

104TH CONGRESS
1ST SESSION

H. R. 781

To allow State and local governments to design their own programs for moving welfare recipients from dependency to economic self-sufficiency, and to allow low-income individuals to use personal savings as a foundation for achieving independence.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1995

Mr. WELDON of Pennsylvania (for himself and Mr. ANDREWS) introduced the following bill; which was referred to the Committee on Ways and Means and, in addition, to the Committees on Agriculture, Economic and Educational Opportunities, Banking and Financial Services, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To allow State and local governments to design their own programs for moving welfare recipients from dependency to economic self-sufficiency, and to allow low-income individuals to use personal savings as a foundation for achieving independence.

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 “Welfare Innovation
5 and Empowerment Act of 1995”.

1 **TITLE I—STATE AND LOCAL**
2 **WELFARE-TO-WORK DEM-**
3 **ONSTRATION PROJECTS**

4 **SEC. 101. INTERAGENCY WAIVER REQUEST BOARD.**

5 (a) ESTABLISHMENT AND PURPOSE.—In order to
6 streamline and expedite Federal Government approval of
7 State requests to conduct demonstration projects under
8 which eligible Federal programs may be consolidated into
9 a single program or programs designed to move welfare
10 recipients from welfare to work, there is established an
11 Interagency Waiver Request Board.

12 (b) MEMBERSHIP.—The Board shall consist of 8
13 members, as follows:

14 (1) 1 individual appointed by the President
15 from the White House Domestic Policy Council.

16 (2) The Secretary of Health and Human Serv-
17 ices (or the designee of the Secretary).

18 (3) The Secretary of Agriculture (or the des-
19 ignee of the Secretary).

20 (4) The Secretary of Labor (or the designee of
21 the Secretary).

22 (5) The Secretary of Housing and Urban Devel-
23 opment (or the designee of the Secretary).

24 (6) The Secretary of Education (or the designee
25 of the Secretary).

1 (7) The Secretary of the Interior (or the des-
2 ignee of the Secretary).

3 (8) The Director of the Office of Management
4 and Budget (or the designee of the Director).

5 (c) CHAIRPERSON.—The member of the Board ap-
6 pointed under subsection (b)(1) shall serve as Chairperson
7 of the Board.

8 (d) VACANCIES.—A vacancy in the position of Chair-
9 man shall be filled in the manner in which the original
10 appointment was made.

11 (e) NO ADDITIONAL COMPENSATION.—The members
12 of the Board may not be provided additional pay, allow-
13 ances, or benefits by reason of their service on the Board.

14 (f) POWERS.—

15 (1) ASSISTANCE OF OTHER FEDERAL ENTI-
16 TIES.—A member of the Board shall detail to the
17 Chairperson, on a nonreimbursable basis, such offi-
18 cers and employees of the department or agency
19 headed by the member, and shall make available to
20 the Chairperson such assistance, as the Chairperson
21 may require to carry out the activities of the Chair-
22 person.

23 (2) USE OF UNITED STATES MAILS.—The
24 Chairperson may use the United States mails in the
25 same manner and under the same conditions as

1 other departments and agencies of the United
2 States.

3 (g) PROCEDURE.—

4 (1) MEETINGS.—The Board shall meet at the
5 call of the Chairperson or of at least 3 members.

6 (2) NOTICE OF DECISIONS.—The Chairperson
7 shall provide the Board with advance notice of any
8 action that the Chairperson intends to take under
9 this title.

10 (3) POWER OF BOARD MAJORITY TO OVERRULE
11 CHAIRPERSON.—Notwithstanding any other provi-
12 sion of this title, a majority of the members of the
13 Board with respect to a matter may overrule any de-
14 cision or nullify any action of the Chairperson under
15 this title with respect to the matter.

16 (h) ANNUAL REPORTS.—The Chairperson shall
17 transmit annually to the Congress a report containing a
18 detailed statement of the activities of the Board during
19 the year covered by the report.

20 **SEC. 102. APPLICATION TO IMPLEMENT DEMONSTRATION**
21 **PROJECTS.**

22 Any State desiring to implement a welfare-to-work
23 demonstration project using funds or assistance from eligi-
24 ble Federal programs may submit to the Chairperson an
25 application that contains the following:

1 (1) PLAN.—A plan that sets forth the following:

2 (A) GEOGRAPHIC AREA.—The geographic
3 area in which the demonstration project is to be
4 conducted and the rationale for so defining the
5 area.

6 (B) RECIPIENTS.—The particular groups
7 of individuals, by age, service needs, economic
8 circumstances, or other defining factors, who
9 are to receive services and benefits under the
10 plan.

11 (C) OBJECTIVES AND PERFORMANCE CRI-
12 TERIA.—Specific objectives and criteria for
13 measuring levels of performance, a description
14 of how such objectives and levels of perform-
15 ance are expected to be achieved, a description
16 of how such criteria are to be used to measure
17 performance, and a system for the comprehen-
18 sive evaluation of the impact of the demonstra-
19 tion project on participants, the community,
20 and the costs of conducting the project.

21 (D) COVERED PROGRAMS.—

22 (i) IN GENERAL.—The eligible Fed-
23 eral programs through which funds or as-
24 sistance are to be provided to implement
25 the plan, and the specific benefits that are

1 to be provided under the plan pursuant to
2 the program or programs, including cri-
3 teria for determining eligibility for benefits
4 under the plan, the services available, the
5 amounts and form (such as cash, in-kind
6 contributions, or financial instruments) of
7 non-service benefits.

8 (ii) TIME-LIMITED AFDC BENEFITS.—

9 If the plan includes the program specified
10 in section 106(4)(A), the plan may include
11 a commitment to deny benefits under the
12 program to any individual who has—

13 (I) received cash assistance under
14 the program for such period of not
15 less than 1 year as the State deems
16 appropriate, and participated in work
17 activities under the program for such
18 additional period of not less than 1
19 year as the State deems appropriate;
20 or

21 (II) received cash assistance
22 under the program for such period of
23 not less than 2 years as the State
24 deems appropriate.

1 (E) PROVISIONS OF LAW TO BE WAIVED.—

2 A list of the provisions of law or regulation
3 which prevent the State from implementing the
4 plan.

5 (F) SOURCES OF NON-FEDERAL FUNDS.—

6 A description of the sources of all non-Federal
7 funds that are to be used to carry out the pro-
8 gram or programs referred to in subparagraph
9 (D).

