to include evaluation or identification of: various methods for investigation, assessment, and prosecution of child physical and sexual abuse cases; ways to mitigate psychological trauma to child victims; and effective programs carried out under CAPTA. Allows the Secretary of HHS to provide for dissemination of information related to various training resources available at the State and local levels. Continues authorization for a formal peer review process which utilizes scientifically valid review criteria. (p. 583)

Amends section 106 to retain authority for the demonstration grants program and to change the criteria for awarding grants. Authorizes the following purposes for demonstration programs and projects: training programs, mutual support and self-help programs for parents, innovative programs that use collaborative partnerships between various agencies to allow for establishment of a triage system in responding to child abuse and neglect reports; kinship care programs, and supervised visitation centers for families where there has been child abuse or domestic violence. All demonstration projects will be evaluated for their effectiveness. (p. 589)

Present Law

House Bill

I. State Grants for Prevention and Treatment Programs

Section 107 of CAPTA authorizes the Secretary to make development and operation grants to States to assist them in improving their child protective service systems. States must meet certain eligibility requirements, which include having a State law in effect providing for reporting of child abuse or neglect allegations and providing immunity from prosecution for reporters of abuse or neglect.

Requires that States have in place procedures for responding to reports of medical neglect, including instances of withholding medically indicated treatment from disabled infants with life-threatening conditions.

States would receive Child Protection Block Grants, which would be used for child protective service systems, among other related activities. To receive block grants, States must certify that they have in effect a State law for reporting of child abuse or neglect, a program to investigate child abuse and neglect reports, and procedures to respond to reporting of medical neglect of disabled infants among other requirements. (See Item I.B. (2) and (3), above.) (pp. 66 and 67)

Revises section 107. Under revised eligibility requirements, States would provide an assurance or certification, signed by the chief executive officer of the State, that the State has a law or statewide program relating to procedures for: reporting of known and suspected instances of child abuse and neglect; immediate screening, safety assessment, and prompt investigation of such reports; procedures for immediate steps to be taken to protect the safety of children; provisions for immunity from prosecution for individuals making good faith reports of child abuse; methods for preserving confidentiality of records; requirements for the prompt disclosure of relevant information to appropriate entities working to protect children; the cooperation of law enforcement officials, court personnel and human services agencies; provision for the appointment of a guardian ad litem to represent the child in any judicial proceedings; and provisions that facilitate the prompt expungement of unsubstantiated or false child abuse reports.

Requires that States have in place procedures for responding to reports of medical neglect, including instances of withholding medically indicated treatment from disabled infants with life-threatening conditions.

States must have in place, within two years of enactment, provisions by which individuals who disagree with an official finding of abuse or neglect can appeal such a finding.

States would submit a plan every 5 years, instead of 4, demonstrating their eligibility and specifics about how their grant money will be used.

Present Law

House Bill

Requires States participating in the Child Protection Block Grant to submit detailed annual data reports to the Secretary. (See Item 1.G.2., above.) (p. 83) The Secretary would prepare annual reports for Congress. (See Item 1.G.4., above.) (p. 86)

J. Repeal

Section 108 of CAPTA authorizes the Secretary to provide training and technical assistance to States.

No provision.

K. Miscellaneous Requirements

Section 110(c) of CAPTA requires the Secretary to ensure that a majority share of assistance under CAPTA is available for discretionary research and demonstration grants.

No provision.

Senate Amendment**Conference Agreement**

States would be required to work annually with the Secretary to provide, to the maximum extent practicable, a report containing specified data on their child protective service systems, including the number of children reported as abused or neglected, data on substantiation of reports, services provided to reported children, preventive services provided to families, the number of child deaths resulting from abuse or neglect including the number of children who died while in foster care, number of caseworkers responsible for intake and screening, agency response time to abuse or neglect reports, response time with respect to provision of services to families where abuse or neglect has been alleged, and the number of caseworkers relative to the number of reports investigated in the previous year. The Secretary would prepare a report based on State data, to be submitted to Congress and the national information clearinghouse on child abuse and neglect. (p. 594)

Repeals section 108. (p. 604)

Strikes section 110(c). (p. 604)

Present Law

House Bill

L. Definitions

Section 113 of CAPTA contains definitions.

No provision.

M. Authorization of Appropriations

Section 114(a) authorizes appropriations for Title I of CAPTA, and specifies how funds are to be allocated among authorized activities. The authorization of appropriations expires at the end of FY1995.

The House bill has no funding for CAPTA but includes funding for the Child Protection Block Grant; see sections C.1. and C.2., above.

Senate Amendment

Conference Agreement

Amends section 113 to change some definitions. Strikes definitions of "Board" and "Center," and changes the definition of "child abuse and neglect" to mean, at a minimum, "any recent act or failure to act on the part of a parent or caretaker, which results in death, serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which presents an imminent risk of serious harm." (p. 604)

Amends section 114(a) to authorize \$100 million in FY1996, and "such sums as necessary" in FYs 1997-2000, for Title I of CAPTA. Requires that one-third of funds be spent on discretionary activities and, that of funds reserved for discretionary activities, no more than 40 percent shall be for demonstration projects under section 106. (p. 604)

Present Law

House Bill

N. Rule of Construction

No provision.

No directly comparable provision, but see section 1.B.4., above.

O. Technical Amendment

No provision.

No provision.

**7. COMMUNITY-BASED FAMILY
RESOURCE AND SUPPORT GRANTS**
(Subtitle B of Title XI, Sec. 1131 of Senate
amendment)

Title II of CAPTA authorizes the Secretary to
make grants to States for Community-Based
Family Resource Programs.

No provision..

Senate Amendment**Conference Agreement**

Establishes a new section of CAPTA that addresses the issue of spiritual treatment of children. The section does not require a parent or legal guardian to provide a child with medical service or treatment, against his or her religious beliefs, nor does it require a State to find, or prohibit a State from finding, abuse or neglect in cases where the parent or guardian relied solely or partially on spiritual means rather than medical treatment, in accordance with their religious beliefs. The section requires a State to have in place authority under State law to pursue any legal remedies necessary to provide medical care or treatment when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life-threatening conditions. Each State has sole discretion over its case-by-case determinations relating to medical neglect. (p. 605)

Makes a technical amendment to section 1404A of the Victims of Crime Act. (p. 606)

Replaces current law with a new Title II to establish Community-Based Family Resource and Support Grants, as follows:

Present Law

House Bill

A. Purpose and Authority

No provision.

States could use Child Protection Block Grant allotments for family resource and support services. (See Item 1.C.(5), above.)

B. Eligibility

No provision.

No provision.

Establishes the purpose of Title II as: to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs. Authorizes the Secretary of HHS to make grants on a formula basis to entities designated by States as "lead entities." (p. 607)

Establishes eligibility requirements for States to receive grants. States are eligible if:

- 1) the chief executive officer has designated a lead entity that is an existing public, quasi-public or nonprofit private entity, with priority for the State trust fund advisory board or an existing entity that leverages funds for a broad range of child abuse and neglect prevention activities and family resource programs;
- 2) the chief executive officer assures that the lead entity will provide or be responsible for providing a network of community-based family resource and support programs and providing direction and oversight to the network; and
- 3) the chief executive officer assures that the lead entity has a demonstrated commitment to parental participation, a demonstrated ability to work with State and community-based public and private nonprofit organizations, the capacity to provide operational support and training and technical assistance to the statewide network of community-based family resource and support programs, and will integrate its efforts with experienced individuals and organizations. (p. 610)

Present Law

House Bill

C. Amount of Grant
No provision.

No provision.

D. Existing and Continuation Grants
No provision.

No provision.

Senate Amendment

Conference Agreement

Reserves 1 percent of appropriations for Title II of CAPTA for allotments to Indian tribes and tribal organizations and migrant programs. Remaining funds are allotted to States equally according to the State "minor child amount" and the State "matchable amount." The State minor child amount is based on the State's relative population of children under 18, except that no State can receive less than \$250,000. The State matching amount is based each State's relative amount of funds (including foundation, corporate and other private funding, State revenues and Federal funds) that have been dedicated toward the purposes of this program. (p. 613)

Provides that any State or entity that has a grant, contract, or cooperative agreement in effective on the date of enactment, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care and Crisis Nurseries Program, shall continue to be funded under the original terms through the end of the applicable grant cycle. Also allows the Secretary to continue grants for Family Resource and Support Program grantees and other programs funded under CAPTA on a non-competitive basis, subject to available appropriations, grantee performance, and receipt of required reports. (p. 615)

Present Law

House Bill

E. Application
No provision.

No provision.

Provides that, to receive grants under Title II, States must submit an application to the Secretary containing information requested by the Secretary, including:

- 1) a description of the lead entity;
- 2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate, and how family resource and support services will be integrated into a continuum of preventive services for children and families;
- 3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource programs in the State, and a description of current unmet needs, will be provided;
- 4) a budget for the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will spend an amount equal to no less than 20 percent of the amount received under this program (in cash, not in-kind);
- 5) an assurance that funds received under this Title will supplement and not supplant other State and local public funds designated for the statewide network of family resource and support programs;
- 6) an assurance that the statewide network of family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;
- 7) an assurance that the State has the capacity to ensure meaningful involvement of parents;
- 8) a description of the criteria to be used to develop, or select and fund, individual programs to be part of the statewide network;

Present Law

House Bill

Senate Amendment

Conference Agreement

9) a description of outreach activities that will be used to maximize the participation of racial and ethnic minorities, new immigrant populations, children and adults with disabilities, homeless families and those at risk of homelessness, and members of other underserved or underrepresented groups;

10) a plan for providing operational support, training and technical assistance to family resource and support programs;

11) a description of how activities will be evaluated;

12) a description of actions that will be taken to advocate changes in State policies, practices, procedures, and regulations to improve the delivery of family resource and support program services to all children and families; and

13) an assurance that reports will be submitted to the Secretary on time and containing requested information. (p. 616)

Present Law

House Bill

F. Local Program Requirements
No provision.

No provision.

Grants will be used for family resource and support programs that:

- 1) assess community assets and needs through a planning process that includes parents, local agencies, and private sector representatives;
- 2) develop a strategy to provide a continuum of preventive, holistic, family-centered services to children and families;
- 3) provide "core" services, such as parent education, support and self-help, and leadership services, developmental screening of children, outreach, referral and follow-up services; "other core" services, which can be provided directly or through contracts, including respite services; and access to "optional" services, including child care, early childhood development and intervention, services for families with children with disabilities, job readiness, educational services, self-sufficiency and life management skills training, community referral services, and peer counseling
- 4) develop leadership roles for the meaningful involvement of parents;
- 5) provide leadership in mobilizing local resources to support family resource and support programs; and
- 6) participate with other community-based, prevention-focused family resource and support programs in developing and operating the statewide network.

Priority for local grants shall be given to community-based programs serving low-income communities and those serving young parents or parents with young children, and to family resource and support programs previously funded under the programs consolidated by this Title.

(p. 619)

Present Law

House Bill

G. Performance Measures
No provision.

No provision.

States receiving grants must submit reports to the Secretary that:

- 1) demonstrate effective development of a statewide network of family resource and support programs;
- 2) supply an inventory and description of services provided to families, including "core" and "optional" services;
- 3) demonstrate the establishment of new respite and other new family services, and expansion of existing services, to meet identified unmet needs;
- 4) describe number of families served (including families with children with disabilities), and the involvement of a diverse representation of families in designing, operating and evaluating the statewide network of family resource and support programs;
- 5) demonstrate a high level of satisfaction among families that have used family resource and support program services;
- 6) demonstrate innovative funding mechanisms that blend Federal, State, local and private funds, and innovative and interdisciplinary service delivery mechanisms;
- 7) describe the results of a peer review process conducted under the State program; and
- 8) demonstrate an implementation plan to ensure continued leadership of parents in family resource and support programs. (p. 622)

Present Law

House Bill

H. National Network for Community-Based Family Resource Programs

No provision.

No provision.

I. Definitions

No provision.

No provision.

J. Authorization of Appropriations

No provision.

No provision.

8. REPEALS (Sec. 1132 of Senate amendment)

No provision.

Repeals the crisis nurseries portion of Temporary Child Care and Crisis Nurseries; and family support centers under the Stewart B. McKinney Homeless Assistance Act. (See Item 2, above.)

9. FAMILY VIOLENCE PREVENTION AND SERVICES; (Subtitle C of Title XI, Sec. 1141 of Senate amendment)

No provision.

Authorizes the Secretary to allocate such sums as necessary from the amount provided under the State allotment to support State activities related to a peer review process, an information clearinghouse, a yearly symposium, a computerized communication system between State lead entities, and State-to-State technical assistance through biannual conferences. (p. 624)

Defines the following terms: "children with disabilities," "community referral services," "culturally competent," "family resource and support program," "national network for community-based family resource programs," "outreach services," and "respite services." (p. 624)

Authorizes \$108 million for Title II for each of FYs 1996-2000. (p. 629)

Repeals the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act. Also repeals family support centers under Subtitle F of Title VII of the Stewart B. McKinney Homeless Assistance Act. (p. 629)

Provides that amendments in Subtitle C of Title XI of the Senate amendment are to the Family Violence Prevention and Services Act. (p. 630)

Present Law

House Bill

A. State Demonstration Grants

No provision.

B. Allotments

No provision.

C. Authorization of Appropriations

Section 310 of the Family Violence Prevention and Services Act authorizes appropriations for the program and specifies how funds are to be allocated among activities.

No provision.

Amends section 303(e) of the Family Violence Prevention and Services Act, relating to non-Federal matching requirements. (p. 630)

Amends section 304(a)(1) of Family Violence Prevention and Services Act. (p. 630)

Amends section 310 of Family Violence Prevention and Services Act to reduce from 80% to 70% the minimum amount of funds to be used for making grants to States for family violence activities. Also requires the Secretary to use not less than 10% of appropriations for grants for State family violence coalitions, and provides that federal funds made available under this program must be used to supplement and not supplant other federal, State or local public funds expended for similar activities. (p. 630)

Present Law

House Bill

**10. ADOPTION OPPORTUNITIES;
REFERENCE (Subtitle D of Title XI, Sec. 1151
of Senate amendment)****A. Findings and Purpose**

Section 201 of the adoption opportunities program establishes congressional findings with regard to the child welfare population, and declares the program's purpose to facilitate the elimination of barriers to adoption and to provide permanent homes for children who would benefit from adoption, particularly children with special needs.

Repeals the adoption opportunities program. (See Item 2, above.) (p. 155)

B. Information and Services

No provision.

C. Authorization of Appropriations

No provision.

Senate Amendment**Conference Agreement**

Provides that amendments in Subtitle D of Title XI of the Senate amendment are to the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (adoption opportunities). (p. 631)

Amends section 201 of the adoption opportunities program to update congressional findings, and delete references to the promotion of model adoption legislation and procedures. (p. 631)

Amends section 203 of the adoption opportunities program, to require the Secretary of HHS to conduct studies related to kinship care, recruitment of foster and adoptive parents; and to provide technical assistance and resource and referral information related to termination of parental rights, recruitment and retention of adoptive placements, placement of special needs children, provision of pre- and post-placement services, and other assistance to help State and local governments replicate successful adoption-related projects. (p. 633)

Authorizes \$20 million for FY1996, and such sums as necessary for each of FYs 1997-2000, for the adoption opportunities program. (p. 634)

Present Law

House Bill

11. ABANDONED INFANTS ASSISTANCE ACT (Subtitle E of Title XI, Sec. 1161 of Senate amendments)

Repeals abandoned infants assistance. (See Item 2, above.)

12. REAUTHORIZATION OF VARIOUS PROGRAMS (Subtitle F of Title XI of Senate amendment)

A. Missing Children's Assistance Act
The Missing Children's Assistance Act is authorized through FY 1996.

Repeals the Missing Children's Assistance Act (see Item 2, above); however, authorizes appropriations of \$7 million for the Attorney General to operate an information clearinghouse and telephone hotline for information on missing children (see Item 1.F. above).

B. Victims of Child Abuse Act of 1990
Appropriations are authorized through FY1996 for grants to improve investigation and prosecution of child abuse cases, and for children's advocacy centers, under the Victims of Child Abuse Act.

