

103^D CONGRESS
2^D SESSION

H. R. 4793

To amend part A of title IV of the Social Security Act to offer States the option of replacing the Job Opportunities and Basic Skills Training (JOBS) program with a program that would assist all recipients of aid to families with dependent children in achieving self-sufficiency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 1994

Mr. ORTON introduced the following bill; which was referred jointly to the Committees on Ways and Means, Education and Labor, Energy and Commerce, and Agriculture

A BILL

To amend part A of title IV of the Social Security Act to offer States the option of replacing the Job Opportunities and Basic Skills Training (JOBS) program with a program that would assist all recipients of aid to families with dependent children in achieving self-sufficiency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Self-Sufficiency Act
5 of 1994”.

1 **SEC. 2. TABLE OF CONTENTS.**

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

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

TITLE I—SELF-SUFFICIENCY PROGRAM

- Sec. 101. Establishment and operation of program.
- Sec. 102. Child care guaranteed to participants in State self-sufficiency programs.
- Sec. 103. Increased Federal matching rates for child care provided by States with self-sufficiency programs.
- Sec. 104. Elimination of requirement that families in States with self-sufficiency programs have received AFDC for a minimum period before becoming eligible for transitional medicaid benefits or transitional child care benefits.
- Sec. 105. Eligibility for transitional medicaid benefits and transitional child care benefits in States with self-sufficiency programs without regard to type of income that would otherwise result in ineligibility for benefits.
- Sec. 106. Elimination of certain exceptions from requirement that minor parents and pregnant minors without children live with responsible adult in States with self-sufficiency programs.

TITLE II—OTHER PROVISIONS

- Sec. 201. Disregard of persons who become family members after initial receipt of AFDC.
- Sec. 202. Enhanced payments for participants in the self-sufficiency program.
- Sec. 203. Diversion payments.
- Sec. 204. Aid to families without regard to the number of parents in the home.
- Sec. 205. 2-parent families ineligible for AFDC until 30 days after loss of employment.
- Sec. 206. Increase in earned income disregard and elimination of time limitation on earned income disregard.
- Sec. 207. Increase in asset limitations.
- Sec. 208. Amendments to the Food Stamp Act of 1977.

TITLE III—RELATED AMENDMENTS

- Sec. 301. Denial of welfare benefits to aliens.
- Sec. 302. Inclusion in consumer credit reports of information on overdue child support obligations of the consumer.
- Sec. 303. Quarterly payments of earned income credit.

TITLE IV—EFFECTIVE DATE

- Sec. 401. Effective date.

1 **TITLE I—SELF-SUFFICIENCY**
2 **PROGRAM**

3 **SEC. 101. ESTABLISHMENT AND OPERATION OF PROGRAM.**

4 (a) STATE PLAN REQUIREMENT.—Section
5 402(a)(29) of the Social Security Act is amended to read
6 as follows:

7 “(29) at the option of the State, in lieu of the
8 requirements of paragraph (19) and part F, provide
9 that—

10 “(A) the State has in effect and operation
11 a self-sufficiency program which meets the re-
12 quirements of part G;

13 “(B)(i) not later than the end of the 3-
14 year period that begins on the date the Sec-
15 retary first approves the State plan under part
16 G, the State shall require not less than 30 per-
17 cent of the recipients of aid under the State
18 plan (selected by the State in accordance with
19 such criteria as the State establishes in regula-
20 tions) to participate in the program;

21 “(ii) not later than the end of the 5-year
22 period that begins on the date the Secretary
23 first approves the State plan under part G, the
24 State shall require not less than 50 percent of
25 the recipients of aid under the State plan (se-

1 lected by the State in accordance with such cri-
2 teria as the State establishes in regulations) to
3 participate in the program;

4 “(iii) not later than the end of the 8-year
5 period that begins on the date the Secretary
6 first approves the State plan under part G, the
7 State shall require not less than 75 percent of
8 the recipients of aid under the State plan (se-
9 lected by the State in accordance with such cri-
10 teria as the State establishes in regulations) to
11 participate in the program; and

12 “(iv) not later than the end of the 10-year
13 period that begins on the date the Secretary
14 first approves the State plan under part G, the
15 State shall, except as provided in subparagraph
16 (C), require each recipient of aid under the
17 State plan to participate in the program;

18 “(C) the State may not require an individ-
19 ual to participate in the program—

20 “(i) during a period described in
21 clause (i), (ii), or (iii) of subparagraph (B),
22 if the individual resides in an area of the
23 State where the program is not available;
24 or