10 (G) FISCAL CONTROL AND ACCOUNTABIL-

11 ITY.—Fiscal control and related accountability
12 procedures that are to apply under the plan.

13 (2) ASSURANCES.—

14 (A) PROVISION OF PLAN TO AFFECTED OR-

15 GANS OF GOVERNMENT IN THE STATE.—Assur-
16 ances that a copy of the plan has been provided
17 to all affected organs of government in the geo-
18 graphic area referred to in paragraph (1)(A).

19 (B) CONSULTATION WITH POTENTIAL PAR-

20 TICIPANTS.—Assurances that a committee es-
21 tablished under section 105 has participated in
22 the development of the plan.

23 (3) REQUEST FOR AUTHORITY TO IMPLEMENT

24 PLAN.—A request that the Chairperson authorize
25 the applicant to implement the plan, and waive the

1 application of any Federal statutory or regulatory
2 requirement to the extent necessary to enable such
3 implementation.

4 (4) OTHER INFORMATION.—Any other informa-
5 tion the Chairperson may require to approve the ap-
6 plication.

7 **SEC. 103. REVIEW AND APPROVAL OF APPLICATIONS;**
8 **WAIVERS.**

9 (a) REVIEW.—Upon receipt of an application submit-
10 ted in accordance with section 102, the Chairperson
11 shall—

12 (1) approve or disapprove the application within
13 90 days after such receipt;

14 (2) notify the applicant in writing of such ap-
15 proval or disapproval; and

16 (3) if the application is disapproved, include in
17 the notice of disapproval a written justification of
18 the reasons therefor.

19 (b) CONDITIONAL APPROVAL.—The Chairperson may
20 condition approval of such an application on the accept-
21 ance by the applicant, and by any parties whose consent
22 or approval is required under section 102, of specified
23 modifications to the application.

24 (c) APPROVAL.—

1 (1) REQUIREMENTS.—The Chairperson shall
2 approve such an application, subject to paragraph
3 (2), if the Chairperson determines that—

4 (A) the plan contained in the application is
5 adequate to ensure that individuals and families
6 who receive benefits under the covered program
7 or programs included in the plan will continue
8 to receive benefits that meet the needs intended
9 to be met under the program or programs, to
10 the extent consistent with a commitment made
11 pursuant to section 102(1)(D)(ii);

12 (B) implementation of the plan will not re-
13 sult in an increase in the total amount of obli-
14 gations or outlays of discretionary appropria-
15 tions or direct spending under the covered pro-
16 gram or programs included in the plan, over the
17 amounts of such obligations and outlays that
18 would occur under the program or programs
19 without implementation of the plan; and

20 (C) the applicant has designed an evalua-
21 tion process that is adequate for assessing per-
22 formance of the demonstration project once im-
23 plemented.

24 (2) IMPLEMENTATION PERIOD.—Subject to
25 subsections (e)(2) and (f)(1) of section 104(e), a

1 demonstration project approved by the Chairperson
2 may be conducted for such period as is specified in
3 the application to conduct the project, or for 7
4 years, whichever is of lesser duration.

5 (d) WAIVERS.—

6 (1) IN GENERAL.—Subject to this subsection,
7 the Chairperson may waive any requirement applica-
8 ble under Federal law to the administration of, or
9 provision of benefits under, any covered program in-
10 cluded in an application approved under this title, if
11 the waiver is reasonably necessary for the implemen-
12 tation of the plan contained in the approved applica-
13 tion.

14 (2) FUNDING LIMITATION.—This subsection
15 shall not be construed to authorize the Chairperson
16 to waive the application to any State of a provision
17 of law or regulation applicable to a program if the
18 waiver would result in net payments by the Federal
19 Government to the State under the program for a
20 fiscal year in excess of the net payments which
21 would otherwise be so made to the State.

22 (3) CIVIL RIGHTS LAWS EXCEPTED.—This sub-
23 section shall not be construed to authorize the
24 Chairperson to waive any requirement established by
25 statute or regulation under—

1 (A) title VI of the Civil Rights Act of 1964
2 (42 U.S.C. 2000d et seq.);

3 (B) section 504 of the Rehabilitation Act
4 of 1973 (29 U.S.C. 701 et seq.);

5 (C) title IX of the Education Amendments
6 of 1972 (86 Stat. 373 et seq.);

7 (D) the Age Discrimination Act of 1975
8 (42 U.S.C. 6101 et seq.); or

9 (E) the Americans With Disabilities Act of
10 1990.

11 **SEC. 104. IMPLEMENTATION; EVALUATIONS.**

12 (a) IN GENERAL.—Notwithstanding any other provi-
13 sion of law, benefits under any covered program included
14 in an application approved under this title shall be paid
15 and administered in the manner specified in the approved
16 application.

17 (b) STATE EVALUATIONS.—

18 (1) IN GENERAL.—Any State whose application
19 is approved under this title shall, in accordance with
20 regulations issued by the Chairperson—

21 (A) submit such reports on, and cooperate
22 in such audits of, the implementation of the
23 plan contained in the application; and

24 (B) periodically evaluate the effects that
25 implementation of the plan has had on—

1 (i) individuals who receive benefits
2 under a covered program included in the
3 plan;

4 (ii) communities where such individ-
5 uals live; and

6 (iii) costs of administering the covered
7 program or programs included in the plan.

8 (2) ANNUAL REPORTS.—Not later than 90 days
9 after the end of the 1-year period beginning on the
10 date the application of a State is approved under
11 this title, and annually thereafter, the State shall
12 submit to the Chairperson a report on the principal
13 activities and achievements under the demonstration
14 project conducted under the plan contained in the
15 application, during the period covered by the report,
16 and the report shall compare those achievements to
17 the objectives and performance criteria included in
18 the plan pursuant to section 102(1)(C).