Repeals grants to improve investigation and prosecution of child abuse and neglect cases, and children's advocacy centers, under the Victims of Child Abuse Act. (See Item 2, above.)

13. ADOPTION EXPENSES (Title VIII of Senate amendment)

A. Refundable Credit for Adoption Expenses

No provision in H.R. 4, but similar provision in the House-passed H.R. 1215.

Senate Amendment

Conference Agreement

Authorizes \$35 million for each of FYs 1995-1996, and such sums as necessary for each of FYs 1997-2000, for abandoned infants assistance. (p. 635)

Extends the authorization for the Missing Children's Assistance Act through FY1997; such sums as necessary are authorized. Provides that the Department of Justice shall use no more than 5 percent of appropriations in a fiscal year to evaluate the program. (p. 635)

Extends the authorization through FY1997, at such sums as necessary, for these two programs under the Victims of Child Abuse Act. (p. 636)

Amends subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986, to insert a new section 35, adoption expenses, that would provide a tax credit for expenditures for adoption fees, court costs, attorney fees, and other expenses directly related to a legal and finalized adoption. This dollar-for-dollar tax credit of up to \$5,000 per child is reduced for taxpayers with

Present Law

House Bill

B. Exclusion of Adoption Assistance

No provision.

C. Withdrawal from IRA for Adoption Expenses

No provision.

Senate Amendment**Conference Agreement**

adjusted gross income above \$60,000 and is fully phased out at incomes of \$100,000. Married couples must file a joint return and the credit is not available for expenditures that contradict State or Federal law. The amendment prohibits double benefits. The amendment will apply to taxable years beginning after Dec. 31, 1995. (p. 418)

Amends part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 by inserting a new section 137, which treats as a tax-free fringe benefit employer-provided adoption assistance benefits, or reimbursement by the employer of qualified adoption expenses, provided the adoptee is physically or mentally incapable of self-care (a "special needs" child). Military adoption assistance benefits for these children also would be free of tax. The amendment will apply to taxable years beginning after Dec. 31, 1995. (p. 420)

Amends subsection (d) of section 408 of the Internal Revenue Code of 1986 to permit tax-free withdrawals from an individual retirement account (IRA) for qualified adoption expenses. (p. 423)

Title IX - Child Care Block Grants

Present Law

House Bill

Note: Both the House and Senate bills amend the Child Care and Development Block Grant (CCDBG) of 1990. The Senate bill provides for child care both in the CCDBG and in its provisions

I. GOALS (Sec. 301 of House bill, Sec. 602 of Senate amendment)

No provision.

Adds the following goals:

1. to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;
2. to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;
3. to encourage States to provide consumer education information to help parents make informed choices about child care;
4. to assist States to provide child care to parents trying to achieve independence from public assistance; and
5. to assist States in implementing the health, safety, licensing and registration standards established in State regulation. (p. 95)

Senate Amendment**Conference Agreement**

for cash assistance to needy families under Title IV-A of the Social Security Act; the House bill repeals the IV-A child care programs and puts all child care money in the CCDBG.

No provision.

Present Law

House Bill

**2. AUTHORIZATION OF
APPROPRIATIONS** (Sec. 301 of House bill,
Sec. 602 of Senate amendment)

The authorization of appropriations expires at the end of FY1995. Appropriations in FY1995 are \$935 million; such sums as necessary are authorized. [Sec. 658B of the CCDBG Act]

[Note: In addition, entitlement funds are available for child care under the AFDC Child Care, Transitional Child Care, and At-Risk Child Care programs authorized by Title IV-A of the Social Security Act.]

3. LEAD AGENCY (Sec. 301 of House bill,
Sec. 602 of Senate amendment)

Requires the chief executive officer of a State to designate an appropriate State agency to act as the lead agency in administering financial assistance under the Act. [Sec. 658D of the CCDBG Act]

Authorizes appropriations of \$2,093 million for each of FY1996-2000. (p. 96)

[Note: Title 1 of the House bill repeals the AFDC Child Care, Transitional Child Care, and At-Risk Child Care programs. (p. 9)]

Changes the term "agency" to "entity." (p. 96)

Senate Amendment

Conference Agreement

Authorizes appropriations as follows: \$1 billion for FY1996, and such sums as may be necessary for each of FY1997-2000. (p. 404)

[Note: Additional funds are provided for child care under Title I of the Senate amendment, to replace the current AFDC Child Care, Transitional Child Care, and At-Risk Child Care programs--\$8 billion over 5 years in direct spending.] (p. 113)

Allows the State lead agency to administer financial assistance received under the Act through other "governmental or nongovernmental" agencies (instead of other "State" agencies); requires that "sufficient time and Statewide distribution of the notice" be given of the public hearing on development of the State plan; and strikes language on issues that may be considered during consultation with local governments on development of the State plan. (p. 404)

Present Law

House Bill

4. APPLICATION AND PLAN (Sec. 301 of House bill, Sec. 602 of Senate amendment)

Requires States to prepare and submit to the Secretary an application that includes a State plan. The initial plan must cover a 3-year period, and subsequent plans must cover a 2-year period. Required contents of the plan include designation of a lead agency; policies and procedures regarding parental choice of providers, unlimited parental access, parental complaints, consumer education, compliance with State and local regulatory requirements, establishment of and compliance with health and safety requirements, review of State licensing and regulatory requirements, and supplementation.

In addition, the State plan must provide that funds will be used for child care services, and that 25% of funds will be reserved for activities to improve the quality of child care and to increase the availability of early childhood development and before- and after-school child care. [Sec. 658E of the CCDBG Act]

Requires the State plan to cover a 2-year period. Requires States to provide a detailed description of procedures to be used to assure parental choice of providers. Changes "provide assurances" to "certify" that procedures are in effect within the State to ensure unlimited parental access to children and parental choice; also requires that the State plan provide a detailed description of such procedures. Changes "provide assurances" to "certify" that the State maintains a record of parental complaints, and requires the State to provide a detailed description of how such record is maintained and made available. Changes the consumer education part of the State plan to require assurances that the State will collect and disseminate consumer education information. Requires that the State certify that providers comply with State and local health, safety and licensing or regulatory requirements and provide a detailed description of such requirements and how they are enforced. Eliminates current law provisions requiring establishment of and compliance with health and safety requirements, review of State licensing and regulatory requirements, notification to HHS when standards are reduced, and supplementation. Eliminates the requirement that unlicensed providers be registered.

Requires the State plan to cover a 2-year period. Replaces the requirement that providers not subject to licensing or regulation be registered with the State, with a requirement that the State implement mechanisms to ensure proper payment to providers. Requires the Secretary to develop minimum standards for Indian tribes and tribal organizations receiving assistance under the Act, in lieu of State or local licensing or regulatory requirements. Eliminates provisions related to reduction in standards and reviews of State licensing and regulatory requirements. (p. 404)

Present Law

Further, State plans must assure that payment rates will be adequate to provide eligible children equal access to child care as compared with children whose families are not eligible for subsidies, and must assure that the State will establish and periodically revise a sliding fee scale that provides for cost sharing by families that receive child care subsidies.

House Bill

Adds a requirement that a summary of the facts relied upon by the State to determine that payment rates are sufficient to ensure equal access to child care is included in the State plan. Eliminates the assurance that the State will establish a sliding fee scale. (p. 101) Also provides that funds, other than amounts transferred under section 658T (see Item 14, below), will be used for child care services, activities to improve the quality and availability of such services, and any other activity that the State deems appropriated to realize the goals specified above (see Item 1). Deletes the current law requirement that States reserve 25% of funds for activities to improve the quality of child care and to increase availability of early childhood development and before- and after-school care. (p. 97)

Requires States to spend no more than 5% on administrative costs. (p. 100)

Senate Amendment**Conference Agreement**

Requires the State plan to describe the manner in which services will be provided to the working poor. Reserves 15% of each State's allotment for activities to improve quality of child care, instead of 25% for both quality improvement and before- and after-school child care services. (p. 404)

Requires States to spend no more than 5% on administrative costs, not including direct service costs. Administrative costs shall not include direct service costs. (p. 406)

Present Law

House Bill

5. LIMITATION ON STATE ALLOTMENTS

(Sec. 301 of House bill, Sec. 602 of Senate amendment)

Prohibits the use of funds for purchase or improvement of land or buildings, except in the case of sectarian agencies or organizations that need to make renovations or repairs in order to comply with specific health and safety requirements that States are required to establish. [Sec. 658F of the CCDBG Act]

Amends section 658F to make a conforming amendment referring to the elimination of specific health and safety requirements. (p. 101)

Senate Amendment

Conference Agreement

No provision (maintains current law).

Present Law

House Bill

6. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE (Sec. 301 of House bill, Sec. 602 of Senate amendment)

As stated above, 25% of State allotments must be reserved for activities to improve child care quality and to increase the availability of early childhood development and before- and after-school child care (see Item 1.D, above). Section 658G specifies how these funds are to be used. Of reserved funds, requires States to use no less than 20% for activities to improve the quality of care, including resource and referral programs, grants or loans to assist providers in meeting State and local standards, monitoring of compliance with licensing and regulatory requirements, training of child care personnel, and improving compensation for child care personnel. [Sec. 658G of the CCDBG Act]

Repeals the requirement that 25% of funds be set aside for quality improvement activities (see Item 5, above). Repeals section 658G regarding the use of these set-aside funds. (p. 101)

As stated above, reduces quality improvement set-aside to 15% (see Item 5, above). Amends section 658G to require States to use their quality improvement set-aside for resource and referral activities, including "providing comprehensive consumer education to parents and the public, referrals that honor parental choice, and activities designed to improve the quality and availability of child care," and for one or more "other activities," which include those listed in the current section 658G, plus activities to increase the availability of before- and after-school care, infant care, and child care between the hours of 5:00 p.m. and 8:00 a.m.

Adds new language to prohibit States from discriminating against providers that wish to participate in resource and referral systems, that are operating legally within the State but that are exempt from State licensing requirements. (p. 407)

Present Law

House Bill

**7. EARLY CHILDHOOD DEVELOPMENT
AND BEFORE- AND AFTER-SCHOOL CARE**
(Sec. 301 of House bill, Sec. 602 of Senate
amendment)

Requires States to use no less than 75% of funds reserved for quality improvement for activities to expand and conduct early childhood development programs and before- and after-school child care. [Sec. 658H of the CCDBG Act]

Repeals section 658H. (p. 101)

**8. ADMINISTRATION AND
ENFORCEMENT** (Sec. 301 of House bill, Sec.
602 of Senate amendment)

Requires the Secretary of Health and Human Services (HHS) to coordinate HHS and other Federal child care activities, to collect and publish a list of State child care standards every 3 years, and to provide technical assistance to States. Requires the Secretary to review, monitor, and enforce compliance with the Act and the State plan by withholding payments and imposing additional sanctions in certain cases. [Sec. 658I of the CCDBG Act]

Deletes the requirement that the Secretary of HHS collect and publish a list of child care standards every 3 years. Maintains current law for repayment. (p. 101)

Repeals section 658H. (p. 409)

Strikes the current law requirement that the Secretary withhold further payments to a State in case of a finding of noncompliance until the noncompliance is corrected. Instead, authorizes the Secretary, in such cases, to impose additional program requirements on the State, such as a requirement that the State reimburse the Secretary for any improperly spent funds, or the Secretary may deduct from the administrative portion of the State's subsequent allotment an amount equal to or less than the misspent funds, or a combination of such options. The amendment also strikes sections related to additional sanctions and notice of such additional sanctions. (p. 409)

Present Law

House Bill

9. PAYMENTS (Sec. 301 of the House bill)

Provides that payments received by a State for a fiscal year may be expended in that fiscal year or in the succeeding 3 fiscal years. [Sec. 658] of the CCDBG Act]

Provides that payments received by a State for a fiscal year may be obligated in the fiscal year received or the succeeding fiscal year, instead of expended in the fiscal year received or the succeeding 3 fiscal years. (p. 102)

Senate Amendment

Conference Agreement

No provision (maintains current law).

Present Law

House Bill

10. ANNUAL REPORT AND AUDITS

(Sec. 301 of House bill, Sec. 602 of Senate amendment)

Requires each State to prepare and submit to the Secretary every year a report: specifying how funds are used; containing data on the manner in which the child care needs of families in the State are being fulfilled, including information on the number of children served, child care programs in the State, compensation provided to child care staff, and activities to encourage public-private partnerships in child care; describing the extent to which affordability and availability of child care has increased; summarizing findings from a review of State licensing and regulatory requirements, if applicable; explaining any action taken by the State to reduce standards, if applicable; and describing standards and health and safety requirements applied to child care providers in the State, including a description of efforts to improve the quality of child care. [Sec. 658K of the CCDBG Act]

Changes the title of the section from "Annual Report and Audits" to "Annual Report, Evaluation Plans, and Audits." Changes required data elements in annual reports to include: (p. 103)

1. the number and ages of children being assisted with funds provided under this subchapter;
2. with respect to the families of such children:
 - the number of other children in such families;
 - the number of such families that include only 1 parent;
 - the number of such families that include both parents;
 - the ages of the mothers of such children;
 - the ages of the fathers of such children;
 - the sources of the economic resources of such families, including the amount of such resources obtained from (and separately identified as being from)
 - a. employment, including self-employment;
 - b. assistance received under part A of title IV of the Social Security Act (SSA);
 - c. part B of title IV of the SSA;
 - d. the Child Nutrition Act of 1966;
 - e. the National School Lunch Act;
 - f. assistance received under title XVI of the SSA;

Requires States to submit reports every 2 years, rather than every year, with the first report due no later than December 31, 1996. Requires that States include information on the type of Federal child care and preschool programs serving children in the State, and requires that States describe the extent and manner to which resource and referral activities are being carried out by the State.

Strikes the current requirement for information on the type and number of child care programs, providers, caregivers and support personnel in the State, and strikes the provision related to review findings of State licensing and regulatory requirements. (p. 410)

Present Law

House Bill

- g. assistance received under title XIV of the SSA;
 - h. assistance received under title XIX of the SSA;
 - i. assistance received under title XX of the SSA; and
 - j. any other source of economic resources the Secretary determines to be appropriate;
3. the number of such providers separately identified with respect to each type of child care provider specified in section 658P(5) that provided child care services obtained with assistance provided under this subchapter;
 4. the cost of child care services and the portion of such cost paid with assistance from this Act;
 5. the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided;
 6. the number of parental complaints about child care that were found to have merit and a description of corrective actions taken by the State; and
 7. information on programs to which funds were transferred under section 658T (see item 15, below). (p. 103)

States are also required to present evidence demonstrating that they have State requirements designed to protect the health and safety of children.