1 “(ii) if the individual is unable to
2 meaningfully participate in the program
3 due to a physical or psychological condi-
4 tion; and

5 “(D) the amount of aid otherwise payable
6 under the State plan to a family that includes
7 an individual who fails without good cause to
8 participate in the program, comply with any
9 term or condition of the self-sufficiency plan de-
10 veloped for the individual, or accept a bona fide
11 offer of employment shall be reduced by—

12 “(i) 25 percent for the 1st month of
13 such failure; and

14 “(ii) such equal increments for each of
15 the next 24 months of such failure as will
16 result in no benefit at the end of such 24-
17 month period;”.

18 (b) ESTABLISHMENT AND OPERATION OF PRO-
19 GRAM.—Title IV of such Act (42 U.S.C. 601–687) is
20 amended by adding at the end the following:

21 **“PART G—SELF-SUFFICIENCY PROGRAM**

22 **“SEC. 491. PURPOSE AND DEFINITIONS.**

23 “(a) PURPOSE.—The purpose of this part is to assist
24 needy families with children in becoming self-sufficient.

1 “(b) DEFINITIONS.—Except to the extent otherwise
2 provided, each term used in this part shall have the same
3 meaning given the term in or under part A.

4 **“SEC. 492. ESTABLISHMENT AND OPERATION OF STATE**
5 **PROGRAMS.**

6 “(a) GENERAL REQUIREMENTS.—

7 “(1) STATE PLAN REQUIRED.—

8 “(A) IN GENERAL.—Each State that is not
9 operating a program under part F may estab-
10 lish and operate a self-sufficiency program (in
11 this part referred to as the ‘program’) under a
12 plan approved by the Secretary as meeting the
13 requirements of this part and section
14 402(a)(29).

15 “(B) CONTENTS.—The plan referred to in
16 subparagraph (A) for the program shall—

17 “(i) describe how the State intends to
18 implement the program during the period
19 covered by the plan;

20 “(ii) indicate, through cross-references
21 to the appropriate provisions of this part
22 and part A, that the program will be oper-
23 ated in accordance with such provisions of
24 law;

1 “(iii) contain an estimate of the num-
2 ber of persons to be served by the pro-
3 gram;

4 “(iv) describe the services to be pro-
5 vided within the State and the political
6 subdivisions thereof, the needs to be ad-
7 dressed through the provision of such serv-
8 ices, the extent to which such services are
9 expected to be made available by other
10 agencies on a nonreimbursable basis, the
11 extent to which such services are to be pro-
12 vided or funded by the program, and the
13 way in which caseworkers are to be re-
14 trained to aid in the development of self-
15 sufficiency plans for participants in the
16 program;

17 “(v) contain such additional informa-
18 tion as the Secretary may require by regu-
19 lation to enable the Secretary to determine
20 that the State program will meet the re-
21 quirements of this part and part A.

22 “(C) UPDATES.—Not less frequently than
23 every 2 years after the Secretary first approves
24 a State plan under this part, the State shall re-
25 view and update the plan in accordance with

1 regulations prescribed by the Secretary, and
2 submit to the Secretary the updated plan for
3 approval.

4 “(2) ADMINISTRATION.—The State agency that
5 administers or supervises the administration of the
6 State’s plan approved under section 402 shall be re-
7 sponsible for the administration or supervision of the
8 administration of the State’s program.

9 “(3) NO SUPPLANTATION OF NON-FEDERAL
10 FUNDS.—Federal funds made available to a State
11 for purposes of the program shall not be used to
12 supplant non-Federal funds for existing services and
13 activities which promote the purpose of this part.

14 “(4) REPORTS.—Each State that establishes a
15 self-sufficiency program under this part shall submit
16 to the Secretary on a quarterly basis, a report on—

17 “(A) the number of participants in the
18 program;

19 “(B) the number of such participants who
20 are employed on a full-time basis;

21 “(C) the number of such participants who
22 are employed on a part-time basis; and

23 “(D) the number of participants in the
24 program who have become ineligible for aid to

1 families with dependent children during the pre-
2 ceding year by reason of excessive earnings.

3 “(b) CONSULTATION.—The Secretary shall consult
4 with the Secretary of Labor on general plan requirements
5 and on criteria to be used in approving State plans under
6 this section.