19 (c) EXPANSION OF SUCCESSFUL DEMONSTRATION
20 PROJECTS AFTER 2 YEARS.—

21 (1) APPLICATION.—If, at any time after the
22 first 2 years of the period for which the Chairperson,
23 under section 103(c)(3), has authorized a State to
24 conduct a demonstration project under this title, the
25 State determines that the project has demonstrated

1 its worth and proven to be a superior way to provide
2 benefits under the covered program or programs in-
3 cluded in the plan under which the project has been
4 conducted, and that the project should be expanded
5 geographically or should be available to a larger pop-
6 ulation, the State may submit to the Chairperson an
7 application to amend the approved application to
8 conduct the project to provide for the expansion of
9 the project to such area or areas of the State, or the
10 availability of the project to such additional cat-
11 egories of persons in the State, as the State may se-
12 lect with such modifications to the project as the
13 State may deem appropriate, which shall include a
14 report on the implementation of the project and a
15 full evaluation of the successes and shortcomings of
16 the project and the effects of the project on individ-
17 uals who receive benefits under such program or
18 programs.

19 (2) EVALUATION AND APPROVAL BY THE
20 CHAIRPERSON.—Upon receipt of an application
21 under paragraph (1) with respect to a demonstration
22 project, the Chairperson shall evaluate the project
23 based on the report included in the application,
24 using the evaluation criteria set forth in the ap-
25 proved application to conduct the project, and may

1 approve such amendments to the application as the
2 Chairperson deems appropriate.

3 (d) FINAL REPORT.—Not later than 45 days after
4 the end of the period for which the Chairperson, under
5 section 103(c)(3), has authorized a State to conduct a
6 demonstration project under this title, the State shall sub-
7 mit to the Chairperson a report on the implementation of
8 the project, which shall include a full evaluation of the
9 successes and shortcomings of the project and the effects
10 of such implementation on individuals who receive benefits
11 under such program or programs.

12 (e) AUTHORITY TO TEMPORARILY OR PERMANENTLY
13 EXTEND SUCCESSFUL DEMONSTRATION PROJECTS.—

14 (1) APPLICATION.—Any State may submit to
15 the Chairperson an application to conduct a dem-
16 onstration project under this title after the period
17 referred to in subsection (d), for such additional pe-
18 riod as the State deems appropriate or for an indefi-
19 nite period.

20 (2) EVALUATION AND APPROVAL BY THE
21 CHAIRPERSON.—Upon receipt of an application
22 under paragraph (1) of this subsection with respect
23 to a demonstration project, the Chairperson shall
24 evaluate the project based on the report submitted
25 with respect to the project under subsection (d),

1 using the evaluation criteria set forth in the ap-
2 proved application to conduct the project, and may
3 authorize the State to conduct the project for such
4 additional definite or indefinite period as the Chair-
5 person deems appropriate.

6 (f) SUSPENSION AND TERMINATION.—

7 (1) IN GENERAL.—The Chairperson may re-
8 quire a State to suspend or terminate implementa-
9 tion of part or all of a plan under an application ap-
10 proved under this title if—

11 (A) the Chairperson finds that the appli-
12 cant has failed to carry out a covered program
13 in accordance with any applicable provision of
14 law or regulation; or

15 (B) after consultation with the head of
16 each Federal agency responsible for administer-
17 ing a covered program included in the approved
18 application, the Chairperson determines that
19 the objectives and performance criteria included
20 in the plan pursuant to section 102(1)(C) have
21 not been met.

22 (2) TIMING.—In requiring the implementation
23 of a plan to be terminated under paragraph (1), the
24 Chairperson shall allow a reasonable period of time
25 for appropriate Federal, State, and local agencies to

1 resume administration of the covered program or
2 programs included in the application that contains
3 the plan.

4 **SEC. 105. CONSULTATION REQUIREMENT.**

5 (a) IN GENERAL.—A State desiring to submit an ap-
6 plication under section 102 shall consult with potential
7 participants in accordance with this section.

8 (b) PURPOSE.—Any State submitting an application
9 under this title shall seek the advice of potential partici-
10 pants in the development and implementation of the plan
11 contained in the application, including with respect to—

12 (1) conducting public hearings;

13 (2) representing the interest of low-income indi-
14 viduals and families; and

15 (3) reviewing and commenting on all commu-
16 nity policies, programs, and actions under the plan
17 which affect low-income individuals and families,
18 with the purpose of assuring maximum coordination
19 and responsiveness of the plan in providing benefits
20 under the plan to those individuals and families.

21 (c) PARTICIPANTS.—The State shall select the par-
22 ticipants in the consultation process, which shall include—

23 (1) eligible welfare recipients, including minori-
24 ties, who are participants or who qualify to partici-
25 pate in eligible Federal programs;

- 1 (2) persons with leadership experience in the
2 private and voluntary sectors;
- 3 (3) local elected officials;
- 4 (4) members of the general public; and
- 5 (5) individuals and representatives of commu-
6 nity and business organizations who will help to en-
7 hance the leadership role of the State in developing
8 a plan.

9 **SEC. 106. DEFINITIONS.**

10 As used in this title:

11 (1) BOARD.—The term “Board” means the
12 Interagency Waiver Review Board established by
13 section 101.

14 (2) CHAIRPERSON.—The term “Chairperson”
15 means the Chairperson of the Board.

16 (3) COVERED PROGRAM.—The term “covered
17 program” means, with respect to a plan, the eligible
18 Federal programs addressed in the plan.

19 (4) ELIGIBLE FEDERAL PROGRAM.—The term
20 “eligible Federal program” means any of the follow-
21 ing:

22 (A) The program of aid and services to
23 needy families with children under part A of
24 title IV of the Social Security Act.

1 (B) The food stamp program, as defined in
2 section 3(h) of the Food Stamp Act of 1977.

3 (C) The supplemental security income pro-
4 gram under title XVI of the Social Security
5 Act.

6 (D) Any program under the Job Training
7 Partnership Act.

8 (E) The program of rental assistance on
9 behalf of low-income families provided under
10 section 8 of the United States Housing Act of
11 1937 (42 U.S.C. 1437f).

12 (F) The program of assistance to public
13 housing under title I of the United States
14 Housing Act of 1937 (42 U.S.C. 1437 et seq.).

15 (G) The program for assistance for afford-
16 able housing under the HOME Investment
17 Partnerships Act (42 U.S.C. 12721 et seq.).

18 (H) The program of assistance payments
19 on behalf of homeowners under section 235 of
20 the National Housing Act (12 U.S.C. 1715z).

21 (I) The program of interest reduction pay-
22 ments pursuant to contracts entered into by the
23 Secretary of Housing and Urban Development
24 under section 236 of the National Housing Act
25 (12 U.S.C. 1715z-1).