Senate Amendment

Conference Agreement

Present Law

House Bill

Deletes current report requirements on: 1) increasing the affordability and availability of child care; 2) reviewing findings on State licensing and regulatory requirements; and 3) reducing standards. (p. 102)

Requires States to include an evaluation plan in their first annual report due after enactment and every 2 years thereafter, and to include the results of such evaluation in the second annual report due after enactment and every 2 years thereafter. The plan must include an evaluation regarding the extent to which the State has realized the following goals:

1. promoting parental choice to make their own decisions on the child care that best suits their family's needs;
2. providing consumer education information to help parents make informed choices about child care;
3. providing child care to parents trying to achieve independence from public assistance; and
4. implementing the health, safety, licensing, and registration standards established in State regulations. (p. 107)

Senate Amendment

Conference Agreement

Present Law

House Bill

11. REPORT BY THE SECRETARY (Sec. 301 of House bill, Sec. 602 of Senate amendment)

Requires the Secretary to prepare and submit an annual report, summarizing and analyzing information provided by States, to the House Education and Labor Committee and the Senate Labor and Human Resources Committee. This report must contain an assessment and, where appropriate, recommendations to Congress regarding efforts that should be taken to improve access of the public to quality and affordable child care. [Sec. 658L of the CCDBG Act]

Revises the Secretary's report to become a biennial report to the Speaker and the President pro tempore. (p. 108)

Senate Amendment**Conference Agreement**

Requires the Secretary to prepare and submit biennial reports, rather than annual, with the first report due no later than July 31, 1997; and replaces the reference to the House Education and Labor Committee with the House Economic and Educational Opportunities Committee. (p. 411)

Present Law

House Bill

12. ALLOTMENTS (Sec. 301 of House bill,
Sec. 602 of Senate amendment)

Requires the Secretary to reserve one-half of 1% of appropriations for payment to Guam, American Samoa, the Virgin Islands, the Northern Marianas and the Trust Territory of the Pacific Islands. The Secretary also must reserve no more than 3% for payment to Indian tribes and tribal organizations with approved applications. Remaining funds are allocated to the States based on the States' proportion of children under age 5 and the number of children receiving free or reduced-price school lunches, as well as the States' per capita income. Any portion of a State's allotment that the Secretary determines is not needed by the State to carry out its plan for the allotment period, must be reallocated by the Secretary to the other States in the same proportion as the original allotments. [Sec. 6580 of the CCDBG Act]

Maintains the current law set-asides for the Territories and Indian tribes and tribal organizations, except that the Trust Territory of the Pacific Islands is deleted from the set-aside for Territories. Allots remaining funds to States as follows: each State will receive an amount based on its relative share of the aggregate amount of Federal funds received by the State in FY1994 under the CCDBG Act, and under child care programs for AFDC recipients and former AFDC recipients and the At-Risk Child Care program under Title IV-A of the Social Security Act. Eliminates reallocation provisions. (p. 108)

Maintains current law allotment procedures. Amends section 658O(c), related to payments for the benefit of Indian children, to add new provisions allowing the use of funds by Indian tribes or tribal organizations for construction or renovation of facilities, upon request by the tribe or tribal organization and subject to approval by the Secretary. The Secretary may not permit a tribe or tribal organization to use funds for construction or renovation if such use will result in a decrease in the level of child care services. The Secretary is also allowed to reallocate to other tribes any tribal allotments that are not expended, which is similar to what happens with unused State allotments. (p. 411)

Present Law

House Bill

13. DEFINITIONS (Sec. 301 of House bill, Sec. 602 of Senate amendment)

Provides definitions of the following terms: caregiver, child care certificate, elementary school, eligible child, eligible child care provider, family child care provider, Indian tribe, lead agency, parent, secondary school, Secretary, sliding fee scale, State, and tribal organization. [Sec. 658P of the CCDBG Act]

Includes definitions for lead entity and child care services, and strikes definitions for elementary school, secondary school, and sliding fee scale. (p. 110)

Revises the definition of eligible child to one whose family income does not exceed 100% of the State median, instead of 75%. (p. 407)

Adds the following as an allowable use of a child care certificate: "as a deposit for child care services if such a deposit is required of other children being cared for by the provider." (p. 414)

Revise the definition of relative child care provider by adding great grandchild and sibling (if the provider lives in a separate residence) to the list of eligible children; by striking the requirement that such providers be registered; and by requiring such providers to comply with any "applicable" requirements governing child care provided by a relative. (p. 414)

Present Law

House Bill

14. TRANSFER OF FUNDS (Sec. 301 of House bill, Sec. 602 of Senate amendment)

No provision.

Adds a new section 658T to the CCDBG Act, allowing a State to transfer no more than 20% of CCDBG funds to one or more of the following programs:

1. Part A of Title IV of the Social Security Act
2. Part B of Title IV of the Social Security Act
3. Child Nutrition Act of 1966
4. National School Lunch Act
5. Title XX of the Social Security Act

Transferred funds would be subject to the rules of the program to which they are transferred. (p. 111)

15. APPLICATION TO OTHER PROGRAMS (Sec. 602 of Senate amendment)

No provision.

No provision.

States can transfer up to 30% of their cash assistance block grant (title IV-A) into the CCDBG.

Adds a new section 658T to the CCDBG Act, that requires States that use any Federal funds for child care services to ensure that such services meet the requirements, standards and criteria, with the exception of the 15% quality set-aside, of the CCDBG and any regulations issued under the CCDBG. These funds must be administered through a uniform State plan and, to the maximum extent practicable, shall be transferred to the lead agency and integrated into the CCDBG program.
(p. 414)

Present Law

House Bill

16. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS (Sec. 302 of House bill, Sec. 603 of Senate amendment)

Not applicable.

Repeals the following programs:

1. Child Development Associate (CDA) Scholarship Assistance;
2. State Dependent Care Development Grants;
3. Programs of National Significance under Title X of the Elementary and Secondary Education Assistance Act of 1965 (child care related to Cultural Partnerships for At-Risk Children and Youth, and Urban and Rural Education Assistance); and
4. Native-Hawaiian Family-Based Education Centers. (p. 112)

[Note: Title I of the House bill also repeals child care assistance provided under current law by Title IV-A of the Social Security Act. This assistance is provided under 3 programs known as AFDC Child Care, Transitional Child Care, and At-Risk Child Care.] (p. 9)

Senate Amendment**Conference Agreement**

Repeals CDA Scholarship Assistance and State Dependent Care Development Grants.

Requires the Secretary of HHS, after consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, to prepare and submit to Congress, within 6 months after enactment, a legislative proposal containing technical and conforming amendments that reflect the amendments and repeals made by this Act. (p. 415)

[Note: Title I of the Senate amendment also earmarks and provides additional funds for child care, to replace the AFDC Child Care, Transitional Child Care, and At-Risk Child Care programs.] (p. 113)

**CONFERENCE COMPARISON OF
H.R. 4**

COMPREHENSIVE WELFARE REFORM

PART 3

Title X - Child Nutrition

Title XI - Food Stamps and Commodities Distribution

October, 1995

Prepared for use of the conferees

**Organization of Conference Comparison Document by Title
as Compared with Titles of House Bill and Senate Amendment**

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Part 3			
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Food Stamps	XI	V	III
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PART I

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Title X - Child Nutrition

Present Law

House Bill

I. CHILD NUTRITION ACT OF 1966 (Sec. 321 of House bill)

Authorizes the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the School Breakfast program, the Special Milk program, assistance to States for child nutrition administrative expenses and nutrition education and training, and school breakfast assistance for Defense Department overseas dependents' schools.

-- The *WIC program* provides specific nutritious foods to lower-income pregnant, postpartum, and breastfeeding women, and infants and children (up to age 5). Recipients' family income must be below 185% of Federal poverty guidelines, and they must be judged at nutritional risk. Federal funds, set by appropriation levels, are made available to State health agencies under a formula. States then provide funds to local health agencies, which are responsible for day-to-day operations. Funds also are used for food, nutrition assessments and counselling, referrals to other programs, breastfeeding promotion, and a farmers' market program. [Sec. 17 and 21 of the Child Nutrition Act]

[Note: WIC-like programs could receive funding under the House bill's Family Nutrition Block Grant.]

Retains the designation of the Act as the Child Nutrition Act of 1966 and replaces the Act's current provisions with authorization for a **Family Nutrition Block Grant Program**. (p. 113)

Senate Amendment

Conference Agreement

No comparable provisions.

Present Law**House Bill**

— Under the *School Breakfast program*, schools choosing to participate in the program receive per-meal Federal cash subsidies for all breakfasts they serve that meet Federal nutrition standards.

Subsidies are indexed annually for inflation and differ depending on whether the meal is served free (to children from families with income below 130% of poverty), at a reduced price (to children with family income between 130% and 185% of poverty), or at "full price" (so-called "paid" meals for those with family income above 185% of poverty or who do not apply for free or reduced-price meals). Schools with high proportions of lower-income students get larger per-meal subsidies, and special grants are provided to assist in paying start-up and expansion costs. [Sec. 4 of the Child Nutrition Act]

[Note: School-breakfast-like programs could receive funding under the House bill's School-Based Nutrition Block Grant.]

— Under the *Special Milk program*, schools and institutions not otherwise participating in a meal service program (and schools with split sessions for kindergartners) provide milk to all children at a low price or free, and each half-pint served is federally subsidized at a different rate — depending on whether it is served free or not. Provision of free milk is not required. [Sec. 3 of the Child Nutrition Act]

[Note: Special-milk-like programs could receive funding under either the House bill's Family Nutrition Block Grant (in non-school settings) or the School-Based Nutrition Block Grant.]

Senate Amendment

Conference Agreement

Present Law

House Bill

-- Under the *State administrative expense assistance program*, grants are made to States to help cover administrative costs associated with child nutrition programs. The amount available each year is 1.5% of Federal cash payments for School Lunch, School Breakfast, Child and Adult Care Food, and Special Milk programs. [Sec. 7 of the Child Nutrition Act]

[Note: Funding for State administrative expenses would be available under both the House bill's Family Nutrition and School-Based Block Grants.]

-- For *nutrition education and training*, States are provided with Federal funds for training school food service personnel in food service management, instructing teachers in nutrition education, and teaching children about nutrition. [Sec. 19 of the Child Nutrition Act]

-- Special provisions are made for Federal assistance for school breakfast programs in *Defense Department overseas dependents' schools*. [Sec. 20 of the Child Nutrition Act]

[Note: Assistance for Defense Department overseas dependents' schools would be available under the House bill's School-Based Block Grant.]

Senate Amendment

Conference Agreement

Present Law

House Bill

2. AUTHORIZATION FOR FAMILY NUTRITION BLOCK GRANT (Sec. 321 of House bill)**A. Requirement for Grants**

The Child Nutrition Act (see item 1) and the National School Lunch Act (see item 11) require that the Secretary of Agriculture provide Federal assistance to States for the WIC, Child and Adult Care Food, Summer Food Service, and Special Milk programs, as well as other support (e.g., for State administrative expenses and nutrition education and training), under terms of agreements with States meeting Federal standards.

Directs the Secretary of Agriculture to provide to each State that submits an annual application in accordance with the revised Child Nutrition Act's requirements (see item 4) an annual family nutrition grant for the purpose of achieving the goals of the **Family Nutrition Block Grant Program** (see item 2B for the program's goals and item 3 for State allotments). (p. 114)

Senate Amendment

Conference Agreement

No comparable provisions.

Present Law

House Bill

B. Goals

The Child Nutrition Act declares it the policy of Congress to extend, expand, and strengthen child nutrition programs as a measure to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of agricultural commodities by assisting States through grants and other means to more effectively meet children's nutritional needs. [Sec. 2 of the Child Nutrition Act]

Establishes the *goals* of the Family Nutrition Block Grant Program:

- to provide nutritional risk assessments, food assistance based on the assessments, and nutrition education and counseling to economically disadvantaged pregnant, postpartum, and breastfeeding women, as well as infants and young children, determined to be at nutritional risk (see item 10 for definitions);
- to provide nutritional risk assessments of participating women so that food assistance and nutrition education is provided that meets their specific needs;
- to provide nutrition education to participating women to increase their awareness of the foods needed for good health;
- to provide food assistance, including nutritious supplements, to participating women in order to reduce the incidence of low-birthweight babies and babies born with birth defects because of nutritional deficiencies;
- to provide food assistance, including nutritious supplements, to participating women, infants, and children to ensure their future good health;
- to ensure that participating women, infants, and children are referred to other health services, including routine pediatric/obstetric care;
- to ensure that children from economically disadvantaged families in day care facilities, family day care homes, homeless shelters, settlement

Senate Amendment

Conference Agreement

No comparable provisions.

Present Law

House Bill

houses, recreational centers, Head Start centers, Even Start programs, and facilities for disabled children receive nutritious meals, supplements, and low-cost milk; (see item 10B for definition of "economically disadvantaged"); and

– to provide summer food service programs for children from economically disadvantaged families when school is not in session (see item 10B for definition of "economically disadvantaged"). (p. 114)

C. Timing of Payments
No provision.

Directs that the Secretary of Agriculture make family nutrition grant payments to the States on a quarterly basis. (p. 116)

Senate Amendment

Conference Agreement

No comparable provision.

Present Law

House Bill

**3. ALLOTMENT OF FAMILY NUTRITION
BLOCK GRANT (Sec. 321 of House bill)**

Current activities that may be funded under the House bill's Family Nutrition Block Grant include those now supported by the WIC program, the Homeless Children Nutrition program (authorized under section 17B of the National School Lunch Act), the Child and Adult Care Food program (authorized under section 17 of the National School Lunch Act), the Summer Food Service program (authorized under section 13 of the National School Lunch Act), and the Special Milk program.

-- Under the *WIC program*, Federal funds, determined by appropriations levels, are made available to States under a formula that reflects State caseloads, food cost inflation, need (as evidenced by poverty and health indices), and a specified national average per participant grant; in effect, funds are allotted so that each State can maintain its caseload from year to year, and extra money is shared so as to support expanded enrollment in States with greater need.

-- Under the *Homeless Children Nutrition program*, Federal funds are made available to existing projects to continue operations and, from any additional amounts, money is provided for new projects or to expand existing projects.

-- Under the *Child and Adult Care Food program*, child and adult care centers and family day care homes receive Federal reimbursements for each meal or supplement served at legislatively established, inflation indexed rates.

As set forth below, provides for the Secretary of Agriculture to make State allotments of any appropriations for the Family Nutrition Block Grant. (p. 116)

Senate Amendment

Conference Agreement

No comparable provisions.

Present Law

House Bill

— Under the *Summer Food Service program*, sponsors receive Federal reimbursements for each meal or supplement served, at legislatively established, inflation indexed rates.

— Under the *Special Milk program*, schools and other participating institutions receive specified, inflation indexed Federal reimbursements for each half-pint of milk served.

A. First Year State Allotments

No provisions.

For the first fiscal year in which grants are made, provides that the Secretary make allotments to States based on the proportion of funds each State received under prior law for the preceding fiscal year. (p. 116)

Base-Year State Shares: Each State's allotment would be its prior-year share of funds received under the WIC and Homeless Children Nutrition programs, plus its prior-year share of 87.5% of the amounts received under the Child and Adult Care Food, Summer Food Service, and Special Milk programs. (p. 117)

B. Second Year State Allotments

No provision.

For the second fiscal year in which grants are made, provides that (1) 95% of the amount appropriated be allotted according to each State's share of the amount allotted in the first year and (2) 5% of the amount allotted be based on each State's share of the number of individuals receiving assistance under the grant during the 1-year period ending the preceding June 30. (p. 118)

Senate Amendment

Conference Agreement

No comparable provisions.

No comparable provision.

Present Law

House Bill

C. Third and Fourth Year State Allotments

No provision.

For the third and fourth fiscal years in which grants are made, provides that (1) 90% of the amount appropriated be allotted according to each State's share of the amount allotted in the preceding year and (2) 10% of the amount allotted be based on each State's share of the number of individuals receiving assistance under the grant during the 1-year period ending the preceding June 30. (p. 119)

D. Fifth Year State Allotments

No provision.

For the fifth fiscal year in which grants are made, provides that (1) 85% of the amount appropriated be allotted according to each State's share of the amount allotted in the fourth year and (2) 15% of the amount allotted be based on each State's share of the number of individuals receiving assistance under the grant during the 1-year period ending the preceding June 30. (p. 119)

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provision.

Present Law

House Bill

**4. APPLICATION FOR FAMILY
NUTRITION GRANTS (Sec. 321 of House bill)**

Nutrition requirements for food assistance provided under the current WIC, Child and Adult Care Food, and Summer Food Service programs are established by the Secretary of Agriculture, as are the general standards for determining nutritional risk in women, infants, and children, on the basis of tested nutritional research. [Sec. 17(b)(8) & (14) and (f)(12) of the Child Nutrition Act; Sec. 17(g)(1) and Sec. 13(f) of the National School Lunch Act]

The use/disclosure of information obtained from applications for free/reduced-price meals is limited to those administering/enforcing child nutrition programs, administrators of other health or education programs (with restrictions), and the General Accounting Office and law enforcement officials. [Sec. 9(b)(2) of the National School Lunch Act]

Provides that the Secretary make a family nutrition grant to a State if it submits an application containing only the following:

- an agreement that the State will use the grant in accordance with **Family Nutrition Block Grant** program requirements (see item 5);
- an agreement that the State will set minimum nutrition requirements for food assistance provided under the grant based on the most recent tested nutrition research available (but the requirements may not prohibit the substitution of foods to accommodate medical or other special dietary needs, and would have to be based, at a minimum, on the weekly average nutrient content of school lunches or other standards set by the State);
- an agreement that, with respect to assistance to pregnant, postpartum, and breastfeeding women, and infants and children, the State will implement minimum nutrition requirements based on the most recent tested nutritional research available or the model nutrition standards developed by the National Academy of Sciences (see item 8B);
- an agreement that the State will take reasonable steps it deems necessary to restrict the use and disclosure of information about those receiving assistance under the grant;
- an agreement that the State will not use more than 5% of its grant for administrative costs incurred to provide assistance (costs associated

Senate Amendment

Conference Agreement

No comparable provisions.