7 **“SEC. 493. ASSESSMENT AND REVIEW OF NEEDS AND**
8 **SKILLS OF PARTICIPANTS; SELF-**
9 **SUFFICIENCY PLANS.**

10 “(a) ASSESSMENT.—The State agency must make an
11 initial assessment of the educational, child care, and other
12 supportive services needs as well as the skills, prior work
13 experience, and employability of each participant in the
14 program under this part, including a review of the family
15 circumstances and the needs of any child of the
16 participant.

17 “(b) SELF-SUFFICIENCY PLAN.—On the basis of the
18 assessment made with respect to a participant under sub-
19 section (a), the State agency, in consultation with the par-
20 ticipant, shall develop a self-sufficiency plan for the partic-
21 ipant, which—

22 “(1) explains the services (including child care
23 and other supportive services) that will be provided
24 by the State agency and the activities in which the
25 participant will take part under the program;

1 “(2) shall not require the participant to be en-
2 gaged in such activities for an unreasonable amount
3 of time each week;

4 “(3) sets forth an employment goal for the par-
5 ticipant, that, to the maximum extent possible and
6 consistent with this section, reflects the preferences
7 of the participant;

8 “(4) takes into account the participant’s sup-
9 portive services needs, available program resources,
10 and local employment opportunities; and

11 “(5) shall not be considered a contract.

12 “(c) AGREEMENT TO SELF-SUFFICIENCY PLAN.—
13 After a self-sufficiency plan has been developed under sub-
14 section (b) with respect to a participant, the State agency
15 shall—

16 “(1) require the participant (or the adult care-
17 taker in the family of which the participant is a
18 member) to negotiate and enter into an agreement
19 with the State agency that specifies such matters as
20 the participant’s obligations under the program, the
21 duration of participation in the program, and the ac-
22 tivities to be conducted and the services to be pro-
23 vided in the course of such participation; and

1 “(1) provide (directly or through arrangements
2 with others) information on the types and locations
3 of child care services reasonably accessible to partici-
4 pants in the program;

5 “(2) inform participants that assistance is
6 available to help them select appropriate child care
7 services; and

8 “(3) on request, provide assistance to partici-
9 pants in obtaining child care services.

10 “(d) The State agency must inform applicants for
11 and recipients of aid to families with dependent children
12 of the grounds for exemption from participation in the
13 program and the consequences of refusal to participate if
14 not exempt, and provide other appropriate information
15 with respect to such participation.

16 “(e) Within 1 month after the State agency gives a
17 recipient of aid to families with dependent children the in-
18 formation described in the preceding provisions of this
19 subsection, the State agency must notify the recipient of
20 the opportunity to indicate a desire to participate in the
21 program, including a clear description of how to enter the
22 program.

1 **“SEC. 495. SERVICES AND ACTIVITIES UNDER THE**
2 **PROGRAM.**

3 “In carrying out the program, each State may make
4 available the services and activities authorized to be made
5 available under part F, family counseling services, mental
6 health treatment services, and such other services and ac-
7 tivities as the State deems appropriate.

8 **“SEC. 496. DISPUTE RESOLUTION PROCEDURES.**

9 “Each State shall establish a conciliation procedure
10 for the resolution of disputes involving an individual’s par-
11 ticipation in the program and (if the dispute involved is
12 not resolved through conciliation) shall provide an oppor-
13 tunity for a hearing with respect to the dispute, which
14 hearing may be provided through a hearing process estab-
15 lished for purposes of resolving disputes with respect to
16 the program or through the provision of a hearing pursu-
17 ant to section 402(a)(4). The State may not suspend, re-
18 duce, discontinue, or terminate aid to families with de-
19 pendent children as a result of a dispute involving an indi-
20 vidual’s participation in the program until the individual
21 has an opportunity for a hearing that meets the standards
22 set forth by the United States Supreme Court in *Goldberg*
23 *v. Kelly*, 397 U.S. 254 (1970).

1 **“SEC. 497. PERFORMANCE STANDARDS.**

2 “(a) Not later than 3 years after the effective date
3 of title I of the Self-Sufficiency Act of 1994, the Secretary
4 shall—

5 “(1) in consultation with the Secretary of
6 Labor, representatives of organizations representing
7 Governors, State and local program administrators,
8 educators, State job training coordinating councils,
9 community-based organizations, recipients, and
10 other interested persons, develop performance stand-
11 ards with respect to the programs established pursu-
12 ant to this part; and

13 “(2) submit to the appropriate committees of
14 jurisdiction of the Congress the recommendations of
15 the Secretary for performance standards developed
16 under paragraph (1), which recommendations shall
17 be made with respect to specific measurements of
18 outcomes and be based on the degree of success
19 which may reasonably be expected of States in help-
20 ing individuals to increase earnings, achieve self-
21 sufficiency, and reduce welfare dependency, and
22 shall not be measured solely by levels of activity or
23 participation.