1 (J) The program of rent supplement pay-
2 ments on behalf of qualified tenants pursuant
3 to contracts entered into under section 101 of
4 the Housing and Urban Development Act of
5 1965 (12 U.S.C. 1701s).

6 (K) The program for community develop-
7 ment block grants under title I of the Housing
8 and Community Development Act of 1974 (42
9 U.S.C. 5301 et seq.).

10 (L) The loan program under section 502 of
11 the Housing Act of 1949 (42 U.S.C. 1472).

12 (M) The program for grants for housing in
13 remote rural areas under section 502(f)(1) of
14 the Housing Act of 1949 (42 U.S.C.
15 1472(f)(1)).

16 (N) The loan and grant programs under
17 section 504 of the Housing Act of 1949 (42
18 U.S.C. 1474) for repairs and improvements to
19 rural dwellings.

20 (O) The program for project preparation
21 grants for housing in underserved rural areas
22 under section 509(f)(6) of the Housing Act of
23 1949 (42 U.S.C. 1479(f)(6)).

1 (P) The program of loans for rental and
2 cooperative housing under section 515 of the
3 Housing Act of 1949 (42 U.S.C. 1485).

4 (Q) The loan and assistance programs
5 under sections 514 and 516 of the Housing Act
6 of 1949 (42 U.S.C. 1484, 1486) for housing for
7 farm labor.

8 (R) The program of rental assistance pay-
9 ments pursuant to contracts entered into under
10 section 521(a)(2)(A) of the Housing Act of
11 1949 (42 U.S.C. 1490a(a)(2)(A)).

12 (S) The program of grants and loans for
13 mutual and self-help housing and technical as-
14 sistance under section 523 of the Housing Act
15 of 1949 (42 U.S.C. 1490c).

16 (T) The program of site loans under sec-
17 tion 524 of the Housing Act of 1949 (42
18 U.S.C. 1490d).

19 (U) The program of grants for preserva-
20 tion and rehabilitation of housing under section
21 533 of the Housing Act of 1949 (42 U.S.C.
22 1490m).

23 (V) The program for rural housing voucher
24 assistance under section 542 of the Housing
25 Act of 1949 (42 U.S.C. 1490r).

1 (W) The program under the Low-Income
2 Energy Assistance Act of 1981 (42 U.S.C.
3 8621 et seq.).

4 (X) The program of block grants to States
5 for social services under title XX of the Social
6 Security Act.

7 (5) STATE.—

8 (A) IN GENERAL.—The term “State”
9 means the 50 States, the District of Columbia,
10 Puerto Rico, American Samoa, Guam, and the
11 Virgin Islands.

12 (B) INDIAN TRIBES.—In the case of an eli-
13 gible Federal program under which assistance
14 is provided with respect to an Indian tribe, the
15 Indian tribal organization is deemed to be a
16 State.

17 **SEC. 107. REPORTS.**

18 (a) IN GENERAL.—The Comptroller General of the
19 United States shall submit to the Congress 2 reports
20 that—

21 (1) describe the extent to which plans for dem-
22 onstration projects have been implemented in ac-
23 cordance with this title;

24 (2) evaluate the effectiveness of covered Federal
25 assistance programs included in such plans; and

1 (3) include recommendations with respect to
2 whether to continue activities under this title.

3 (b) TIMING.—The Comptroller General shall submit
4 a report under subsection (a) not later than 3 years after
5 the date of the enactment of this Act, and another such
6 report not later than 7 years after such date of enactment.

7 **SEC. 108. PAYMENTS TO STATES FOR MOVING AFDC AND**
8 **SSI RECIPIENTS TO UNSUBSIDIZED PRIVATE**
9 **EMPLOYMENT.**

10 (a) IN GENERAL.—Subject to section 109, the Sec-
11 retary of Health and Human Services shall make pay-
12 ments in accordance with subsection (b) of this section
13 to each State with respect to each State resident who, as
14 a result of participation in a demonstration project or
15 projects conducted by the State under this title, ends the
16 receipt of aid to families with dependent children under
17 the State plan approved under part A of title IV of the
18 Social Security Act, or supplemental security income bene-
19 fits under title XVI of such Act, and becomes employed
20 in an unsubsidized position in the private sector.

21 (b) AMOUNTS AND TIMING OF PAYMENTS.—

22 (1) 6-MONTH PAYMENT.—The Secretary shall
23 pay the State \$500 with respect to a State resident
24 described in subsection (a), on the first day after the

1 resident has been employed for 6 months as de-
2 scribed in subsection (a).

3 (2) 1-YEAR PAYMENT.—The Secretary shall pay
4 the State \$500 with respect to a State resident de-
5 scribed in subsection (a), on the first day after the
6 resident has been employed for 1 year as described
7 in subsection (a).

8 (3) SUBSEQUENT PAYMENTS.—The Secretary
9 shall pay the State \$1,000 with respect to a State
10 resident described in subsection (a), on the first day
11 after each of the 2nd, 3rd, 4th, and 5th years that
12 the resident has been employed as described in sub-
13 section (a).

14 **SEC. 109. SUNSET.**

15 Any authority provided under this title shall expire
16 7 years after the date of the enactment of this Act.

17 **TITLE II—EXPANSION OF STATE**
18 **AUTHORITY**

19 **SEC. 201. AUTHORITY TO CONTRACT WITH PRIVATE ENTI-**
20 **TIES FOR CASE MANAGEMENT.**

21 Section 402(a) of the Social Security Act (42 U.S.C.
22 602(a)) is amended—

23 (1) by striking “and” at the end of paragraph
24 (44);

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

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

5 “(46) at the option of the State, provide that
6 the State agency may enter into contracts with pri-
7 vate parties approved by the State under which such
8 parties will provide case management services for
9 the State program operated under this part.”.

10 **SEC. 202. AUTHORITY TO DETERMINE BENEFITS PAYABLE**

11 **WITH RESPECT TO CHILDREN CONCEIVED BY**

12 **AFDC RECIPIENT.**

13 Section 402(a) of the Social Security Act (42 U.S.C.
14 602(a)), as amended by section 201 of this Act, is amend-
15 ed—

16 (1) by striking “and” at the end of paragraph
17 (45);

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

20 (3) by inserting after paragraph (46) the fol-
21 lowing:

22 “(47) at the option of the State, provide that
23 the State may establish the amount (if any) of aid
24 payable under the State plan with respect to a child
25 conceived by a recipient of such aid, in accordance

1 with such rules (and exceptions to such rules) as the
2 State considers appropriate.”.