Present Law

House Bill

with nutritional risk assessments of pregnant, postpartum, and breastfeeding women, and infants and children, as well as those associated with nutrition education and counseling for these individuals, would not be considered administrative costs subject to the 5% limit); and

— an agreement that the State will submit an annual report to the Secretary (see item 6). (p. 120)

5. USE OF AMOUNTS PROVIDED UNDER THE FAMILY NUTRITION BLOCK GRANT
(Sec. 321 of House bill, Sec. 1307 of Senate amendment)

A. Activities Supported

The *WIC program* provides nutritional risk assessment, specific nutritious foods (under Federal guidelines), nutrition education/counseling, breastfeeding support, and a farmers' market program for lower-income pregnant, postpartum, and breastfeeding women, as well as infants and children (up to age 5). Recipients' family income must be below 185% of poverty, and they must be judged at nutritional risk. [Sec. 17 of the Child Nutrition Act]

Provides that the Secretary of Agriculture make family nutrition grants to States if they agree to use their grant to:

— provide nutritional risk assessment, food assistance based on the assessment, and nutrition education and counseling to economically disadvantaged pregnant, postpartum, and breastfeeding women, and infants and young children, who are determined to be at nutritional risk (see item 10 for definitions);

Senate Amendment

Conference Agreement

No comparable provisions.

Present Law

House Bill

The *Special Milk program* provides Federal reimbursement for each half-pint of milk served in schools and other child care institutions not participating in a meal service program (and schools with split sessions for kindergartners). Milk is served at a low price or for free and each half-pint is subsidized at a different rate depending on whether it served free or not. Provision of free milk is not required. [Sec. 3 of the Child Nutrition Act]

The *Child and Adult Care Food program* provides Federal per-meal/supplement reimbursements for all meals and supplements served in public and private nonprofit child care centers, public and private nonprofit adult day care centers, certain for-profit child and adult day care centers, and family day care homes. Reimbursements for meals/supplements served in child/adult care centers differ according to whether they are served free (to children from families with income below 130% of Federal poverty guidelines), at a reduced price (to children with family income between 130% and 185% of the poverty guidelines), or at "full price" (so-called "paid" meals and supplements for those with family income above 185% of poverty or who do not apply for free or reduced price meals/supplements). Reimbursements for meals and supplements served in family day care homes do not vary by the family income of the child, and sponsors of family day care homes receive monthly payments for administrative costs. [Sec. 17 of the National School Lunch Act]

-- provide milk in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar child care settings to children from economically disadvantaged families (see item 10 for definitions)

[Note: Under the School-Based Nutrition Block Grant Program, support could be provided for milk served in schools.];

-- provide food service in institutions and family day care homes providing child care to children from economically disadvantaged families (see item 10 for definitions);

[Note: Under the School-Based Nutrition Block Grant Program, support could be provided for child care food service provided through schools.]

[Further Note: Adult-care food service would not be funded under the Family Nutrition Block Grant program.]

Senate Amendment

Conference Agreement

Present Law

House Bill

The *Summer Food Service program* provides Federal per meal/supplement reimbursements for all summer meals and supplements served through public and private nonprofit sponsors (including schools and local governments) to children in areas where 50% or more have family income below 185% of the Federal poverty guidelines (are eligible for free or reduced-price school meals). Summer food service subsidies also are provided to public and private nonprofit summer camps and higher education institutions in the National Youth Sports program. [Sec. 13 of the National School Lunch Act]

The *Homeless Children Nutrition program* grants funds to public and private nonprofit sponsors providing food service (meals and supplements), similar to that provided under the Child and Adult Care Food program, to homeless children under age 6 in shelters. [Sec. 17B of the National School Lunch Act]

[General Note: In addition to cash reimbursements, Federal commodity assistance is available for the Child and Adult Care Food and Summer Food Service programs.]

– provide summer food service to economically disadvantaged children through programs carried out by nonprofit food authorities, local governments, higher education institutions in the National Youth Sports program, and nonprofit summer camps (see item 10 for definitions); and

[Note: Under the School-Based Nutrition Block Grant Program, support could be provided for summer food service by schools.]

– provide nutritious meals to pre-school-age homeless children in shelters and other facilities serving the homeless. (p. 122)

[General Note: Federal commodity assistance would not be available for child care food and summer food service activities under the family nutrition grant.]

Senate Amendment

Conference Agreement

Present Law

House Bill

B. Additional Requirements for Assistance for Women, Infants, and Children**(1) Minimum Amount of Assistance**
No comparable provision.

Requires that each State ensure that not less than 80% of its family nutrition grant is used to provide nutrition risk assessment, food assistance based on the assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children. (p. 123)

(2) Cost Containment Measures for Infant Formula

Under the WIC program, States must carry out cost containment measures in procuring infant formula (and, where practicable, other foods). Cost containment must be by competitive bidding (selection of a single source offering the lowest price) or another method that yields equal or greater savings. Cost savings (e.g., through manufacturer rebates) may be used by the State for WIC program purposes. The Secretary of Agriculture must provide technical assistance for cost-containment bids and offer to solicit multi-State bids for infant formula and infant cereal. In addition, certain rules against bid-rigging and anti-competitive practices are established. [Sec. 17(b) (17)-(20) and (h)(8) & (9) of the Child Nutrition Act, and Sec. 25 of the National School Lunch Act]

With respect to assistance provided to women, infants, and young children, requires States to establish and carry out a cost containment system for procuring infant formula. Requires States to use cost containment savings for any of the activities supported under their family nutrition grant. Requires States to submit annual reports to the Secretary (1) describing their infant formula cost containment system and (2) estimating the cost savings from the system for the report year compared to savings from the preceding year, where appropriate. (p. 124)

Senate Amendment

Conference Agreement

No comparable provision.

Includes findings on the success of the WIC program in improving the health status of women, infants, and children and saving Medicaid expenditures, as well as the importance of manufacturer rebates in helping to fund the WIC program. Provides that it is the sense of the Senate that any legislation not eliminate or in any way weaken present competitive bidding requirements for the purchase of infant formula in programs supported with Federal funds. (p. 653)

Present Law

House Bill

(3) Assistance for Members of the Armed Forces and Their Dependents
No comparable provision.

Requires States to ensure that equitable assistance for economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children is provided to members of the Armed Forces and their dependents, regardless of their State of residence (see item 10 for definitions). (p. 125)

C. Child Care Food Assistance on Military Installations

(1) Requirement for Assistance
No comparable provision.

Requires States to provide equitable assistance under its program for child care facilities to Defense Department child care programs on military installations -- to the extent consistent with the number of children in the programs and after consultation with the programs' representatives. (p. 126)

(2) Licensing
Assisted child care facilities must be licensed under Federal, State, or local rules. [Sec. 17(a)(1) of the National School Lunch Act]

In carrying out programs for child care facilities, bars States from requiring that those on military installations be licensed under State law if they are licensed by the Defense Department. (p. 126)

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provision.

No comparable provision.

Present Law

House Bill

**D. Authority to Use Family Nutrition
Block Grant Amounts for Other Purposes****(1) Authority**
No provision.

Allows States to use not more than 20% of amounts received from a family nutrition block grant for any fiscal year to carry out State programs under other block grants authorized by:

-- part A of title IV of the Social Security Act (relating to welfare for families with children);

-- part B of title IV of the Social Security Act (relating to provision of child welfare services);

-- title XX of the Social Security Act (relating to provision of social services);

-- the National School Lunch Act (relating to school-based nutrition block grants); and

-- the Child Care and Development Block Grant. (p. 126)

(2) Sufficient Funding
No provision.

Provides that States may not transfer funds to other block grants unless the appropriate State agency makes a determination that sufficient amounts will remain available for the fiscal year to carry out activities under the Family Nutrition Block Grant program. (p. 127)

Senate Amendment

Conference Agreement

No comparable provision.

No comparable provision.

Present Law

House Bill

(3) Amounts Used for Other Purposes
No provision.

Provides that family nutrition grant amounts States transfer to other block grants (noted above) will not be subject to the requirements of the Family Nutrition Block Grant program under the revised Child Nutrition Act, but will be subject to the requirements that apply to Federal funds provided directly to the block grant to which they are transferred. (p. 127)

6. REPORTS (Sec. 321 of House bill)

No comparable provision.

Requires that States, as a condition of receiving a family nutrition grant, agree to submit an annual report to the Secretary of Agriculture describing:

- the number of individuals receiving assistance under the grant for the reporting (fiscal) year;
- the different types of assistance provided;
- the extent to which the assistance provided was effective in achieving the goals of the Family Nutrition Block Grant program (see item 2B);
- the standards and methods the State is using to ensure the nutritional quality of assistance under the grant;
- the number of low-birthweight births in the State in the reporting (fiscal) year compared to the number of low-birthweight births in the previous year; and
- any other information that can be reasonably required by the Secretary. (p. 128)

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provision.

Present Law

House Bill

7. PENALTIES (Sec. 321 of House bill)**A. Penalty for Violations**

The Child Nutrition and National School Lunch Acts provide penalties for fraud in relation to assistance provided under either Act, grant the Secretary of Agriculture authority to establish and adjust claims against States, and establish a compliance and accountability program to monitor the use of Federal funds. [Sec. 12(g) and Sec. 22 of the National School Lunch Act, and Sec. 16 of the Child Nutrition Act]

Requires the Secretary of Agriculture to reduce family nutrition grant amounts otherwise payable to a State by any amount paid under the grant that an audit made under the "Single Audit Act" (chapter 75 of title 31 of the United States Code) finds has been used in violation of the revised Child Nutrition Act. However, the Secretary is barred from reducing any quarterly payment to the State by more than 25%. (p. 129)

B. Penalty for Failure to Submit a Required Report

No specific provision.

Requires the Secretary to reduce by 3% the family nutrition grant amount otherwise payable to a State for any fiscal year if the Secretary determines that the State has not submitted the required annual report (see item 6) for the immediately preceding fiscal year within 6 months after the end of that fiscal year. (p. 129)

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provision.

Present Law

House Bill

8. MODEL NUTRITION STANDARDS FOR FOOD ASSISTANCE FOR WOMEN, INFANTS, AND CHILDREN (Sec. 321 of House bill)**A. Requirement**

No comparable provisions.

[Note: The Secretary establishes nutrition standards for and foods to be made available under the WIC program; Sec. 17(b)(14) and 17(f)(12) of the Child Nutrition Act.]

B. Report to Congress

No provision.

Not later than April 1, 1996, requires the National Academy of Sciences to develop model nutrition standards for food assistance provided to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children under the Family Nutrition Block Grant program (see item 10 for definitions). The standards are to be developed by the Food and Nutrition Board of the Academy's Institute of Medicine, in cooperation with pediatricians, obstetricians, nutritionists, and directors of programs providing food assistance, nutrition education and counseling to these women, infants, and children. (p. 130)

The model standards must require that food assistance provided to these women, infants, and children contain nutrients that are lacking in their diets, as determined by nutritional research. (p. 130)

Not later than one year after the model nutrition standards (noted above) are developed, requires the National Academy of Sciences to report to Congress regarding efforts of States to implement them. (p. 130)

Senate Amendment

Conference Agreement

No comparable provisions.

No comparable provision

Present Law

House Bill

**9. AUTHORIZATION OF
APPROPRIATIONS (Sec. 321 of House bill)****A. Authorization**

Federal appropriations for activities under current law replaced by the House bill's Family Nutrition Block Grant program are authorized at such sums as are necessary, except for the Homeless Children Nutrition program (provided specific amounts). [Sec. 13(r), 17(b), and 17B of the National School Lunch Act; Sec. 3(a) and 4(a) of the Child Nutrition Act]

Authorizes appropriations for the Family Nutrition Block Grant program under the revised Child Nutrition Act at: \$4.606 billion for fiscal year 1996, \$4.777 billion for fiscal year 1997, \$4.936 billion for fiscal year 1998, \$5.120 billion for fiscal year 1999, and \$5.308 billion for fiscal year 2000. (p. 131)

B. Availability

With the exception of funding for the WIC program, appropriations for the activities under current law to be replaced by the Family Nutrition Block Grant program generally cannot be carried over to the next fiscal year.

Authorizes amounts for the Family Nutrition Block Grant program to remain available until the end of the fiscal year subsequent to the year they were appropriated for. (p. 131)

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provision.

Present Law

House Bill

10. DEFINITIONS (Sec. 321 of House bill)**A. Breastfeeding Women, Infants, Postpartum Women, Pregnant Women, and Young Children**

For purposes of the WIC program: (1) breastfeeding women are defined as women up to 1 year postpartum who are breastfeeding their infants; (2) infants are defined as persons under 1 year of age; (3) postpartum women are defined as women up to 6 months after termination of pregnancy; (4) pregnant women are defined as those who have 1 or more fetuses in utero; and (5) young children are persons who have had their first birthday but not attained their fifth birthday. [Sec. 17(b) of the Child Nutrition Act]

For purposes of State family nutrition grant programs, adopts present-law definitions of breastfeeding women, infants, postpartum women, pregnant women, and young children. (p. 131 and p. 132)

Senate Amendment

Conference Agreement

No comparable provisions.

Present Law

House Bill

B. Economically Disadvantaged

No directly comparable provisions.

[Note: Under present law, means tests for assistance apply as follows: (1) for the WIC program, recipients must have family income below 185% of the Federal poverty guidelines (but States may not set standards below poverty); and (2) for those in child and adult care centers under the Child and Adult Care Food program, persons with family income below 130% of poverty are eligible for free meals/supplements, those with family income between 130% and 185% of poverty are eligible for reduced-price meals and supplements, and those with family income above 185% of poverty (or who do not apply for free or reduced-price treatment) are eligible for "paid" (but still subsidized) meals and supplements. No individual income test is applied in the family day care home component of the Child and Adult Care Food program, the Summer Food Service program, the Special Milk program, and the Homeless Children Nutrition program.

C. School and Secretary

"Schools" are defined as public or private nonprofit elementary, intermediate, or secondary schools. The "Secretary" is defined as the Secretary of Agriculture.

The term "economically disadvantaged" is defined to apply to individuals or families with annual income below 185% of the Federal poverty guidelines. (p. 131)

[Note: No assistance under a family nutrition grant (other than aid to homeless children) could be given to those with family income above 185% of poverty.]

"Schools" and the "Secretary" would, under the Family Nutrition Block Grant program, have the same meaning as in present law. (p. 132)

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provisions.

Present Law

House Bill

D. State

In general, "State" is defined as the 50 States, the District of Columbia, Puerto Rico, the Northern Marianas, American Samoa, Guam, and the Virgin Islands. In the WIC program, it includes an Indian tribe, band, or group recognized by the Interior Department, an intertribal council or group recognized by the Interior Department, or the Indian Health Service.

"State" would, under the Family Nutrition Block Grant program have the same meaning as in present law. In addition, Indian tribal organizations (as defined under section 4(l) of the Indian Self-Determination and Education Assistance Act) would be included as States and could apply for grants. (p. 132)

11. NATIONAL SCHOOL LUNCH ACT (Sec. 341 of House bill)

Authorizes the School Lunch, Summer Food Service, Child and Adult Care Food, and Homeless Children Nutrition programs. Also authorizes commodity assistance for child nutrition programs and school lunch assistance for Defense Department overseas dependents' schools.