24 Performance standards developed under this subsection
25 shall be reviewed periodically by the Secretary and modi-
26 fied to the extent necessary.

1 “(b) The Secretary may collect information from the
2 States to assist in the development of performance stand-
3 ards under subsection (a), and shall include in the regula-
4 tions issued pursuant to section 102 of the Self-
5 Sufficiency Act of 1994 provisions establishing uniform re-
6 porting requirements under which States must furnish pe-
7 riodically information and data, including information and
8 data (for each program activity) on the average monthly
9 number of families assisted, the types of such families, the
10 amounts spent per family, the length of their participa-
11 tion, and such other matters as the Secretary may
12 determine.

13 “(c) The Secretary shall develop and transmit to the
14 Congress, for appropriate legislative action, a proposal for
15 measuring State progress, providing technical assistance
16 to enable States to meet performance standards, and
17 modifying the Federal matching rate to reflect the relative
18 effectiveness of the various States in carrying out the
19 program.

20 **“SEC. 498. COORDINATION REQUIREMENTS.**

21 “(a)(1) The Governor of each State shall assure that
22 program activities under this part are coordinated in that
23 State with programs operated under the Job Training
24 Partnership Act and with any other relevant employment,
25 training, and education programs available in that State.

1 Appropriate components of the State's plan developed
2 under section 492(a)(1) which relate to job training and
3 work preparation shall be consistent with the coordination
4 criteria specified in the Governor's coordination and spe-
5 cial services plan required under section 121 of the Job
6 Training Partnership Act.

7 “(2) The State plan so developed shall be submitted
8 to the State job training coordinating council not less than
9 60 days before its submission to the Secretary, for the
10 purpose of review and comment by the council. Concurrent
11 with submission of the plan to the State job training co-
12 ordinating council, the proposed State plan shall be pub-
13 lished and made reasonably available to the general public
14 through local news facilities and public announcements, in
15 order to provide the opportunity for review and comment.

16 “(3) The comments and recommendations of the
17 State job training coordinating council under paragraph
18 (2) shall be transmitted to the Governor of the State.

19 “(b) The Secretary of Health and Human Services
20 shall consult with the Secretaries of Education and Labor
21 on a continuing basis for the purpose of assuring the max-
22 imum coordination of education and training services in
23 the development and implementation of the program
24 under this part.

1 “(c) The State agency responsible for administering
2 or supervising the administration of the State plan ap-
3 proved under part A shall consult with the State education
4 agency and the agency responsible for administering job
5 training programs in the State in order to promote coordi-
6 nation of the planning and delivery of services under the
7 program with programs operated under the Job Training
8 Partnership Act and with education programs available in
9 the State (including any program under the Adult Edu-
10 cation Act or Carl D. Perkins Vocational Education
11 Act).”.

12 (c) REGULATIONS.—

13 (1) IN GENERAL.—The Secretary, in consulta-
14 tion with the Secretary of Labor and with the re-
15 sponsible State agencies described in section
16 492(a)(2) of the Social Security Act, shall prescribe
17 such regulations as may be necessary to implement
18 the amendments made by this section, including reg-
19 ulations establishing uniform data collection
20 requirements.

21 (2) DEADLINE FOR ISSUANCE OF PROPOSED
22 REGULATIONS.—Not later than 3 months after the
23 date of the enactment of this Act, the Secretary of
24 Health and Human Services shall issue proposed
25 regulations pursuant to paragraph (1).

1 (3) DEADLINE FOR ISSUANCE OF FINAL REGU-
2 LATIONS.—Not later than 6 months after the date
3 of the enactment of this Act, the Secretary shall
4 issue final regulations pursuant to paragraph (1).

5 **SEC. 102. CHILD CARE GUARANTEED TO PARTICIPANTS IN**
6 **STATE SELF-SUFFICIENCY PROGRAMS.**

7 Section 402(g)(1)(A)(i) of the Social Security Act (42
8 U.S.C. 602(g)(1)(A)(i)) is amended—

9 (1) by striking “and” at the end of subclause
10 (I);

11 (2) by striking the period at the end and insert-
12 ing “; and”; and

13 (3) by adding after and below the end the fol-
14 lowing:

15 “(III) for each individual who is participating
16 in the State program established under part G in ac-
17 cordance with the self-sufficiency plan established
18 for the individual under section 492.”.