3 **SEC. 203. AUTHORITY TO NOT TREAT FAMILIES DIF-**
4 **FERENTLY BASED ON THE NUMBER OF PAR-**
5 **ENTS IN THE HOME.**

6 (a) IN GENERAL.—

7 (1) Section 402(a)(41) of the Social Security
8 Act (42 U.S.C. 602(a)(41)) is amended by inserting
9 “at the option of the State,” after “(41)”.

10 (2) Section 407(a) of such Act (42 U.S.C.
11 607(a)) is amended by inserting “at the option of
12 the State,” after “shall,”.

13 (b) CONFORMING AMENDMENTS.—

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

18 (2) Section 406(a)(1) of such Act (42 U.S.C.
19 606(a)(1)) is amended by inserting “, if a resident
20 of a State that has exercised the option provided
21 under section 402(a)(41),” after “(1) who”.

22 (3) Section 406(b)(1) of such Act (42 U.S.C.
23 606(b)(1)) is amended by inserting “, in the case of
24 a State that has exercised the option provided under

1 section 402(a)(41), after “mental incapacity of a
2 parent or”.

3 (4) Section 472(a) of such Act (42 U.S.C.
4 672(a)) is amended by inserting “, in the case of a
5 State that has exercised the option provided under
6 section 402(a)(41), after “406(a) or”.

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

12 **SEC. 204. AUTHORITY TO CONTRACT WITH PRIVATE ENTI-**
13 **TIES FOR JOB TRAINING.**

14 Section 402(a) of the Social Security Act (42 U.S.C.
15 602(a)), as amended by sections 201 and 202 of this Act,
16 is amended—

17 (1) by striking “and” at the end of paragraph
18 (46);

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

21 (3) by inserting after paragraph (47) the fol-
22 lowing:

23 “(48) at the option of the State, provide that
24 any entity approved by the State may provide job

1 training to recipients of aid under the State plan
2 who are—

3 “(A) required or allowed to participate in
4 the program established by the State under
5 part F; or

6 “(B) eligible to participate in a program
7 under the Job Training Partnership Act.”.

8 **TITLE III—INDIVIDUAL**
9 **DEVELOPMENT ACCOUNTS**

10 **SEC. 301. INDIVIDUAL DEVELOPMENT ACCOUNTS.**

11 (a) IN GENERAL.—Part III of subchapter B of chap-
12 ter 1 of the Internal Revenue Code of 1986 (relating to
13 items specifically excluded from gross income) is amended
14 by redesignating section 137 as section 138 and by insert-
15 ing after section 136 the following new section:

16 **“SEC. 137. INDIVIDUAL DEVELOPMENT ACCOUNTS.**

17 “(a) EARNINGS EXEMPT FROM TAX.—Except as oth-
18 erwise provided in this section, an individual development
19 account is exempt from taxation under this subtitle.

20 “(b) INDIVIDUAL DEVELOPMENT ACCOUNT.—For
21 purposes of this section, the term ‘individual development
22 account’ means a trust created or organized in the United
23 States exclusively for the purpose of paying the qualified
24 expenses of the individual for whom the trust is main-

1 tained, but only if the written governing instrument creat-
2 ing the trust meets the following requirements:

3 “(1) No contribution will be accepted unless—

4 “(A) the contribution is made by—

5 “(i) the individual for whom the trust
6 is maintained, or

7 “(ii) any entity approved by the State
8 for purposes of making matching contribu-
9 tions to such account on behalf of such in-
10 dividual,

11 “(B) such individual, for the taxable year
12 for which such contribution is made, is an eligi-
13 ble individual,

14 “(C) the contributions for such taxable
15 year do not exceed the contribution limitations
16 of subsection (d),

17 “(D) the contribution is in cash, and

18 “(E) the contribution is made before Janu-
19 ary 1, 2002.

20 “(2) The trustee is a bank (as defined in sec-
21 tion 408(n)) or another person who demonstrates to
22 the satisfaction of the Secretary that the manner in
23 which such person will administer the trust will be
24 consistent with the requirements of this section.

1 “(3) No part of the trust assets will be invested
2 in life insurance contracts.

3 “(4) The assets of the trust will not be commin-
4 gled with other property except in a common trust
5 fund or common investment fund.

6 “(5) Any balance in the account on the day
7 after the date on which the individual for whose ben-
8 efit the trust is established dies will be distributed
9 within 30 days of such date as directed by such indi-
10 vidual to another individual development account es-
11 tablished for the benefit of an eligible individual.

12 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
13 section—

14 “(1) IN GENERAL.—The term ‘eligible individ-
15 ual’ means any individual if the individual is a mem-
16 ber of a household that meets the following require-
17 ments:

18 “(A) INCOME TEST.—The income of the
19 household (for the calendar year preceding the
20 calendar year in which the taxable year begins)
21 is not more than 150 percent of the poverty
22 threshold for such period.

23 “(B) NET WORTH TEST.—The net worth
24 of the household, as of the close of such preced-
25 ing calendar year, is not more than \$10,000.

1 “(2) HOUSEHOLD.—The term ‘household’
2 means all individuals who share use of a dwelling
3 unit as primary quarters for living and eating sepa-
4 rate from other individuals.

5 “(3) HOUSEHOLD NET WORTH.—

6 “(A) IN GENERAL.—The term ‘net worth’
7 means, with respect to a household, the aggre-
8 gate market value of all assets not excluded
9 under subparagraph (B) that are owned in
10 whole or in part by any member of the house-
11 hold, minus the obligations or debts of any
12 member of the household.

13 “(B) ASSETS EXCLUDED.—The following
14 assets (and obligations or debts with respect
15 thereto) shall be excluded in determining the
16 net worth of any household:

17 “(i) \$20,000 OF HOME EQUITY.—The
18 lesser of—

19 “(I) the equity of the members of
20 the household in the dwelling unit in
21 which the members reside; or

22 “(II) \$20,000.

23 “(ii) MOTOR VEHICLE.—The most
24 valuable motor vehicle owned by any mem-
25 ber of the household.

1 “(iii) FURNITURE; APPLIANCES;
2 CLOTHING.—All furniture, appliances, and
3 clothing used by any member of the house-
4 hold in the course of daily living.