Retains the designation of the Act as the National School Lunch Act and replaces the Act's current provisions with authority for a School-Based Nutrition Block Grant Program. (p. 133)

-- Under the *School Lunch program*, schools choosing to participate receive per-meal Federal subsidies for all lunches they serve that meet Federal nutrition standards. Subsidies are indexed annually and differ depending on whether the meal is served free (to children from families with income below 130% of Federal poverty guidelines), at a reduced price (to children with family income between 130% and 185% of poverty), or at "full price" (so-called "paid" lunches for those with family income above 185% of poverty or who do not apply for free or reduced-price meals). Schools with high proportions of free or reduced-price participants receive an additional per-meal subsidy. [Sec. 4 & 11 of the National School Lunch Act]

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provisions.

Present Law

House Bill

[Note: School-lunch-like programs would receive funding under the House bill's School-Based Nutrition Block Grant program.]

-- The *Summer Food Service program* provides Federal per-meal/supplement reimbursements for all summer meals and supplements served through public and private nonprofit sponsors (including schools and local governments) to children in areas where 50% or more have family income below 185% of the Federal poverty guidelines (are eligible for free or reduced-price school meals). Summer food service subsidies also are provided to public and private nonprofit summer camps and higher education institutions in the National Youth Sports program. [Sec. 13 of the National School Lunch Act]

[Note: Summer-food-service-like programs could receive funding under both the House bill's Family Nutrition Block Grant and, where school-sponsored, under its School-Based Block Grant.]

-- The *Child and Adult Care Food program* provides Federal per-meal reimbursements for all meals and supplements served in public and private nonprofit child care centers, public and private nonprofit adult day care centers, certain for-profit child and adult day care centers, and family day care homes. Reimbursements for meals/supplements in centers vary by the recipient's income, but not in family day care homes. Certain schools with after-school care programs also may receive assistance. [Sec. 17 & 17A of the National School Lunch Act]

[Note: Child-care-food-like programs could receive funding under both the House bill's Family

Senate Amendment

Conference Agreement

Present Law

House Bill

Nutrition Block Grant and, where school-sponsored, under the House bill's School-Based Nutrition Block Grant.]

-- The *Homeless Children Nutrition program* grants funds to public and private nonprofit sponsors providing food service (meals and supplements), similar to that provided under the Child and Adult Care Food program, to homeless children under age 6 in shelters.

[Note: Programs for homeless children could receive funding under the House bill's Family Nutrition Block Grant]

-- The Agriculture Department is required to provide *commodity support* for meals served by institutions in the School Lunch, Child and Adult Care Food, and Summer Food Service programs. Schools and other institutions are "entitled" to a specific dollar value of commodities based on the number of meals served. Schools and other institutions also receive "bonus" commodities donated from Federal stocks at the Agriculture Department's discretion. [Sec. 6 & 14 of the National School Lunch Act]

-- The Secretary of Agriculture is required to make funds available for school lunch programs in Defense Department overseas dependent's schools to the same degree as for other schools (authority for school breakfast programs in these schools is contained in Sec. 20 of the Child Nutrition Act). [Sec. 17A of the National School Lunch Act]

Senate Amendment

Conference Agreement

Present Law

House Bill

12. AUTHORIZATION FOR SCHOOL-BASED NUTRITION BLOCK GRANT (Sec. 341 of House bill)**A. Entitlement**

States are entitled to "performance-based" funding according to the number and type of meals and supplements served under school-based programs authorized by the National School Lunch and Child Nutrition Acts.

"Entitles" each State that submits an annual application (see item 14) to receive an annual school-based nutrition grant for the purpose of achieving the goals of the School-Based Nutrition Block Grant Program (see item 12D for the program's goals and item 13 for State entitlement allotments). (p. 133)

B. Requirement to Provide Commodities

The Secretary of Agriculture is required to ensure that no less than 12% of the total amount of "entitlement" commodity and cash assistance for the School Lunch program is in the form of commodity support (including cash in lieu of commodities in the limited instances where available and administrative costs for procuring commodities). [Sec. 6(g) of the National School Lunch Act]

Requires that 9% of the amount of assistance available under the school-based block grant be in the form of commodities. (p. 134)

C. The School-Based Nutrition Block Grant**(1) Amount of the Grant**

Federal funds for activities under existing law replaced by the House bill's school-based grant are authorized at such sums as are necessary and provided based on the number of meals, supplements, and half-pints of milk served.

Provides that the annual total school-based block grant provided States as their "entitlement" will be: \$6.681 billion for fiscal year 1996, \$6.956 billion (fiscal year 1997), \$7.237 billion (fiscal year 1998), \$7.538 billion (fiscal year 1999), and \$7.849 billion (fiscal year 2000). (p. 134)

Senate Amendment**Conference Agreement**

No comparable provision.

No directly comparable provision.

[Note: See item 26]

No comparable provisions.

Present Law

House Bill

(2) Reservation for Defense**Department Schools**

The Secretary is required to make school lunch and school breakfast funding and commodities available to Defense Department overseas dependents' schools to the same degree as other schools. [Sec. 20 of the National School Lunch Act and Sec. 20 of the Child Nutrition Act]

(3) Availability

No provision.

D. Goals

The National School Lunch Act declares it the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of agricultural commodities by assisting States through grants and other means in providing support for the establishment, maintenance, operation, and expansion of nonprofit school lunch programs. [Sec. 2 of the National School Lunch Act]

For each fiscal year, requires the Secretary to reserve from the total entitlement an amount determined necessary, in consultation with the Secretary of Defense, to establish and carry out nutritious food service programs at Defense Department overseas dependents' schools. (p. 134)

Permits States to obligate payments under a school-based nutrition grant in the succeeding fiscal year. (p. 135)

Establishes the goals of the School-Based Block Grant Program:

- to safeguard the health and well-being of children through the provision of nutritious, well-balanced meals and food supplements;
- to provide economically disadvantaged children (see item 21B for definition) access to nutritious free or low-cost meals, food supplements, and low-cost milk;
- to ensure that children served under the School-Based Block Grant program are receiving the nutrition they require to take advantage of educational opportunities;

Senate Amendment

Conference Agreement

No comparable provision.

No comparable provision.

No comparable provisions.

Present Law

House Bill

E. Timing of Payments
No provision.

- to emphasize foods that are naturally good sources of vitamins and minerals over enriched foods and those high in fat or sodium content;
- to provide a comprehensive school nutrition program for children; and
- to minimize paperwork burdens and administrative expenses for participating schools. (p. 135)

Directs that the Secretary of Agriculture make school-based nutrition grant payments to the States on a quarterly basis. (p. 136)

13. ALLOTMENT OF SCHOOL-BASED NUTRITION BLOCK GRANT (Sec. 341 of House bill)

Current activities that may be funded under the House bill's School-Based Nutrition Block Grant program include those now supported by the School Lunch and Breakfast programs, and school-sponsored programs under the Child and Adult Care Food program, the Summer Food Service program, and the Special Milk program.

As set forth below, provides for the Secretary of Agriculture to make State allotments of the School-Based Nutrition Block Grant entitlement. (p. 136)

In all cases, "performance funding" is provided for each meal, supplement, or half-pint of milk served by participating schools, at legislatively established, inflation indexed rates.

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provisions.

Present Law

House Bill

A. First Year State Allotments
No provisions.

For the first fiscal year in which grants are made, provides that the Secretary make allotments to States based on the proportion of funds each State received under prior law for the preceding fiscal year. (p. 136)

Base-year State Shares: Each State's allotment would be its prior-year share of funds received under the School Lunch and Breakfast programs, plus 12.5% of the amounts received under the Child and Adult Care Food, Summer Food Service, and Special Milk programs. (p. 137)

B. Second Year State Allotments
No provision.

For the second fiscal year in which grants are made, provides that (1) 95% of the total entitlement amount be allotted according to each State's share of the amount allotted in the first year and (2) 5% of the entitlement amount allotted be based on each State's share of the number of meals served under the grant during the 1-year period ending the preceding June 30. (p. 138)

C. Third and Fourth Year State Allotments
No provision.

For the third and fourth fiscal years in which grants are made, provides that (1) 90% of the total entitlement amount be allotted according to each State's share of the amount allotted in the preceding year and (2) 10% of the entitlement amount allotted be based on each State's share of the number of meals served under the grant during the 1-year period ending the preceding June 30. (p. 139)

Senate Amendment**Conference Agreement**

No comparable provisions.

No comparable provision.

No comparable provision.

Present Law

House Bill

D. Fifth Year State Allotments

No provision.

For the fifth fiscal year in which grants are made, provides that (1) 85% of the total entitlement amount be allotted according to each State's share of the amount allotted in the fourth year and (2) 15% of the entitlement amount allotted be based on each State's share of the number of meals served under the grant during the 1-year period ending the preceding June 30. (p. 139)

14. APPLICATION FOR SCHOOL-BASED NUTRITION GRANTS (Sec. 341 of House bill)

Nutrition requirements for school-provided meals are established by the Secretary of Agriculture on the basis of tested nutritional research, are not to be construed to prohibit substitution of foods to accommodate medical or other special dietary needs, must, at a minimum, be based on the weekly average nutrient content of school lunches, and may, with certain limits on how schools may be required to implement them, be based on the Federal "Dietary Guidelines for Americans." [Sec. 9(a) and Sec. 12(k) of the National School Lunch Act, and Sec. 4(e) of the Child Nutrition Act]

Provides that the Secretary make a school-based nutrition grant to a State if it submits an application containing only the following:

- an agreement that the State will use the grant in accordance with the School-Based Block Grant program requirements (see item 15);
- an agreement that the State will set minimum nutrition requirements for meals provided under the grant based on the most recent tested nutrition research available (but the requirements could not be construed to prohibit the substitution of foods to accommodate medical or other special dietary needs and would have to be based, at a minimum, on the weekly average nutrient content of school lunches or other standards set by the State);
- an agreement that, with respect to provision of meals to students, the State will implement minimum nutrition requirements based on the most recent tested nutrition research available or the model nutrition standards developed by the National Academy of Sciences (see item 20);

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provisions.

Present Law

House Bill

The use/disclosure of information obtained from applications for free/reduced-price meals is limited to those administering/enforcing child nutrition programs, administrators of other health or education programs (with restrictions), and the General Accounting Office and law enforcement officials. [Sec. 9(b) of the National School Lunch Act]

15. USE OF AMOUNTS PROVIDED UNDER THE SCHOOL-BASED NUTRITION BLOCK GRANT (Sec. 341 of House bill)

A. Activities Supported

The School Lunch and Breakfast programs provide Federal support to schools for nonprofit meal services to schoolchildren. In addition, to a more limited degree, schools offer (and receive Federal subsidies for) after-school food assistance, milk service, and summer food service programs.

-- an agreement that the State will take reasonable steps it deems necessary to restrict the use and disclosure of information about those receiving assistance under the grant;

-- an agreement that the State will not use more than 2% of its grant for administrative costs incurred to provide assistance; and

-- an agreement that the State will submit an annual report to the Secretary (see item 16). (p. 140)

Provides that the Secretary of Agriculture make school-based nutrition grants to States if they agree to use their grant to provide assistance to schools for nutritious food service programs that provide affordable meals and supplements to students, including nonprofit:

-- school breakfast programs;

-- school lunch programs;

-- before and after school supplement programs;

-- low-cost milk services; and

-- summer meal programs. (p. 141)

Senate Amendment

Conference Agreement

No comparable provisions.

Present Law

House Bill

B. Additional Requirements**(1) Minimum Amount of Assistance for Free or Low-Cost Meals and Supplements**

Under the School Lunch and Breakfast programs, and after-school assistance, milk service, and summer food service programs, schools are provided with specific Federal reimbursements for free and reduced-price meals, supplements, and milk for lower-income children (with family income below 185% of poverty) that are higher than those granted for "paid" meals, supplements, and milk provided those with higher income.

(2) Food Service Programs for Private Nonprofit Schools and Defense Department Domestic Dependents' Schools

No directly comparable provision.

[Note: See item 18.]

Requires that each State ensure that not less than 80% of its school-based grant is used to provide free or low-cost meals to economically disadvantaged children (see item 21 for definitions). (p. 142)

Requires that each State ensure that nutritious food service programs are established and carried out in private nonprofit and Defense Department domestic dependents' schools on an equitable basis with programs in public schools in the State -- to the extent consistent with the number of children in these schools and after consultation with representatives of the schools (see item 18). (p. 142)

Senate Amendment

Conference Agreement

No comparable provision.

No comparable provision.

Present Law

House Bill

**C. Authority to Use School-Based Nutrition
Block Grant Amounts for Other Purposes****(1) Authority**
No provision.

Allows States to use not more than 20% of amounts received from a school-based nutrition grant for any fiscal year to carry out State programs under other block grants authorized by:

- part A of title IV of the Social Security Act (relating to welfare for families with children);
- part B of title IV of the Social Security Act (relating to provision of child welfare services);
- title XX of the Social Security Act (relating to provision of social services);
- the Child Nutrition Act of 1966 (relating to family nutrition block grants); and
- the Child Care and Development Block Grant. (p. 143)

(2) Sufficient Funding
No provision.

Provides that States may not transfer funds to other block grants unless the appropriate State agency makes a determination that sufficient funds will remain available for the fiscal year to carry out activities under the School-Based Block Nutrition Block Grant Program. (p. 143)

Senate Amendment

Conference Agreement

No comparable provision.

No comparable provision.

Present Law

House Bill

(3) Amounts Used for Other Purposes
No provision.

Provides that school-based nutrition block grant amounts States transfer to other block grants (noted above) will not be subject to the requirements of the School-Based Nutrition Block Grant program under the revised National School Lunch Act, but will be subject to the requirements that apply to Federal funds provided directly to the block grant to which they are transferred. (p. 144)

D. Limitation on Provision of Commodities
Certain schools receive cash or commodity letters of credit in lieu of entitlement commodities (so-called "Cash/CLOC" schools). [Sec. 18(b) of the National School Lunch Act]

Provides that States may not require current Cash/CLOC schools to accept commodities in lieu of cash or commodity letters of credit. (p. 144)

E. Segregation/Identification of Children Eligible for Free or Low-Cost Meals or Supplements
Schools may not physically segregate, overtly identify, or otherwise discriminate against any child eligible for free or reduced-price lunches. [Sec. 9(b)(4) of the National School Lunch Act]

Requires States to ensure that schools receiving school-based nutrition grant assistance do not physically segregate, overtly identify, or otherwise discriminate against children eligible for free or low-cost meals or supplements. (p. 145)

16. REPORTS (Sec. 341 of House bill)

No comparable provision.

Requires that States, as a condition of receiving a school-based nutrition grant, agree to submit an annual report to the Secretary of Agriculture describing:

- the number of individuals receiving assistance under the grant for the reporting (fiscal) year;
- the different types of assistance provided;

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provision.

No comparable provision.

No comparable provision.

Present Law

House Bill

-- the total number of meals served to students under the grant, including the percentage served to economically disadvantaged students;

-- the extent to which the assistance provided was effective in achieving the goals of the School-Based Nutrition Block Grant program (see item 12D);

-- the standards and methods the State is using to ensure the nutritional quality of assistance under the grant; and

-- any other information that can be reasonably required by the Secretary. (p. 146)

17. PENALTIES (Sec. 341 of House bill)

A. Penalty for Violations

[Note: See item 7.]

Requires the Secretary of Agriculture to reduce the school-based nutrition grant amount otherwise payable to a State by any amount paid under the grant that an audit made under the "Single Audit Act" (chapter 75 of title 31 of the United States Code) finds has been used in violation of the revised National School Lunch Act. However, the Secretary is barred from reducing any quarterly payment to the State by more than 25%. (p. 147)

Senate Amendment

Conference Agreement

No comparable provision.

Present Law

House Bill

B. Penalty for Failure to Submit a Required Report
No specific provision.

Requires the Secretary to reduce by 3% the school-based nutrition grant amount otherwise payable to a State for any fiscal year if the Secretary determines that the State has not submitted the required annual report (see item 16) for the immediately preceding fiscal year within 6 months after the end of that fiscal year. (p. 147)

18. FEDERAL ASSISTANCE FOR CHILDREN IN PRIVATE NONPROFIT SCHOOLS AND DEFENSE DEPARTMENT DOMESTIC DEPENDENTS' SCHOOLS (Sec. 341 of House bill)

Where States are by law precluded from providing child nutrition assistance to certain types of schools (e.g. private nonprofit schools), the Secretary is authorized to provide assistance directly.