19 **SEC. 103. INCREASED FEDERAL MATCHING RATES FOR**
20 **CHILD CARE PROVIDED BY STATES WITH**
21 **SELF-SUFFICIENCY PROGRAMS.**

22 (a) AFDC AND TRANSITIONAL CHILD CARE.—Sec-
23 tion 402(g)(3)(A) of such Act (42 U.S.C. 602(g)(3)(A))
24 is amended by adding at the end the following:

1 “(iii) In the case of a State with a plan approved
2 under part G for the fiscal year, the applicable rate for
3 purposes of section 403(a) shall be the rate otherwise de-
4 termined under this subparagraph, increased by 10 per-
5 centage points.”.

6 (b) AT-RISK CHILD CARE.—Section 403(n)(1)(A) of
7 such Act (42 U.S.C. 603(n)(1)(A)) is amended by insert-
8 ing “(increased by 10 percentage points, in the case of
9 a State with a plan approved under part G)” before “of
10 the expenditures”.

11 **SEC. 104. ELIMINATION OF REQUIREMENT THAT FAMILIES**
12 **IN STATES WITH SELF-SUFFICIENCY PRO-**
13 **GRAMS HAVE RECEIVED AFDC FOR A MINI-**
14 **MUM PERIOD BEFORE BECOMING ELIGIBLE**
15 **FOR TRANSITIONAL MEDICAID BENEFITS OR**
16 **TRANSITIONAL CHILD CARE BENEFITS.**

17 (a) MEDICAID.—Section 1925(a)(1) of the Social Se-
18 curity Act (42 U.S.C. 1396r-6(a)(1)) is amended by in-
19 serting “(or, in a State with an approved plan under part
20 G of title IV, during any of the 6 months)” after “6
21 months”.

22 (b) TRANSITIONAL CHILD CARE.—Section
23 402(g)(1)(A)(iv) of such Act (42 U.S.C. 602(g)(1)(A)(iv))
24 is amended by inserting “in a State that does not have
25 a plan approved under part G” after “A family”.

1 **SEC. 105. ELIGIBILITY FOR TRANSITIONAL MEDICAID BEN-**
2 **EFITS AND TRANSITIONAL CHILD CARE BEN-**
3 **EFITS IN STATES WITH SELF-SUFFICIENCY**
4 **PROGRAMS WITHOUT REGARD TO TYPE OF**
5 **INCOME THAT WOULD OTHERWISE RESULT**
6 **IN INELIGIBILITY FOR BENEFITS.**

7 (a) **MEDICAID.**—Section 1925(a)(1) of the Social Se-
8 curity Act (42 U.S.C. 1396r–6(a)(1)) is amended by in-
9 serting “, the receipt of any income of the caretaker rel-
10 ative (in the case of a State with an approved plan under
11 part G of title IV),” after “subsection (e)”.

12 (b) **TRANSITIONAL CHILD CARE.**—Section
13 402(g)(1)(A)(ii) of such Act (42 U.S.C. 602(g)(1)(A)(ii))
14 is amended by striking “, or increased income from, such
15 employment or by reason of subsection (a)(8)(B)(ii)(II)”
16 and inserting “such employment, by reason of subsection
17 (a)(8)(B)(ii)(II), increased income from such employment
18 if the State does not have a plan approved under part G,
19 or excessive income if the State has such a plan”.

20 **SEC. 106. ELIMINATION OF CERTAIN EXCEPTIONS FROM**
21 **REQUIREMENT THAT MINOR PARENTS AND**
22 **PREGNANT MINORS WITHOUT CHILDREN**
23 **LIVE WITH RESPONSIBLE ADULT IN STATES**
24 **WITH SELF-SUFFICIENCY PROGRAMS.**

25 Clauses (iv) and (v) of section 402(a)(43)(B) of the
26 Social Security Act (42 U.S.C. 602(a)(43)(B) (iv) and (v))

1 are each amended by inserting “, and the State does not
2 have a plan approved under part G” before the semicolon.