5 “(iv) ART OBJECTS.—All art objects
6 displayed in the dwelling unit in which the
7 members of the household reside.

8 “(v) JEWELRY.—All jewelry owned by
9 any member of the household.

10 “(vi) INDIVIDUAL DEVELOPMENT AC-
11 COUNTS.—All individual development ac-
12 counts of members of the household.

13 “(4) POVERTY THRESHOLD.—The term ‘pov-
14 erty threshold’ means, with respect to a calendar
15 year, the Federal poverty line for the calendar year
16 for the relevant family size, as defined annually by
17 the Bureau of the Census.

18 “(d) CONTRIBUTION LIMITATIONS.—

19 “(1) IN GENERAL.—The contributions to an in-
20 dividual development account do not exceed the limi-
21 tations of this subsection for any taxable year if the
22 contributions for such year do not exceed the lesser
23 of—

24 “(A) \$2,000, or

1 “(B) the excess (if any) of \$10,000 over
2 the account balance as of the close of the pre-
3 ceding taxable year.

4 “(2) WAIVER OF \$2,000 LIMIT IN CERTAIN
5 CASES.—Paragraph (1)(A) shall not apply to con-
6 tributions of lump-sum gains such as inheritances,
7 proceeds from lotteries, insurance payments, or pay-
8 ments resulting from court proceedings.

9 “(e) TAX TREATMENT OF DISTRIBUTIONS.—

10 “(1) IN GENERAL.—Except as otherwise pro-
11 vided in this subsection, any amount paid or distrib-
12 uted out of an individual development account shall
13 be included in the gross income of the payee or dis-
14 tributee for the taxable year in which the payment
15 or distribution is received.

16 “(2) DISTRIBUTION USED TO PAY QUALIFIED
17 EXPENSES.—Paragraph (1) shall not apply to any
18 payment or distribution out of an individual develop-
19 ment account to the extent such payment or dis-
20 tribution is used exclusively to pay the qualified ex-
21 penses incurred by the eligible individual for whose
22 benefit the account is established.

23 “(3) QUALIFIED EXPENSES.—For purposes of
24 this section, the term ‘qualified expenses’ means 1 or
25 more of the following:

1 “(A) POST-SECONDARY EDUCATION EX-
2 PENSES.—Post-secondary educational expenses
3 paid from an individual development account di-
4 rectly to an eligible educational institution. For
5 purposes of this subparagraph—

6 “(i) IN GENERAL.—The term ‘post-
7 secondary educational expenses’ means—

8 “(I) tuition and fees required for
9 the enrollment or attendance of a stu-
10 dent at an eligible educational institu-
11 tion,

12 “(II) fees, books, supplies, and
13 equipment required for courses of in-
14 struction at an eligible educational in-
15 stitution, and

16 “(III) a reasonable allowance for
17 meals, lodging, transportation, and
18 child care, while attending an eligible
19 educational institution.

20 “(ii) ELIGIBLE EDUCATIONAL INSTI-
21 TUTION.—The term ‘eligible educational
22 institution’ means the following:

23 “(I) INSTITUTION OF HIGHER
24 EDUCATION.—An institution described
25 in section 481(a)(1) or 1201(a) of the

1 Higher Education Act of 1965 (20
2 U.S.C. 1088(a)(1) or 1141(a)), as
3 such sections are in effect on the date
4 of the enactment of this section.

5 “(II) POST-SECONDARY VOCA-
6 TIONAL EDUCATION SCHOOL.—An
7 area vocational education school (as
8 defined in subparagraph (C) or (D) of
9 section 521(4) of the Carl D. Perkins
10 Vocational and Applied Technology
11 Education Act (20 U.S.C. 2471(4)))
12 which is in any State (as defined in
13 section 521(33) of such Act), as such
14 sections are in effect on the date of
15 the enactment of this section.

16 “(B) FIRST-HOME PURCHASE.—Qualified
17 acquisition costs with respect to a qualified
18 principal residence for a qualified first-time
19 homebuyer, if paid from an individual develop-
20 ment account directly to the persons to whom
21 the amounts are due. For purposes of this sub-
22 paragraph—

23 “(i) QUALIFIED ACQUISITION
24 COSTS.—The term ‘qualified acquisition
25 costs’ means the costs of acquiring, con-

1 structing, or reconstructing a residence.
2 The term includes any usual or reasonable
3 settlement, financing, or other closing
4 costs.

5 “(ii) QUALIFIED PRINCIPAL RESI-
6 DENCE.—The term ‘qualified principal res-
7 idence’ means a principal residence (within
8 the meaning of section 1034), the qualified
9 acquisition costs of which do not exceed
10 110 percent of the average area purchase
11 price applicable to such residence (deter-
12 mined in accordance with paragraphs (2)
13 and (3) of section 143(e)).

14 “(iii) QUALIFIED FIRST-TIME HOME-
15 BUYER.—

16 “(I) IN GENERAL.—The term
17 ‘qualified first-time homebuyer’ means
18 a taxpayer (and, if married, the tax-
19 payer’s spouse) who has no present
20 ownership interest in a principal resi-
21 dence during the 3-year period ending
22 on the date of acquisition of the prin-
23 cipal residence to which this subpara-
24 graph applies.

1 “(II) DATE OF ACQUISITION.—

2 The term ‘date of acquisition’ means
3 the date on which a binding contract
4 to acquire, construct, or reconstruct
5 the principal residence to which this
6 subparagraph applies is entered into.

7 “(C) BUSINESS CAPITALIZATION.—

8 Amounts paid from an individual development
9 account directly to a business capitalization ac-
10 count which is established in a federally insured
11 financial institution and is restricted to use
12 solely for business capitalization expenses. For
13 purposes of this subparagraph—

14 “(i) QUALIFIED BUSINESS CAPITAL-
15 IZATION EXPENSES.—The term ‘qualified
16 business capitalization expenses’ means
17 qualified expenses for the capitalization of
18 a qualified business pursuant to a qualified
19 plan.

20 “(ii) QUALIFIED EXPENSES.—The
21 term ‘qualified expenses’ means expenses
22 included in a qualified plan, including cap-
23 ital plant, equipment, working capital, and
24 inventory expenses.

1 “(iii) QUALIFIED BUSINESS.—The
2 term ‘qualified business’ means any busi-
3 ness that does not contravene any law or
4 public policy (as determined by the Sec-
5 retary).