If a State is precluded by law from providing assistance under the school-based nutrition grant to nonprofit private schools or Defense Department domestic dependents' schools, or the Secretary has determined that the State has substantially failed or is unwilling to provide assistance to the schools, requires the Secretary to arrange for provision of school-based nutrition assistance to the schools, after consultation with appropriate school representatives. In the case that the Secretary provides assistance to private nonprofit schools or Defense Department domestic dependents' schools, the State's school-based nutrition grant would be reduced to reflect the assistance provided. (p. 148)

Senate Amendment

Conference Agreement

No comparable provision.

No comparable provision.

Present Law

House Bill

**19. FOOD SERVICE PROGRAMS FOR
DEFENSE DEPARTMENT OVERSEAS
DEPENDENTS' SCHOOLS** (Sec. 341 of House
bill)

A. Assistance

[Note: See item 12C(2)]

Requires the Secretary to make available to the Secretary of Defense funds and commodities (as determined by the Secretary in consultation with the Secretary of Defense, and reserved from the total school-based grant) for establishing and carrying out nutritious food service programs providing affordable meals and supplements to students in Defense Department overseas dependents' schools. (p. 149)

B. Requirements

Federally subsidized school meal programs in Defense Department overseas dependents' schools must meet the same requirements as programs in domestic schools.

In carrying out food service programs in Defense Department overseas dependents' schools, requires the Secretary of Defense to (1) ensure that not less than 80% of the assistance is used to provide free or low-cost meals and supplements to economically disadvantaged children (see item 21B for definition) and (2) the schools will implement minimum nutrition requirements in the same way domestic schools receiving assistance under the school-based nutrition grant are required to (including optional use of model nutrition standards). (p. 149)

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provision.

Present Law

House Bill

20. MODEL NUTRITION STANDARDS FOR STUDENT MEALS (Sec. 341 of House bill)**A. Requirement**

No comparable provisions.

[Note: The Secretary establishes nutrition standards for school meals.]

Not later than April 1, 1996, requires the National Academy of Sciences to develop model nutrition standards for meals provided to students under the School-Based Block Grant Program. The standards are to be developed by the Food and Nutrition Board of the Academy's Institute of Medicine, in cooperation with nutritionists and directors of school meal programs. (p. 151)

B. Report to Congress

No provision.

Not later than one year after the model nutrition standards (noted above) are developed, requires the National Academy of Sciences to report to Congress regarding the efforts of States to implement them. (p. 151)

21. DEFINITIONS (Sec. 341 of House bill)**A. Schools and Secretary**

In general, "schools" are defined as public or private nonprofit elementary, intermediate, or secondary schools. The "Secretary" is defined as the Secretary of Agriculture.

"Schools" and "Secretary" would be defined as having the same meaning as in existing law. In addition, parallel definitions are added for Defense Department domestic and overseas dependents' schools. (p. 152)

B. Economically Disadvantaged

No directly comparable provision.

[Note: Subsidies are provided for free and reduced-price meals served to children with family income under 185% of the Federal poverty guidelines. However, Federal school food service subsidies are not limited to these lower-income children.]

The term "economically disadvantaged" is defined to apply to individuals or families with annual income below 185% of the Federal poverty guidelines. (p. 152)

[Note: Assistance under the School-Based Nutrition grant could be given to children with family income above 185% of poverty.]

Senate Amendment**Conference Agreement**

No comparable provision.

No comparable provision.

No comparable provisions.

No comparable provision.

Present Law

House Bill

C. State

In general, for school food programs, "State" is defined as the 50 States, the District of Columbia, Puerto Rico, the Northern Marianas, American Samoa, and the Virgin Islands.

"State," under the School-Based Nutrition grant, would have the same meaning as in present law, except that Indian tribal organizations (as defined under section 4(l) of the Indian Self-Determination and Education Assistance Act) would be included as States and could apply for grants. (p. 153)

22. REPEALERS (Sec. 361 of House bill)

Not applicable.

Makes conforming technical amendments repealing the Commodity Distribution Reform Act and WIC Amendments of 1987 and the Child Nutrition and WIC Reauthorization Act of 1989. (p. 153)

23. EFFECTIVE DATE (Sec. 391 of House bill)

Not applicable.

Makes amendments replacing Child Nutrition and National School Lunch Act provisions with Family Nutrition and School-Based Nutrition Block Grants effective October 1, 1995. (p. 161)

24. APPLICATION OF AMENDMENTS AND REPEALERS (Sec. 392 of House bill)

Not applicable.

Provides that amendments and repealers associated with replacing Child Nutrition and National School Lunch Act provisions with Family Nutrition and School-Based Nutrition Block Grants not apply with respect to (1) financial assistance provided under prior law and (2) administrative actions or proceedings commenced or authorized to be commenced before the effective date. (p. 162)

Senate Amendment

Conference Agreement

No comparable provisions.

No comparable provisions.

No comparable provision.

No comparable provisions.

Present Law

House Bill

**25. TERMINATION OF ADDITIONAL
PAYMENTS FOR LUNCHES SERVED IN
HIGH FREE AND REDUCED PRICE
PARTICIPATION SCHOOLS (Sec. 401 of
Senate amendment)**

Lunches served by school food authorities where 60 percent or more of the lunches are served free or at a reduced price (to children with family income below 185 percent of the Federal poverty income guidelines) are reimbursed at a rate 2 cents a meal higher than regular subsidy rates. [Sec. 4(b) of the National School Lunch Act]

No comparable provision.

Senate Amendment

Conference Agreement

Effective July 1, 1996 (the 1996-1997 school year), ends the extra 2-cent-a-lunch reimbursement to schools with high rates of free and reduced-price participation. (p. 347)

Present Law

House Bill

26. VALUE OF FOOD ASSISTANCE (Sec. 402 of Senate amendment)

Schools and certain other child nutrition sponsors are "entitled" to commodities valued at a legislatively set, inflation-indexed amount per meal served. The per-meal reimbursement rate is indexed annually to reflect the annual percentage change in a 3-month average value of the Price Index for Food Used in Schools and Institutions, and rounded to the nearest 1/4 cent. [Sec. 6(e) of the National School Lunch Act]

No directly comparable provision.

[Note: See item 12B.]

Freezes (for one year) the guaranteed per-meal reimbursement rate for entitlement commodity assistance and revises (by changing rounding rules) the method of calculating this reimbursement rate. (p. 347)

On January 1, 1996, the entitlement commodity reimbursement rate set under current law for the 1995-1996 school year (as rounded to the nearest 1/4 cent) would be rounded down to the nearest lower cent. For the 1996-1997 school year, the rate would be frozen at the rate for the 1995-1996 school year (as rounded down to the nearest lower cent). For the 1997-1998 school year, the rate would be the unrounded rate for the 1995-1996 school year, adjusted for inflation over the most recent 12-month period and rounded down to the nearest lower cent. For following school years, the rate would be the unrounded rate for the preceding year, adjusted for inflation over the most recent 12-month period and rounded down to the nearest lower cent. (p. 348)

[Note: Current-law rules as to the inflation-adjustment factor to be used (i.e., the Price Index for Food Used in Schools and Institutions) are not changed.]

Present Law

House Bill

27. LUNCHESES, BREAKFASTS, AND SUPPLEMENTS (Sec. 403 of Senate amendment)

"Paid" lunches, breakfasts, and supplements are served to those with family income above 185 percent of the Federal poverty guidelines. Guaranteed Federal reimbursement rates for each paid lunch, breakfast, and supplement are indexed annually to reflect changes in the food away from home series of the Consumer Price Index. When indexed, all reimbursement rates (i.e., for paid, free, and reduced-price meals and supplements) are rounded to the nearest 1/4 cent. [Sec. 11(a) of the National School Lunch Act]

No comparable provisions.

Freezes (for two years) reimbursement rates for paid lunches, breakfasts, and supplements. Revises (by changing rounding rules) the method for calculating reimbursement rates for paid, free, and reduced-price lunches, breakfasts, and supplements. (p. 350)

[Note: Reimbursement rates for meals and supplements served in family day care homes and the Summer Food Service program are and would be governed by separate provisions of law (see below).]

On January 1, 1996, reimbursement rates for *paid*, *free*, and *reduced-price* lunches, breakfasts, and supplements set under current law for the 1995-1996 school year (as rounded to the nearest 1/4 cent) would be rounded down to the nearest lower cent. For the 1996-1997 and 1997-1998 school years, the reimbursement rates for *paid* lunches, breakfasts, and supplements would be frozen at the rates for the 1995-1996 school year (as rounded down to the nearest lower cent). For the 1998-1999 school year, the reimbursement rates for *paid* lunches, breakfasts, and supplements would be the unrounded rates for the 1995-1996 school year adjusted for inflation over the most recent 12-month period for which data are available, and rounded down to the nearest lower cent. For following school years, the reimbursement rates for *paid* lunches, breakfasts, and supplements would be the unrounded rates for the preceding year adjusted for inflation over the most recent 12-month period, and rounded down to the nearest

Present Law

House Bill

28. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (Sec. 404 of Senate amendment)

Under the Summer Food Service program, all meals and supplements served are federally subsidized at legislatively set, inflation-indexed rates that, for the 1995 summer (set in January 1995), were \$2.12 for each lunch/supper, \$1.18 for each breakfast, and 55.5 cents for each supplement. In addition, sponsors receive payments for administrative costs based on the number of meals/supplements served. Basic Federal payments for lunches, breakfasts, and supplements are indexed for inflation annually based on the food away from home series of the Consumer Price Index, and rounded to the nearest 1/4 cent. [Sec. 13(b) of the National School Lunch Act]

No comparable provisions.

Senate Amendment

Conference Agreement

lower cent. (p. 350)

Reimbursement rates for *free and reduced-price* lunches, breakfasts, and supplements would continue to be indexed annually for inflation each school year (i.e., no two-year freeze), but would be rounded down to the nearest lower cent. (p. 350)

[Note: Current-law rules as to the inflation-adjustment factor to be used (i.e., the food away from home series of the Consumer Price Index) are not changed.]

Establishes new, lower reimbursement rates for meals and supplements served in the Summer Food Service program as follows: \$2 for lunches/suppers, \$1.20 for breakfasts, and 50 cents for supplements. The new rates would become effective January 1, 1996 (for the 1996 summer program), and be adjusted each January thereafter to reflect changes in the food away from home series of the Consumer Price Index (as under current law). However, while each adjustment would be based on the unrounded rates for the prior 12-month period, it would be rounded down to the nearest cent. (p. 352)

[Note: Additional administrative-cost payment rates to sponsors are not affected.]

Present Law

House Bill

29. SPECIAL MILK PROGRAM (Sec. 405 of Senate amendment)

Under the Special Milk program, the minimum per-half-pint reimbursement rate is indexed annually to reflect changes in the Producer Price Index for Fresh Processed Milk, and rounded to the nearest 1/4 cent. [Sec. 3(a) of the Child Nutrition Act]

No comparable provisions.

Freezes (for one year) the minimum per-half-pint reimbursement rate and revises (by changing rounding rules) the method of calculating the reimbursement rate. (p. 354)

On Jan. 1, 1996, the minimum reimbursement rate set under current law for the 1995-1996 school year (as rounded to the nearest 1/4 cent) would be rounded down to the nearest cent. For the 1996-1997 school year, the minimum reimbursement rate would be frozen at the rate for the 1995-1996 school year (as rounded down to the nearest cent). For the 1997-1998 school year, the minimum reimbursement rate would be the unrounded rate for the 1995-1996 school year adjusted for inflation over the most recent 12-month period for which data are available, and rounded down to the nearest lower cent. For following school years, the minimum reimbursement rate would be the unrounded rate for the preceding year adjusted annually for inflation, and rounded down to the nearest lower cent. (p. 354)

[Note: Current-law rules as to the inflation adjustment factor to be used (i.e., the Producer Price Index for Fresh Processed Milk) are not changed.]

Present Law

House Bill

**30. FREE AND REDUCED PRICE
BREAKFASTS (Sec. 406 of Senate amendment)**

Reimbursement rates for free and reduced-price breakfasts are indexed annually for inflation and rounded to the nearest 1/4 cent. [Sec. 4(b) of the Child Nutrition Act]

No comparable provision.

**31. CONFORMING REIMBURSEMENT FOR
PAID BREAKFASTS AND LUNCHESES (Sec.
407 of Senate amendment)**

The per-meal reimbursement for paid breakfasts (paid meals are those served to children with family income above 185 percent of the Federal poverty income guidelines) is higher than the reimbursement rate for paid lunches -- by about 2 cents a meal for the 1995-1996 school year. [Sec. 4(b) of the Child Nutrition Act]

No comparable provision.

[Note: The paid breakfast reimbursement rate is roughly the *same* as the current-law paid lunch rate for schools with free and reduced-price participation of 60 percent or more. This special lunch rate would be eliminated under Sec. 401 of the Senate amendment (see item 25).]

Senate Amendment**Conference Agreement**

Requires that annual adjustments to reimbursement rates for free and reduced-price breakfasts be based on the previous year's unrounded rates and, after adjustment for inflation, rounded down to the nearest lower cent. (p. 356)

Requires that the reimbursement rate for paid breakfasts be the same as the rate for paid lunches. (p. 356)

Present Law

House Bill

32. SCHOOL BREAKFAST STARTUP GRANTS (Sec. 411 of Senate amendment)

The Secretary is required to make competitive grants to help defray costs associated with starting or expanding school breakfast and summer food service programs. Funding of \$5 million a year is provided through fiscal year 1997; \$6 million is provided for fiscal year 1998; and \$7 million a year is provided for fiscal year 1999 and each subsequent year. [Sec. 4(g) of the Child Nutrition Act]

No comparable provision.

33. NUTRITION EDUCATION AND TRAINING PROGRAMS (Sec. 412 of Senate amendment)

The Secretary is required to make funding available to States for child nutrition program nutrition education and training activities. Funding of \$10 million a year is provided. [Sec. 19(i) of the Child Nutrition Act]

No comparable provision.

34. EFFECTIVE DATE (Sec. 413 of Senate amendment)

Not applicable.

No comparable provision.

Senate Amendment**Conference Agreement**

Repeals the startup/expansion competitive grant program. (p. 357)

Reduces the amount that must be provided for nutrition education and training to \$7 million a year. (p. 357)

Establishes Oct. 1, 1996 as the effective date for repeal of the startup/expansion competitive grant program and reduction of funding for nutrition education and training. (p. 357)

Present Law**House Bill**

**35. FREE AND REDUCED PRICE POLICY
STATEMENT (Sec. 421 of Senate amendment)**

[Note: See note under Senate amendment.]

No comparable provision.

**36. SUMMER FOOD SERVICE PROGRAM
FOR CHILDREN (Sec. 422 of Senate
amendment)****A. Permitting Offer versus Serve**
No provision.

No comparable provision.

[Note: The "offer versus serve" option is permitted in school meal programs.]

**B. Removing Mandatory Notice to
Institutions**

Under the Summer Food Service program, States must submit to the Secretary, by February 15 of each year, a plan and schedule for informing service institutions of the availability of the program. [Sec. 13(n) of the National School Lunch Act]

No comparable provision.

Provides that, after initial submission, schools may not be required to submit free and reduced-price policy statements for the School Lunch and School Breakfast programs to State education agencies -- unless there is a substantial change in the school's policy. Implementation of routine changes (such as the annual adjustment in the income eligibility guidelines) would not be sufficient cause to require submission of a policy statement. (p. 357)

[Note: Under current regulations, annual submission of policy statements is required.]

Allows schools operating summer food service programs to permit children attending a site on school premises to refuse one item of a meal without affecting the Federal reimbursement for the meal. (p. 359)

Prohibits the Secretary from requiring States to submit then plans and schedules for informing institutions of the availability of the Summer Food Service program. (p. 359)

Present Law**House Bill**

37. CHILD AND ADULT CARE FOOD PROGRAM (Sec. 423 of Senate amendment)

A. Payments to Sponsor Employees
No provision.

No comparable provision.

B. Improved Targeting of Day Care Home Reimbursements

(1) Restructured Day Care Home Reimbursements

Federal reimbursement rates for meals and supplements served in *family/group day care homes* are standard for all homes, established separately from those for day care centers, not differentiated by the participating children's family income (as is the case for day care *centers*), and set approximately half-way between reimbursements for free and reduced-price meals/supplements in day care centers.