3 **TITLE II—OTHER PROVISIONS**

4 **SEC. 201. DISREGARD OF PERSONS WHO BECOME FAMILY** 5 **MEMBERS AFTER INITIAL RECEIPT OF AFDC.**

6 Section 402(a) of the Social Security Act (42 U.S.C.
7 602(a)) is amended—

8 (1) by striking “and” at the end of paragraph
9 (44);

10 (2) by striking the period at the end of para-
11 graph (45) and inserting “; and”; and

12 (3) by inserting after paragraph (45) the fol-
13 lowing:

14 “(46) if the State has a plan approved under
15 part G, at the option of the State, provide that, in
16 determining the amount of aid payable under the
17 State plan to a family—

18 “(A) except as provided in subparagraph
19 (B), the family shall not be regarded as having
20 more members than the number of such mem-
21 bers at the time the family first becomes a re-
22 cipient of aid under the State plan; and

23 “(B) if the State has exercised the option
24 provided under section 406(b) with respect to
25 aid for pregnant women, a 1-parent or 2-parent

1 family that includes a pregnant woman and no
2 children shall not be regarded as having more
3 members than the number of such members im-
4 mediately after the end of the pregnancy.”.

5 **SEC. 202. ENHANCED PAYMENTS FOR PARTICIPANTS IN**
6 **THE SELF-SUFFICIENCY PROGRAM.**

7 Section 402(a) of the Social Security Act (42 U.S.C.
8 602(a)), as amended by section 201 of this Act, is amend-
9 ed—

10 (1) by striking “and” at the end of paragraph
11 (45);

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

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

16 “(47) if the State has a plan approved under
17 part G, at the option of the State, provide that the
18 amount of aid otherwise payable on a monthly basis
19 to a family under the State plan shall be increased
20 by not more than \$50 if each member of the family
21 who is required to participate a self-sufficiency pro-
22 gram established by the State under part G does so
23 on a full-time basis.”.

1 **SEC. 203. DIVERSION PAYMENTS.**

2 (a) IN GENERAL.—Section 402(a) of the Social Secu-
3 rity Act (42 U.S.C. 602(a)), as amended by sections 201
4 and 202 of this Act, is amended—

5 (1) by striking “and” at the end of paragraph
6 (46);

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

9 (3) by inserting after paragraph (47) the fol-
10 lowing:

11 “(48) if the State has a plan approved under
12 part G, at the option of the State, provide that, if
13 the caseworker for a family who is eligible for, but
14 not receiving, aid under the State plan determines
15 that the caretaker relative in the family will be em-
16 ployed by the end of the 3-month period that begins
17 with the date the family will become a recipient of
18 such aid and that, upon such employment, the fam-
19 ily will not need further assistance, then the State
20 shall, in lieu of the first 3 monthly payments of such
21 aid to the family, pay to the family, in a lump sum,
22 an amount equal 3 times the amount of the first
23 such monthly payment, on the date the first such
24 monthly payment would otherwise be made, and sub-
25 sequent payments (if any) of such aid to the family
26 shall be reduced (but not below zero) by an amount

1 sufficient to recover the amount of the lump sum
2 payment.”.

3 (b) 3 MONTHS OF CHILD CARE FOR FAMILIES
4 RECEIVING A DIVERSION PAYMENT.—Section
5 402(g)(1)(A)(i) of such Act (42 U.S.C. 602(g)(1)(A)(i)),
6 as amended by section 102 of this Act, is amended—

7 (1) by striking “and” at the end of subclause
8 (II);

9 (2) by striking the period at the end and insert-
10 ing “; and”; and

11 (3) by adding after and below the end the fol-
12 lowing:

13 “(IV) for 3 months, for each family with a de-
14 pendent child requiring such care if the family re-
15 ceives a diversion payment under subsection
16 (a)(48).”.

17 (c) MEDICAID FOR FAMILIES RECEIVING A DIVER-
18 SION PAYMENT.—Section 1902(a)(10)(A)(i)(I) of such
19 Act (42 U.S.C. 1396a(a)(10)(A)(i)(I)) is amended by in-
20 serting “, and including individuals receiving assistance
21 under section 402(a)(48)” after “482(e)(6)”.

22 **SEC. 204. AID TO FAMILIES WITHOUT REGARD TO THE**
23 **NUMBER OF PARENTS IN THE HOME.**

24 (a) IN GENERAL.—

1 (1) Section 402(a)(41) of the Social Security
2 Act (42 U.S.C. 602(a)(41)) is amended by inserting
3 “if the State does not have a plan approved under
4 part G (otherwise, at the option of the State),” after
5 “(41)”.