6 “(iv) QUALIFIED PLAN.—The term
7 ‘qualified plan’ means a business plan
8 which—

9 “(I) is approved by a financial in-
10 stitution, or by a nonprofit loan fund
11 having demonstrated fiduciary integ-
12 rity,

13 “(II) includes a description of
14 services or goods to be sold, a market-
15 ing plan, and projected financial
16 statements, and

17 “(III) may require the eligible in-
18 dividual to obtain the assistance of an
19 experienced entrepreneurial advisor.

20 “(D) RETIREMENT EXPENSES.—Expenses
21 for which amounts may be distributed from an
22 individual retirement plan, subject to the same
23 requirements and limitations as apply to such
24 amounts.

1 “(E) TRANSFERS TO IDA’S OF FAMILY
2 MEMBERS.—Amounts paid from an individual
3 development account directly into another such
4 account established for the benefit of an eligible
5 individual who is—

6 “(i) the taxpayers spouse, or

7 “(ii) any dependent of the taxpayer
8 with respect to whom the taxpayer is al-
9 lowed a deduction under section 151.

10 “(F) EMERGENCY NEEDS.—Expenses as-
11 sociated with—

12 “(i) job loss due to workforce reduc-
13 tion,

14 “(ii) bankruptcy,

15 “(iii) business closure,

16 “(iv) death of a spouse or dependent,
17 and

18 “(v) medical care for a spouse or de-
19 pendent who is not eligible to receive as-
20 sistance under a State plan under title
21 XIX of the Social Security Act (relating to
22 Medicaid).

23 Paragraph (2) shall apply to amounts paid
24 from an individual development account by rea-
25 son of expenses described in this subparagraph

1 only to the extent that the aggregate of such
2 amounts does not exceed an amount equal to 20
3 percent of the balance in such account as of the
4 close of the preceding calendar year.

5 “(f) SPECIAL RULES.—

6 “(1) ACCOUNT MAY NOT BE ESTABLISHED FOR
7 BENEFIT OF MORE THAN 1 INDIVIDUAL.—An indi-
8 vidual development account may not be established
9 for the benefit of more than 1 individual.

10 “(2) ELIGIBLE INDIVIDUAL TREATED AS ELIGI-
11 BLE INDIVIDUAL ONLY WITH RESPECT TO 1 AC-
12 COUNT.—If, at any time during a calendar year, 2
13 or more individual development accounts are main-
14 tained for the benefit of an eligible individual, such
15 individual shall be treated as an eligible individual
16 for the calendar year only with respect to the 1st of
17 such accounts.

18 “(3) TIME WHEN CONTRIBUTIONS DEEMED
19 MADE.—A taxpayer shall be deemed to have made a
20 contribution on the last day of the preceding taxable
21 year if the contribution is made on account of such
22 taxable year and is made not later than the time
23 prescribed by law for filing the return for such tax-
24 able year (including extensions thereof).

1 “(4) LIMITATION ON EXEMPTION FROM TAX.—
2 Notwithstanding subsection (a), any individual devel-
3 opment account is subject to the taxes imposed by
4 section 511 (relating to imposition of tax on unre-
5 lated business income of charitable, etc. organiza-
6 tions).

7 “(5) LOSS OF EXEMPTION OF ACCOUNT WHERE
8 INDIVIDUAL ENGAGES IN PROHIBITED TRANS-
9 ACTION.—

10 “(A) IN GENERAL.—If the individual for
11 whose benefit an individual development ac-
12 count is established engages in any transaction
13 prohibited by section 4975 with respect to the
14 account, the account shall cease to be an indi-
15 vidual development account as of the 1st day of
16 the taxable year (of the individual so engaging
17 in such transaction) during which such trans-
18 action occurs.

19 “(B) ACCOUNT TREATED AS DISTRIBUTING
20 ALL ITS ASSETS.—In any case in which any ac-
21 count ceases to be an individual development
22 account by reason of subparagraph (A) as of
23 the 1st day of any taxable year, paragraph (1)
24 of subsection (e) shall apply as if there were a
25 distribution on such 1st day in an amount equal

1 to the fair market value of all assets in the ac-
2 count on such 1st day.

3 “(6) EFFECT OF PLEDGING ACCOUNT AS SECUR-
4 RITY.—If, during any taxable year, the individual for
5 whose benefit an individual development account is
6 established uses the account or any portion thereof
7 as security for a loan, the portion so used shall be
8 treated as distributed to the individual so using such
9 portion.

10 “(g) CUSTODIAL ACCOUNTS.—For purposes of this
11 section, a custodial account shall be treated as a trust if
12 the assets of such account are held by a bank (as defined
13 in section 408(n)) or another person who demonstrates,
14 to the satisfaction of the Secretary, that the manner in
15 which he will administer the account will be consistent
16 with the requirements of this section, and if the custodial
17 account would, except for the fact that it is not a trust,
18 constitute an individual development account described in
19 subsection (b). For purposes of this title, in the case of
20 a custodial account treated as a trust by reason of the
21 preceding sentence, the custodian of such account shall be
22 treated as the trustee thereof.

23 “(h) REPORTS.—The trustee of an individual devel-
24 opment account shall prepare reports regarding the ac-
25 count with respect to contributions, distributions, and any

1 other matter required by the Secretary under regula-
2 tions.”.

3 (b) TAX ON PROHIBITED TRANSACTIONS.—Section
4 4975 of such Code (relating to prohibited transactions)
5 is amended—

6 (1) by adding at the end of subsection (c) the
7 following new paragraph:

8 “(4) SPECIAL RULE FOR INDIVIDUAL DEVELOP-
9 MENT ACCOUNTS.—An individual for whose benefit
10 an individual development account is established and
11 any contributor to such account shall be exempt
12 from the tax imposed by this section with respect to
13 any transaction concerning such account (which
14 would otherwise be taxable under this section) if,
15 with respect to such transaction, the account ceases
16 to be an individual development account by reason
17 of the application of section 137(f)(5)(A) to such ac-
18 count.”, and

19 (2) by inserting “, an individual development
20 account described in section 137(b),” in subsection
21 (e)(1) after “described in section 408(a)”.