They are indexed for inflation each July 1 (see item 36B(2)), and, for the period July 1995 - June 1996, they are: \$1.5375 for all lunches/suppers, 84.5 cents for all breakfasts, and 45.75 cents for all supplements. Family/group day care home sponsors also receive separate administrative cost reimbursements based on the number of homes sponsored.

[Sec. 17(f) of the National School Lunch Act]

No comparable provisions.

Bars Child and Adult Care Food program sponsoring organizations with more than one employee from basing payments to employees on the number of family/group day care homes recruited, managed, or monitored. (p. 360)

Restructures reimbursements for meals and supplements served in family/group day care homes. In general, homes would be divided into two "tiers," one of which would receive current-law reimbursements (with indexing adjustments, see item 37B(2) for changes in inflation indexing rules) and the other of which would receive lower reimbursements as set out under the Senate amendment. (p. 360)

[Note: Separate payments to sponsors based on the number of homes sponsored are not changed, and current rules barring certain documentation requirements and reimbursements for meals/supplements served to providers' children are retained.]

Tier 1 homes would be paid the meal/supplement reimbursements for family/group homes in effect on the date of enactment, adjusted on August 1, 1996, and each July 1 thereafter, to reflect inflation for the most recent 12-month period for which data are available. (p. 361)

Present Law

House Bill

Tier I homes would be those (1) located in areas, as defined by the Secretary based on Census data, in which at least half of the children are members of households with income below 185 percent of the Federal poverty income guidelines, (2) located in an area served by a school enrolling elementary students in which at least 50 percent of those enrolled are certified eligible for free or reduced-price school meals (i.e., have family income below 185 percent of the Federal poverty guidelines), or (3) operated by a provider whose family income is verified by its sponsoring organization to be below 185 percent of the poverty guidelines. (p. 361)

In general, *tier II* homes would be paid reimbursements of \$1 for each lunch/supper, 30 cents for each breakfast, and 15 cents for each supplement (all substantially below *tier I* rates), adjusted on July 1, 1997, and each July 1 thereafter, to reflect inflation for the most recent 12-month period for which data are available. (p. 364)

Tier II homes would be homes that do not meet the *tier I* low-income area/provider standards. (p. 364)

Tier II homes could, at their option, claim higher *tier I* reimbursement rates under certain conditions:

— *Tier II* homes could elect to receive *tier I* reimbursements for meals/supplements served to children in households with income below 185 percent of the poverty guidelines, if the sponsoring organization collects the necessary income information and makes the appropriate eligibility determinations (in accordance with the Secretary's

Present Law

House Bill

rules). *Tier II* homes also could receive *tier I* reimbursements for children in or subsidized under (or children of parents in or subsidized under) federally or State supported child care or other benefit programs with an income limit that does not exceed 185 percent of the poverty guidelines, and could restrict their claim for *tier I* reimbursements to these children if they opt not to have income statements collected from parents/caretakers. (p. 365)

The Secretary would be required to prescribe "simplified" meal counting/reporting procedures for use by *tier II* homes (and their sponsors) that elect to claim *tier I* reimbursements for children meeting the income or program participation requirements noted above. These procedures could include: (1) setting an annual percentage of meals/supplements to be reimbursed at *tier I* rates based on the family income of children enrolled during a specific month or other period, (2) placing a home in a reimbursement category based on the percentage of children with household income below 185 percent of poverty, or (3) other procedures determined by the Secretary. (p. 369)

The Secretary also would be permitted to establish minimum requirements for verifying income and program participation for children in *tier II* homes opting to claim *tier I* reimbursement rates. (p. 370)

Present Law

House Bill

(2) Inflation Indexing Day Care Home Reimbursements

Meal and supplement reimbursements for family/group day care homes are indexed annually to reflect changes in the Consumer Price Index for food away from home and rounded to the nearest 1/4 cent. [Sec. 17(f) of the National School Lunch Act]

No comparable provisions.

(3) Grants to States to Provide Assistance to Family or Group Day Care Homes

No comparable provision.

No comparable provisions.

Senate Amendment**Conference Agreement**

Requires that reimbursements for family/group day care homes be indexed annually to reflect changes in the Consumer Price Index for food at home, based on the unrounded rates for the preceding 12-month period, and then rounded down to the nearest lower cent. (p. 360)

Requires the Secretary to reserve, from amounts available for the Child and Adult Care Food program in fiscal year 1996, \$5 million -- to provide grants for (1) training, materials, computer and other assistance to sponsoring organization staff and (2) training and other aid to family/group day care homes in implementing the new reimbursement-rate structure directed by the Senate amendment. The funds would be allocated among the States based on their proportion of participating homes, with a minimum of \$30,000 as a State's base funding share, and States would not be allowed to retain more than 30 percent of their grant at the State level (passing the remainder to sponsors and providers). (p. 370)

Present Law

House Bill

(4) Provision of Data
No provisions.

No comparable provisions.

(5) Conforming Amendments
Not applicable

No comparable provisions.

Requires (1) the Secretary to provide State agencies with Census data necessary for determining homes' *tier 1* status and (2) State agencies to provide the data to day care home sponsoring organizations. (p. 373)

Requires State agencies administering school meal programs to provide approved day care home sponsoring organizations a list of schools serving elementary school children in which at least half those enrolled are certified to receive free or reduced-price meals (one test for an area eligible for *tier 1* reimbursements). The data for the list must be collected annually and provided on a timely basis to any requesting approved sponsoring organization. (p. 374)

Provides that, in determining homes' *tier 1* status, State agencies and sponsoring organizations must use the most current data available. (p. 374)

Provides that a determination that a home is located in an area that qualifies it as a *tier 1* home be in effect for three years, unless the State agency determine the area no longer qualifies the home. In the case of a determination made on the basis of Census data, the determination is to be in effect until more recent data are available. (p. 375)

Makes conforming technical amendments recognizing the new structure of family/group day care home reimbursement rates. (p. 375)

Present Law

House Bill

C. Disallowing Meal Claims
No specific provision.

No comparable provision.

D. Elimination of State Paperwork and Outreach Burden
Provisions of the National School Lunch Act require (1) States to take affirmative action to expand availability of the Child and Adult Care Food program's benefits (including annual notification of all nonparticipating family/group day care home providers), (2) the Secretary to conduct demonstration projects to test approaches to removing or reducing barriers to participation by homes that operate in low-income areas or primarily serve low-income children, (3) the Secretary and States to provide training and technical assistance to sponsoring organizations in reaching low-income children, and (4) the Secretary to instruct States to provide information/training about child health and development through sponsoring organizations. [Sec. 17(k) of the National School Lunch Act]

No comparable provision.

E. Study of Impact of Amendments on Program Participation and Family Day Care Licensing
No provision.

No comparable provision.

Senate Amendment**Conference Agreement**

Makes clear that States and sponsoring organizations may recoup reimbursements to day care home providers for improperly claimed meals/supplements. (p. 376)

Repeals existing "outreach" requirements noted under present law and requires that (1) States provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the Child and Adult Care Food program and (2) the Secretary assist States in carrying out this obligation. (p. 376)

Not later than two years after the date of enactment, requires the Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, to study the impact of the revisions to the Child and Adult Care Food program under the Senate amendment on:

Present Law

House Bill

F. Effective Date and Regulations
Not applicable.

No comparable provisions.

Senate Amendment

Conference Agreement

- the number of participating family day care homes, day care home sponsoring organizations, and day care homes that are licensed, certified, registered, or approved by each State;
- the rate of growth in the number of participating homes, sponsors, and licensed, certified, registered, or approved homes;
- the nutritional adequacy/quality of meals served in family day care homes that no longer receive reimbursements or no longer receive "full" reimbursements; and
- the proportion of low-income children participating in the program. (p. 377)

Requires each State agency to submit data on (1) the number of participating family day care homes on July 31, 1996, and July 31, 1997, (2) the number of licensed, certified, registered, or approved family day care homes on July 31, 1996, and July 31, 1997, and (3) other matters needed to carry out the study as required by the Secretary. (p. 379)

Establishes the effective date for changes in the family/group day care home reimbursement structure -- August 1, 1996. Other changes affecting the Child and Adult Care Food program would be effective on enactment (e.g., grants to assist in implementation of the changes, limits on payments to sponsors' employees). (p. 376)

Present Law

House Bill

**38. REDUCING REQUIRED REPORTS TO
STATE AGENCIES AND SCHOOLS (Sec. 424
of Senate amendment)**

Not applicable.

No comparable provisions.

Senate Amendment**Conference Agreement**

Requires that, by February 1, 1996, the Secretary issue interim regulations to implement (1) the changes in the family/group day care home reimbursement structure and (2) existing provisions of law for the use of sponsoring organizations' administrative expense payments for startup/expansion and outreach and recruitment activities. Final regulations would be required by August 1, 1996. (p. 377)

Directs the Secretary to review all existing reporting requirements placed on local providers (e.g., schools) under the National School Lunch and Child Nutrition Acts and notify the appropriate committees of Congress of those requirements that are mandated by law, with recommendations as to whether any should be eliminated because their contribution to program effectiveness is not sufficient to warrant the paperwork burden imposed. The Secretary also would be required to provide justification for those reporting requirements established solely by regulation. The review and report would be due no later than one year after enactment. (p. 379)

Present Law

House Bill

**39. CATEGORICAL ELIGIBILITY (Sec. 107
of Senate amendment)**

In general, children are categorically income eligible for child nutrition programs, and women, infants, and children for the WIC program, if they are recipients of AFDC benefits. [Sec. 9(b) of the National School Lunch Act and Sec. 17(d) of the Child Nutrition Act]

No comparable provision.

Senate Amendment**Conference Agreement**

Amends to the National School Lunch and Child Nutrition Acts to (1) technically conform citations to the new family assistance block grant (rather than the AFDC program) and (2) make categorically eligible for child nutrition and WIC programs only those recipients in family assistance block grant programs that comply with standards established by the Secretary of Agriculture to ensure that a State's family assistance block grant program standards are comparable to or more restrictive than those in effect for the AFDC program on June 1, 1995. (p. 150)

Title XI - Food Stamps and Commodities Distribution

Present Law	House Bill
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Food Stamp Reform

1. DECLARATION OF POLICY (Sec. 301 of Senate amendment)

The Food Stamp Act's declared policy is to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households. To alleviate hunger and malnutrition among low-income households with limited food purchasing power, the Act authorizes the food stamp program to permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing the food purchasing power of all eligible households who apply. [Sec. 2]

No comparable provision.

2. SHORT TITLE (Sec. 531 of House bill)

No provision.

Cites this subtitle as "The Food Stamp Simplification and Reform Act of 1995." (p. 207)

Senate Amendment**Conference Agreement**

Adds to the existing Food Stamp Act declaration of policy a statement that Congress intends that the food stamp program support the employment focus and family strengthening mission of public welfare and welfare replacement programs by facilitating transition to economic self-sufficiency through work, promoting employment as the primary means of income support and reducing barriers to employment, and maintaining and strengthening healthy family functioning and family life. (p. 219)

No comparable provision.

Present Law

House Bill

3. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP PROGRAM (Sec. 541 of House bill, Sec. 306 of Senate amendment)

The Secretary is directed to establish uniform national standards of eligibility for food stamps (with certain variations allowed for Alaska, Hawaii, Guam, the Virgin Islands, and certain administrative rules). States may not impose any other standards of eligibility as a condition for participation in the program. [Sec. 5(b)]

Permits States to operate a "simplified food stamp program," either statewide or in any political subdivision. Under this program, households receiving regular cash benefits under the Temporary Assistance for Needy Families (TANF) block grant established by title I of the Personal Responsibility Act (replacing the current Aid to Families with Dependent Children (AFDC) program) could be provided food stamp benefits using the rules and procedures established by the State for its TANF block grant program, as an alternative to using regular food stamp rules. (p. 207)

4. SIMPLIFIED FOOD STAMP PROGRAM (Sec. 542 of House bill, Sec. 342 of Senate amendment)**A. Basic State Option**

Households composed entirely of AFDC recipients are automatically eligible for food stamps, with few exceptions (e.g., aliens who do not meet the Food Stamp program's more stringent rules barring illegal aliens). [Sec. 5(a)]

As with other households, food stamp benefits for AFDC households are determined under Food Stamp program rules governing counting of income, expense deductions, and procedural requirements.

[Note: Sec. 542(a) of the House bill adds a new section 24 to the Food Stamp Act containing rules for the Simplified Food Stamp Program.]

If a State elects to exercise its option to use its TANF block grant rules and procedures for food stamp benefits, requires that (1) households in which all members receive regular cash benefits under a TANF block grant program be automatically eligible for food stamps and (2) food stamp benefits for them be determined under rules and procedures established by the State or locality under the State's TANF block grant program or the regular food stamp program. (p. 208)

Senate Amendment**Conference Agreement**

Explicitly permits non-uniform standards of eligibility. (p. 222)

[*Note:* Also see item 38]

[*Note:* Sec. 342(a) of the Senate amendment adds a new section 24 to the Food Stamp Act containing rules for the Simplified Food Stamp Program]

Permits a State to exercise an option to use rules and procedures established for its family assistance block grant (under title I of the Senate amendment) to determine food stamp benefits for households in which all members receive family assistance block grant aid: (1) households in which all members receive aid under a family assistance block grant program would be automatically eligible for food stamps; and (2) their food stamp benefits could be determined by using rules and

Present Law

House Bill

B. Federal Cost Control
No comparable provisions.

Requires that, when approving a State's plan to exercise its option for a simplified food stamp program, the Secretary certify that the average per-household food stamp benefit received by participating TANF households is not expected to exceed the average food stamp benefit level for AFDC or TANF recipients in the preceding fiscal year -- adjusted for any changes in the "Thrifty Food Plan" (the basis for food stamp benefit levels). The Secretary also is required to compute the "permissible" average per-household benefit for each State or locality exercising the simplified program option. (p. 208)

Senate Amendment

Conference Agreement

procedures established by the State for its family assistance block grant program, regular food stamp program rules and procedures, or a combination of the two. States also would be allowed to apply a single "shelter standard" to households that receive a housing subsidy and another to households that do not. (p. 313)

Provides that a State may not operate a simplified food stamp program unless it has an approved plan and requires the Secretary to approve any State plan if the Secretary determines it complies with the provisions of law governing the simplified food stamp program option and would not increase Federal costs under the Food Stamp Act. Federal costs for this purpose are defined to exclude research, demonstration, and evaluation costs. (p. 314)

Present Law

House Bill

Requires that, if average food stamp benefits under the simplified program exceed the permissible level (the Thrifty-Food-Plan-adjusted prior year amount), the State must pay the Federal Government the benefit cost of the excess within 90 days of notification. (p. 209)

C. Disqualification

Households penalized for an intentional failure to comply with a Federal, State, or local welfare program may not, for the duration of the penalty, receive an increased food stamp allotment because their welfare income has been reduced. [Sec. 8(d)]

[Note: This has been interpreted by regulation to apply only to reductions in welfare income due to repayment of overpayments resulting from a welfare violation, although a revision of the regulation is scheduled.]

Provides that (1) households receiving food stamps under the simplified program option who are sanctioned (disqualified or have their benefits reduced) under a State's TANF program may have the same penalty applied for food stamp purposes and (2) food stamp benefits to households participating under the simplified program option may not be increased as the result of a reduction in their TANF benefits caused by a sanction. Any household disqualified from food stamps as the result of a TANF program sanction would be eligible to apply for food stamps (as a new applicant) after the disqualification period has expired. (p. 209)

Senate Amendment

Conference Agreement

Requires the Secretary to determine whether a State's simplified food stamp program is increasing Federal costs under the Food Stamp Act. In making the determination, the Secretary (1) could not require States to collect or report any information on households not included in the simplified food stamp program and (2) could approve State requests to use alternative accounting periods. If the Secretary determines that a simplified food stamp program has increased Federal costs, the State must be notified by January 1 of the succeeding fiscal year. (p. 315)

If the Secretary determines that a simplified program has increased Federal costs for a two-year period, the State must pay the Federal Government the amount of any increased costs within 90 days of the determination (or have amounts due it for administrative costs reduced). (p. 316)

[Note: See items 10 and 43.]