6 (2) Section 407(a) of such Act (42 U.S.C.
7 607(a)) is amended by inserting “if the State does
8 not have a plan approved under part G (otherwise,
9 at the option of the State),” after “shall,”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 402(a)(38)(B) of such Act (42
12 U.S.C. 602(a)(38)(B)) is amended by inserting “, if
13 the State exercises the option provided under para-
14 graph (41),” after “406(a) or”.

15 (2) Section 406(a)(1) of such Act (42 U.S.C.
16 606(a)(1)) is amended by inserting “, if a resident
17 of a State that has exercised the option provided
18 under section 402(a)(41),” after “(1) who”.

19 (3) Section 406(b)(1) of such Act (42 U.S.C.
20 606(b)(1)) is amended by inserting “, in the case of
21 a State that has exercised the option provided under
22 section 402(a)(41),” after “mental incapacity of a
23 parent or”.

24 (4) Section 472(a) of such Act (42 U.S.C.
25 672(a)) is amended by inserting “, in the case of a

1 State that has exercised the option provided under
2 section 402(a)(41),” after “406(a) or”.

3 (5) Section 473(a)(2)(A)(i) of such Act (42
4 U.S.C. 672(a)(2)(A)(i)) is amended by inserting “,
5 in the case of a State that has exercised the option
6 provided under section 402(a)(41),” after “406(a)
7 or”.

8 **SEC. 205. 2-PARENT FAMILIES INELIGIBLE FOR AFDC UNTIL**
9 **30 DAYS AFTER LOSS OF EMPLOYMENT.**

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

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

14 (2) by adding “and” at the end of subpara-
15 graph (B); and

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

17 “(C) notwithstanding subparagraph (B), if the
18 State has a plan approved under part G, at the op-
19 tion of the State, provide that an application for aid
20 under the plan that is submitted on behalf of a fam-
21 ily that includes 2 unemployed parents shall not be
22 effective until the end of the 30-day period that be-
23 gins with the most recent date of employment of ei-
24 ther such parent;”.

1 **SEC. 206. INCREASE IN EARNED INCOME DISREGARD AND**
2 **ELIMINATION OF TIME LIMITATION ON**
3 **EARNED INCOME DISREGARD.**

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

6 (1) in subparagraph (A)(iv)(II), by inserting “,
7 or, in the case of a State which has a plan approved
8 under part G, not less than $\frac{1}{3}$ and not more than
9 $\frac{1}{2}$ of the remainder thereof” before the semicolon;
10 and

11 (2) in subparagraph (B)(ii), by striking
12 “(ii)(I)” and inserting “(ii) at the option of the
13 State (I)”.

14 **SEC. 207. INCREASE IN ASSET LIMITATIONS.**

15 Section 402(a)(7)(B) of the Social Security Act (42
16 U.S.C. 602(a)(7)(B)) is amended—

17 (1) by inserting “(or, in the case of a State
18 which has a plan approved under part G, \$2,000)”
19 after “\$1,000”; and

20 (2) in clause (i), by inserting “(or, in the case
21 of a State which has a plan approved under part G,
22 \$8,000)” after “prescribe”.

23 **SEC. 208. AMENDMENTS TO THE FOOD STAMP ACT OF 1977.**

24 (a) EXCLUSION FROM INCOME.—Section 5(d) of the
25 Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is
26 amended—

1 (1) by striking “and (16)” and inserting
2 “(16)”, and

3 (2) by inserting before the period at the end the
4 following:

5 “, and (17) at the option of the State agency, not more
6 than \$90 per month during the 1-year period beginning
7 on the date a household member completes participation
8 in the program established by a State under part G of
9 title IV of the Social Security Act”.

10 (b) DEDUCTION.—Section 5(e) of the Food Stamp
11 Act of 1977 (7 U.S.C. 2014(e)) is amended by adding at
12 the end the following:

13 “All households that include a member who is a full-time
14 participant in the program established by a State under
15 part G of title IV of the Social Security Act shall be al-
16 lowed a deduction of \$100 in each month of participation
17 in such program.”.

18 (c) EFFECTIVE DATE AND APPLICATION OF AMEND-
19 MENTS.—The amendments made by this section shall not
20 apply with respect to certification periods beginning before
21 the effective date of this Act.

1 **TITLE III—RELATED**
2 **AMENDMENTS**

3 **SEC. 301. DENIAL OF WELFARE BENEFITS TO ALIENS.**

4 (a) WELFARE BENEFITS DENIED TO ILLEGAL
5 ALIENS.—An alien who is unlawfully present in the Unit-
6 ed States shall not be eligible for benefits or services under
7 any Federal or federally assisted program which provides
8 benefits or services based, in whole or in part, on need.