22 (c) FAILURE TO PROVIDE REPORTS ON INDIVIDUAL
23 DEVELOPMENT ACCOUNTS.—Section 6693 of such Code
24 (relating to failure to provide reports on individual retire-
25 ment accounts or annuities) is amended—

1 (1) by inserting “**OR ON INDIVIDUAL DEVELOP-**
2 **MENT ACCOUNTS**” after “**ANNUITIES**” in the
3 heading of such section, and

4 (2) by adding at the end of subsection (a) the
5 following new sentence: “The person required by sec-
6 tion 137(h) to file a report regarding an individual
7 development account at the time and in the manner
8 required by such section shall pay a penalty of \$50
9 for each failure, unless it is shown that such failure
10 is due to reasonable cause.”.

11 (d) SPECIAL RULE FOR DETERMINING AMOUNTS OF
12 SUPPORT FOR DEPENDENT.—Subsection (b) of section
13 152 of such Code (relating to definition of dependent) is
14 amended by adding at the end the following new para-
15 graph:

16 “(6) A distribution from an individual develop-
17 ment account described in section 137(b) to the indi-
18 vidual for whose benefit such account has been es-
19 tablished shall not be taken into account in deter-
20 mining support for purposes of this section to the
21 extent such distribution is excluded from gross in-
22 come of such individual under section 137(e)(2).”.

23 (g) CLERICAL AMENDMENTS.—

24 (1) The table of sections for part III of sub-
25 chapter B of chapter 1 of such Code is amended by

1 striking the item relating to section 137 and insert-
2 ing the following new items:

“Sec. 137. Individual development accounts.
“Sec. 138. Cross references to other Acts.”

3 (2) The table of sections for subchapter B of
4 chapter 68 of such Code is amended by striking the
5 item relating to section 6693 and inserting the fol-
6 lowing new item:

“Sec. 6693. Failure to provide reports on individual retirement
accounts or annuities or on individual development
accounts.”

7 (h) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to contributions made after De-
9 cember 31, 1995.

10 **TITLE IV—OTHER ASSET** 11 **REFORMS**

12 **SEC. 401. INCREASE IN ASSET LIMIT.**

13 (a) IN GENERAL.—Section 402(a)(7)(B) of the So-
14 cial Security Act (42 U.S.C. 602(a)(7)(B)) is amended by
15 striking “\$1,000 or such lower amount as the State may
16 determine” and inserting “the resource threshold (as de-
17 fined in subsection (d)) for the calendar year in which the
18 month occurs”.

19 (b) RESOURCE THRESHOLD.—Section 402 of such
20 Act (42 U.S.C. 602) is amended by inserting after sub-
21 section (c) the following:

1 “(d) As used in section 402(a)(7)(B), the term ‘re-
2 source threshold’ means, with respect to a calendar year,
3 \$1,580, multiplied by the percentage (if any) by which—

4 “(1) the average of the Consumer Price Index
5 (as defined in section 1(f)(5) of the Internal Reve-
6 nue Code of 1986) for the 12-month period ending
7 on December 31 of the immediately preceding cal-
8 endar year; exceeds

9 “(2) the average of the Consumer Price Index
10 (as so defined) for the 12-month period ending on
11 December 31, 1994.”.

12 **SEC. 402. NEW LIMIT ON EQUITY IN AUTOMOBILE.**

13 Section 402(a)(7)(B)(i) of the Social Security Act
14 (42 U.S.C. 602(a)(7)(B)(i)) is amended by striking “such
15 amount as the Secretary may prescribe” and inserting
16 “\$5,000”.

17 **SEC. 403. EARNED INCOME AND INDIVIDUAL DEVELOP-**
18 **MENT ACCOUNTS OF DEPENDENT CHILDREN**
19 **TO BE DISREGARDED IN DETERMINING ELI-**
20 **GIBILITY FOR AID TO FAMILIES WITH DE-**
21 **PENDENT CHILDREN.**

22 (a) **RESOURCE DISREGARDS.**—Section 402(a)(7)(B)
23 of the Social Security Act (42 U.S.C. 602(a)(7)(B)) is
24 amended—

1 (1) by striking “or” at the end of clause (iii);
2 and

3 (2) by inserting “(v) any earned income of such
4 child, and any amount in an individual development
5 account established for such child pursuant to sec-
6 tion 137 of the Internal Revenue Code of 1986” be-
7 fore the semicolon.

8 (b) INCOME DISREGARDS.—Section 402(a)(8)(A) of
9 the Social Security Act (42 U.S.C. 602(a)(8)(A)) is
10 amended—

11 (1) by striking “and” at the end of clause (vii);
12 and

13 (2) by adding at the end the following:

14 “(viii) shall disregard all of the earned in-
15 come of each dependent child applying for aid
16 under the State plan, all interest earned on
17 amounts deposited in, and all distributions
18 from, an individual development account estab-
19 lished for a dependent child pursuant to section
20 137 of the Internal Revenue Code of 1986;
21 and”.

1 **SEC. 404. EXCLUSION OF CERTAIN INCOME FROM CONSID-**
2 **ERATION FOR PURPOSES OF PUBLIC HOUS-**
3 **ING RENT DETERMINATIONS.**

4 Section 3(b)(5) of the United States Housing Act of
5 1937 (42 U.S.C. 1437a(b)(5)) is amended—

6 (1) in subparagraph (F), by striking “and” at
7 the end;

8 (2) in subparagraph (G), by striking the period
9 and inserting “; and”; and

10 (3) by adding at the end the following new sub-
11 paragraph:

12 “(H) in the case of a family residing in public
13 housing—

14 “(i) any earned income of any dependent
15 who is less than 18 years of age; and

16 “(ii) any interest earned on amounts de-
17 posited in an individual development account
18 established pursuant to section 137 of the In-
19 ternal Revenue Code of 1986.”.

20 **SEC. 405. INDIVIDUAL DEVELOPMENT ACCOUNTS TO BE**
21 **DISREGARDED IN DETERMINING ELIGIBILITY**
22 **FOR AND AMOUNT OF BENEFITS UNDER WEL-**
23 **FARE PROGRAMS.**

24 Amounts in individual development accounts estab-
25 lished pursuant to section 137 of the Internal Revenue
26 Code of 1986 shall be disregarded in determining eligi-

1 bility for, and the amount of benefits or kinds of services
2 to be provided under any Federal or federally assisted pro-
3 gram eligibility for which is based, in whole or in part,
4 on need.

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