Present Law

House Bill

D. Extending Rules to "Mixed" Households

No comparable provisions.

Allows States the further option of applying their TANF rules and procedures to food stamp households in which some, but not all, members receive TANF benefits. These households would not be automatically eligible for food stamps (they would have to meet normal food stamp eligibility rules), but their benefits could be determined under the State's TANF rules and procedures, so long as the Secretary ensures that the State's plan provides for an "equitable" distribution of benefits among all household members. (p. 210)

E. Cash Assistance**(1) State Option**

No comparable provisions.

Allows States exercising the simplified program option to pay food stamp benefits in cash to some participating households. Cash benefits could be paid to households with 3 or more consecutive months' earned income of at least \$350 a month from a private sector employer. (p. 211)

Senate Amendment

Conference Agreement

No comparable provisions.

[Note: See item 55.]

Present Law

House Bill

(2) Requirements

No comparable provisions.

Provides that: (1) cash assistance in lieu of food stamps be considered the food stamp benefit of the earner's household, (2) the value of food stamp benefits provided in cash be treated as food stamp coupons for taxation and other purposes (i.e., disregarded), and (3) the State opting for cash payments increase the payments (at State expense) to offset the effect of any food sales taxes, unless the Secretary determines it unnecessary because of the limited nature of items taxed (sales taxes on food purchases with food stamp benefits are barred by existing law). (p. 211)

(3) Evaluation

No comparable provision.

Requires States electing the cash benefit option to submit a written evaluation of the effect of cash assistance after 2 years' operation. (p. 213)

F. Federal Food Stamp Rules**(1) Administrative and Other Rules**

Requires States exercising the simplified program option to, at a minimum, comply with certain rules mandated under the Food Stamp Act:

-- requirements governing issuance procedures for food stamp benefits;

-- the requirement that benefits be calculated by subtracting 30% of a household's income (as determined by State-established, not Federal, rules under the simplified program option) from the maximum food stamp benefit;

-- the bar against counting food stamp benefits as income or resources in other programs;

[Note: See item 55.]

[Note: See item 55.]

Permits States exercising the option for a simplified food stamp programs to apply rules and procedures under their family assistance block grant, the rules/procedures of the regular food stamp program, or the rules/procedures of one program to certain matters and those of the other in remaining matters. Permits States to standardize food stamp expense "deductions," but, in doing so, States would be required to give consideration to the work expenses, dependent care costs, and shelter costs of participating households. (p. 316)

Otherwise, the Senate amendment is the same as the House bill, except that it also would (1) require that States follow the revised rule in the Senate amendment (see item 43) as to not increasing food

Present Law

House Bill

- the requirements that State agencies assume responsibility for eligibility certification and issuance of benefits and keep records for inspection and audit;
- the bar against discrimination by reason of race, sex, religious creed, national origin, or political beliefs;
- requirements related to submission and approval of plans of operation and administration of the food stamp program on Indian reservations;
- limits on the use and disclosure of information about food stamp households;
- requirements for notice to and fair hearings for aggrieved households (or comparable requirements established by the State under its TANF program);
- requirements for submission of reports and other information required by the Secretary;
- the requirement to report illegal aliens to the Immigration and Naturalization Service;
- requirements for use of certain Federal and State data sources in verifying recipients' eligibility;
- requirements to take measures to ensure that households are not receiving duplicate benefits; and
- requirements for the provision of social security numbers as a condition of eligibility and for their use by State agencies. (p. 213)

Senate Amendment

Conference Agreement

stamp benefits when other public assistance benefits are decreased (see item 4C in the House bill), (2) require that eligible households be certified and receive benefits not later than 30 days after application (as now required under the regular food stamp program), and (3) require that States issue "expedited" benefits to very low-income households (as required under the regular food stamp program). (p. 316)

Present Law

House Bill

(2) Cost Sharing

The Federal Government shares 50% of any State food stamp administrative costs (except that certain States with very low rates of erroneous benefit and eligibility determinations can receive up to 60%). States also may retain certain proportions of any overissued benefits they recoup. Special Federal cost-sharing rules apply in the case of employment and training programs for food stamp recipients. States are subject to a quality control system under which the extent of erroneous benefit and eligibility decisions is measured. Those with high rates of erroneous benefit and eligibility decisions are subject to fiscal sanctions. [Sec. 16]

States electing the simplified program option would be subject to normal food stamp program cost-sharing rules. (p. 214)

States electing the simplified option would be subject to the food stamp quality control system (including fiscal sanctions). (p. 214)

G. State Plans

No comparable provision.

Requires that State plans for those States electing to exercise the simplified program option include the rules and procedures to be followed in determining benefits under the option, whether the program will include households in which not all members receive TANF grant benefits, and the method by which the State or political subdivision participating in the simplified program will carry out its quality control obligations. (p. 214)

**5. CONFORMING AMENDMENTS:
SIMPLIFIED FOOD STAMP PROGRAM (Sec.
543 House bill, Sec. 342 of Senate amendment)**

Allows the Secretary to operate pilot projects similar to the simplified food stamp program State option proposed in the House bill. [Sec. 8(e) and Sec. 17(i)]

Deletes provisions for pilot projects similar to the simplified food stamp program State option. (p. 215)

Senate Amendment**Conference Agreement**

Same as the House bill. (p. 318)

Same as the House bill. (p. 318)

Requires that State plans for those States electing to exercise the simplified program option include the rules and procedures to be followed in determining benefits under the option, how the States will address the needs of households with high shelter costs, and a description of the method by which the State will carry out its quality control obligations. (p. 318)

Same as the House bill. (p. 319)

Present Law

House Bill

6. THRIFTY FOOD PLAN (Sec. 551 of House bill, Sec. 304 of Senate amendment)

Maximum monthly food stamp benefits are defined as 103% of the cost of the Agriculture Department's "Thrifty Food Plan," adjusted for food-price inflation each October according to the plan's cost in the immediately preceding June and rounded down to the nearest dollar by household size. [Sec. 3(o)]

Provides that current maximum monthly food stamp benefits (103% of the cost of the Thrifty Food Plan in June 1994) be increased by 2% a year, beginning with the October 1995 adjustment, and rounded down to the nearest dollar by household size. (p. 215)

7. INCOME DEDUCTIONS AND ENERGY ASSISTANCE (Sec. 552 of House bill, Sec. 308 of Senate amendment)**A. Energy Assistance****(1) As Income**

Payments or allowances for energy assistance provided by State or local law are, under rules set by the Secretary, disregarded ("excluded") as income. [Sec. 5(d)(11) and 5(k)]

Requires that State/local energy assistance be counted as income. (p. 216)

Payments or allowances for weatherization assistance are disregarded as energy assistance. [Sec. 5(d)(11) and 5(k)]

Continues to disregard as income payments or allowances for weatherization assistance under a Federal energy assistance program. Other weatherization assistance could be disregarded as lump-sum payments, vendor payments, or reimbursements. (p. 216)

[Note: Weatherization payments could otherwise be disregarded as lump-sum payments, vendor payments, or reimbursements.]

Senate Amendment**Conference Agreement**

Sets maximum monthly food stamp benefits at 100% of the cost of the Thrifty Food Plan, effective October 1, 1995, adjusted annually, as under existing law and rounded down to the nearest dollar by household size. Requires that the October 1, 1995, adjustment not reduce maximum benefit levels. (p. 221)

Same as the House bill. (p. 223)

Requires an income disregard for one-time payments/allowances under a Federal or State law for the costs of weatherization or emergency repair/replacement of unsafe/inoperative furnaces or other heating/cooling devices. (p. 223)

Present Law

House Bill

Federal Low-Income Home Energy Assistance Program (LIHEAP) benefits are disregarded as income. [Sec. 5(d)(11) and 5(k) of the Food Stamp Act and sec. 2605(f) of the Low-Income Home Energy Assistance Act]

No provision.

Certain utility allowances under Department of Housing and Urban Development (HUD) programs are disregarded. [Sec. 5(d)(11) and 5(k)]

No provision.

(2) As Shelter Expense Deductions
Shelter expense deductions may be claimed for utility costs covered by LIHEAP benefits, but not in the case of other disregarded energy assistance unless the household has additional out-of-pocket expenses. [Sec. 5(e) of the Food Stamp Act and Sec. 2605(f) of the Low-Income Home Energy Assistance Act]

Bars claiming shelter expense deductions for utility costs covered either directly or indirectly by the LIHEAP and other disregarded energy assistance.
(p. 217)

Senate Amendment**Conference Agreement**

Counts Federal LIHEAP benefits as income. (p. 223)

Counts HUD utility allowances as income. (p. 223)

Allows claiming shelter expense deductions for utility costs covered directly or indirectly by the LIHEAP and other counted energy assistance. (p. 224 and p. 229)

Present Law

House Bill

B. Standard Deductions

For purposes of determining food stamp benefits and eligibility, applicant/recipient households may claim standard deductions from their otherwise countable income. Standard deductions are indexed annually (each October 1) for inflation based on the Consumer Price Index for items other than food and rounded down to the nearest dollar. For FY1995, standard deductions are set at: \$134 a month for the 48 States and the District of Columbia, \$229 for Alaska, \$189 for Hawaii, \$269 for Guam, and \$118 for the Virgin Islands. For FY1996, they were "scheduled" to rise to: \$138, \$236, \$195, \$277, and \$122, respectively. [Sec. 5(e)]

C. Earned Income Deduction

Households may claim a deduction for 20% of any earned income. This deduction is not allowed with respect to any income that a household willfully or fraudulently fails to report in a timely manner (as proven in a fraud hearing proceeding) — i.e., it is not allowed when determining the amount of a benefit overissuance. [Sec. 5(e)]

Freezes standard deductions at their FY1995 levels, effective October 1, 1995. (p. 216)

Denies an earned income deduction for income earned under a work supplementation or support program, or, under an alternative reading, denies an earned income deduction for the food stamp benefit portion of income earned under a work supplementation/support program. (p. 216)

[Note: See item 15.]

Senate Amendment

Conference Agreement

Reduces standard deductions:

– for FY1996, they would be \$132, \$225, \$186, \$265, and \$116; and

– for FY1997-2002, they would be \$124, \$211, \$174, \$248, and \$109. (p. 225)

Inflation indexing of standard deductions would resume October 1, 2002 (using existing indexing rules). (p. 225)

Disallows an earned income deduction for any income not reported in a timely manner – i.e., the deduction would not be allowed in determining the amount of any overissued benefits. (p. 226)

D. Excess Shelter Expense Deduction**(1) Limit on Excess Shelter Expense Deductions**

For purposes of determining food stamp benefits and eligibility, applicant/recipient households may claim excess shelter expense deductions from their otherwise countable income -- in the amount of any shelter expenses (including utility costs) above 50% of their countable income after all other deductions have been applied. For households with elderly or disabled members, these deductions are unlimited. For other households, they are limited by law through December 1996; limits are lifted as of January 1, 1997. For FY1995, excess shelter expense deductions are capped at: \$231 a month for the 48 States and the District of Columbia, \$402 for Alaska, \$330 for Hawaii, \$280 for Guam, and \$171 for the Virgin Islands. For October 1995 through December 1996, the caps are scheduled to rise to \$247, \$429, \$353, \$300, and \$182, respectively. [Sec. 5(e)]

Freezes the limits on excess shelter expense deductions at FY1995 levels. (p. 217)

Senate Amendment

Conference Agreement

No provision.

Present Law

House Bill

(2) Standard Utility Allowances

States may use "standard utility allowances" (as approved by the Secretary) in calculating households' shelter expenses. However, households may claim actual expenses instead of the allowance and may switch between an actual expense claim and the standard allowance at the end of any certification period and one additional time during any 12-month period. [Sec. 5(e)]

No provision.

E. Homeless Shelter Deduction

For homeless households not receiving free shelter throughout the month, States may develop a homeless shelter expense estimate (a standard amount) to be used in calculating an excess shelter expense deduction. States must use this amount unless the household verifies higher expenses. The Secretary may prohibit the use of the deduction for households with extremely low shelter costs. The amount is inflation indexed, and, for FY1995, it is limited to \$139 a month; effective October 1, 1995, it is scheduled to rise to \$143. [Sec. 11(e)(3)]

Sets the homeless shelter deduction at the FY1995 \$139 a month amount and requires that it be used in establishing homeless households' excess shelter expense deductions when they do not receive free shelter throughout the month. (p. 220 and p. 222)

Senate Amendment**Conference Agreement**

Permits States to make the use of standard utility allowances mandatory for all households if (1) the State has developed separate standards that include the cost of heating and cooling and do not include these costs and (2) the Secretary finds that the standards will not result in increased Federal costs. (p. 232)

Removes the option for households to switch between a standard utility allowance and actual costs once during every 12-month period. (p. 233)

Same as the House bill, except that States may prohibit the use of the deduction for households with extremely low shelter costs. (p. 227 and p. 235)

Present Law

House Bill

8. VEHICLE ALLOWANCE (Sec. 553 of House bill, Sec. 310 of Senate amendment)**A. Threshold for Counting a Vehicle's Value**

In determining a household's liquid assets for food stamp eligibility purposes, a vehicle's fair market value in excess of \$4,550 is counted. This threshold is scheduled to rise to \$4,600 in October 1995 and be annually indexed for inflation beginning in fiscal year 1997. [Sec. 5(g)(2)]

[Note: Eligible households may have liquid assets of no more than \$2,000 (\$3,000 for households with elderly members).]

B. Vehicles Carrying Fuel or Water

In determining a household's liquid assets for food stamp eligibility purposes, the value of a vehicle that the household depends on to carry fuel for heating or water for home use is excluded. [Sec. 5(g)(2)]

Freezes the threshold above which the fair market value of a vehicle is counted as an asset at \$4,550. (p. 222)

[Note: The House bill unintentionally deletes provisions of present law requiring that individual retirement accounts be counted as assets for food stamp purposes.]

Deletes the asset exclusion for vehicles used to carry fuel or water. (p. 222)

9. WORK REQUIREMENTS (Sec. 554 of House bill, Secs. 312, 313, 314, 315, 319, and 326 of Senate amendment)

Non-exempt recipients between 16 and 60 are ineligible for food stamps if they refuse to register for employment, refuse to participate in an employment/training program when required to do so by the State, or refuse a job offer meeting minimum standards. [Sec. 6(d)]

Senate Amendment

Conference Agreement

Eliminates the scheduled October 1, 1995 increase in the threshold to \$4,600 and requires that the existing (\$4,550) threshold begin to be inflation adjusted on October 1, 1996. (p. 235)

No provision.

Present Law

House Bill

Exempt individuals are: (1) those who are not physically or mentally fit, (2) those subject to and complying with a work/training requirement under the AFDC program or the unemployment compensation system (although failure to comply with an AFDC/unemployment system requirement is treated as a failure to comply with food stamp rules, if the requirement is "comparable"), (3) parents and other household members with the responsibility for care of a dependent child under age 6 or an incapacitated person, (4) postsecondary students enrolled at least half-time (separate rules bar eligibility for most postsecondary students who are not working or do not have dependents), (5) regular participants in drug addiction or alcoholic treatment programs, (6) persons employed at least 30 hours a week or receiving the minimum wage equivalent, and (7) persons between 16 and 18 who are not head of household and are in school at least half time. [Sec. 6(d)(1) and (2)]

In addition, if a non-exempt head of household fails to comply with one of the above-noted requirements or voluntarily quits a job without good cause, or if any non-exempt household member is on strike, the entire household is ineligible for food stamps. [Sec. 6(d)(1) & (3)]

A. Job Search

As noted above, non-exempt individuals refusing to participate in an employment/training program when required to do so by the State are ineligible for food stamps (if they are head of household, the entire household is ineligible). State-designed employment and training programs may include a requirement to perform job search activities. [Sec. 6(d)(1) & (2)]

Makes ineligible non-exempt individuals (and their households if they are head of household) who refuse to participate in a State-established job search program. (p. 223)

[Note: Able-bodied non-elderly adults without dependents would be subject to new work requirements, see below.]