9 (b) STATE OPTION TO DENY WELFARE BENEFITS
10 TO OTHER ALIENS.—A State that is operating a federally
11 assisted program under which eligibility for benefits or
12 services is based, in whole or in part, on need may deny
13 benefits and services under the program to any alien who
14 is lawfully present in the United States.

15 **SEC. 302. INCLUSION IN CONSUMER CREDIT REPORTS OF**
16 **INFORMATION ON OVERDUE CHILD SUPPORT**
17 **OBLIGATIONS OF THE CONSUMER.**

18 (a) PROVISION TO CONSUMER REPORTING AGENCIES
19 OF INFORMATION ON OVERDUE CHILD SUPPORT OBLIGA-
20 TIONS OF ABSENT PARENTS.—Section 466(a)(7) of the
21 Social Security Act (42 U.S.C. 666(a)(7)) is amended—

22 (1) by striking “will” and inserting “shall”;

23 (2) by striking “upon the request of such agen-
24 cy”;

25 (3) by inserting “and” before “(B)”; and

1 (4) by striking “, and (C)” and all that follows
2 through “State”.

3 (b) INCLUSION IN DEFINITION OF OVERDUE SUP-
4 PORT OF CHILD SUPPORT DELINQUENCIES OWED WITH
5 RESPECT TO ADULTS.—Section 466(e) of such Act (42
6 U.S.C. 666(e)) is amended by inserting “For purposes of
7 subsection (a)(7), overdue support includes support owed
8 to or on behalf of a child who is not a minor.” after the
9 1st sentence.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect on the 1st day of the 1st cal-
12 endar quarter that begins 6 or more months after the date
13 of the enactment of this Act.

14 **SEC. 303. QUARTERLY PAYMENTS OF EARNED INCOME**
15 **CREDIT.**

16 (a) IN GENERAL.—Chapter 77 of the Internal Reve-
17 nue Code of 1986 (relating to miscellaneous provisions)
18 is amended by adding at the end the following new section:

19 **“SEC. 7524. QUARTERLY PAYMENTS BY DEPARTMENT OF**
20 **TREASURY OF EARNED INCOME CREDIT.**

21 “(a) IN GENERAL.—The Secretary shall establish a
22 program under which eligible individuals receive, upon re-
23 quest, advance payments from the Secretary of the credit
24 under section 32 (relating to earned income tax credit).

25 “(b) PAYMENTS.—

1 “(1) FREQUENCY.—The payments under the
2 program established pursuant to subsection (a) shall
3 be made not less frequently than quarterly.

4 “(2) AMOUNT.—The amount paid to any indi-
5 vidual for any period during a calendar year shall be
6 such period’s proportionate share of the Secretary’s
7 estimate of the overpayment of tax by such individ-
8 ual (for the taxable year ending with or within such
9 calendar year) which is attributable to the credit re-
10 ferred to in subsection (a).

11 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
12 section, the term ‘eligible individual’ means, with respect
13 to a calendar year, any individual if—

14 “(1) the credit referred to in subsection (a) is
15 allowable to such individual for the taxable year end-
16 ing with or within such calendar year,

17 “(2) the liability for tax imposed by subtitle A
18 is reasonably expected to be less than the amount of
19 the credit which is reasonably expected to be allowed
20 for such taxable year, and

21 “(3) such individual provides the Secretary with
22 such information as the Secretary requires in order
23 to determine the amounts payable under this sec-
24 tion.”.

1 (b) COORDINATION WITH CREDIT ON RETURN.—
2 Paragraph (1) of section 32(g) of such Code is amended
3 by inserting “or by the Secretary under section 7524”
4 after “section 3507”.

5 (c) CLERICAL AMENDMENT.—The table of sections
6 for such chapter 77 is amended by adding at the end the
7 following new item:

“Sec. 7524. Quarterly payments of earned income credit.”

8 (d) APPROPRIATION.—There are hereby appropriated
9 such sums as are necessary to make the payments under
10 section 7524 of the Internal Revenue Code of 1986, as
11 added by this section.

12 **TITLE IV—EFFECTIVE DATE**

13 **SEC. 401. EFFECTIVE DATE.**

14 Except as otherwise provided in this Act, this Act and
15 the amendments made by this Act shall take effect 6
16 months after the date of the enactment of this Act.

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