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RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
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Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

under section 403) during the period for which such qualifying quarter of coverage is so credited.

Subtitle E—Conforming Amendments Relating to Assisted Housing

SEC. 441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking "Secretary of Housing and Urban Development" each place it appears and inserting "applicable Secretary";

(2) in subsection (b), by inserting after "National Housing Act," the following: "the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,";

(3) in paragraphs (2) through (6) of subsection (d), by striking "Secretary" each place it appears and inserting "applicable Secretary";

(4) in subsection (d), in the matter following paragraph (6), by striking "the term 'Secretary'" and inserting "the term 'applicable Secretary'"; and

(5) by adding at the end the following new subsection:

"(h) For purposes of this section, the term 'applicable Secretary' means—

"(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

"(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.".

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

Subtitle F—Earned Income Credit Denied to Unauthorized Employees

SEC. 451. EARNED INCOME CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income credit) is amended by adding at the end the following new subparagraph:

"(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's taxpayer identification number, and

"(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.".

(b) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

"(l) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).".

(c) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting a comma, and by inserting after subparagraph (E) the following new subparagraphs:

"(F) an omission of a correct taxpayer identification number required under section 32 (relating to the earned income credit) to be included on a return, and

"(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to returns the due date for which (without regard to extensions) is more than 30 days after the date of the enactment of this Act.

TITLE V—CHILD PROTECTION

SEC. 501. AUTHORITY OF STATES TO MAKE FOSTER CARE MAINTENANCE PAYMENTS ON BEHALF OF CHILDREN IN ANY PRIVATE CHILD CARE INSTITUTION.

Section 472(c)(2) of the Social Security Act (42 U.S.C. 672(c)(2)) is amended by striking "nonprofit".

SEC. 502. EXTENSION OF ENHANCED MATCH FOR IMPLEMENTATION OF STATEWIDE AUTOMATED CHILD WELFARE INFORMATION SYSTEMS.

Section 13713(b)(2) of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 674 note; 107 Stat. 657) is amended by striking "1996" and inserting "1997".

SEC. 503. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

Part B of title IV of the Social Security Act (42 U.S.C. 620–628a) is amended by adding at the end the following:

"SEC. 429A. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

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

TITLE V

"(b) REQUIREMENTS.—The study required by subsection (a) shall—

"(1) have a longitudinal component; and

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

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

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

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

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

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

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

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

"(E) the average duration of each placement.

"(d) REPORTS.—

"(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a).

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

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

"(e) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary for each of fiscal years 1996 through 2002 $6,000,000 to carry out this section.".

END OF TITLE V

SEC. 504. REDESIGNATION OF SECTION 1123.

The Social Security Act is amended by redesignating section 1123, the second place it appears (42 U.S.C. 1320a–1a), as section 1123A.

SEC. 505. KINSHIP CARE.

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking "and" at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting "; and"; and

(3) by adding at the end the following:

"(18) provides that the State shall consider giving preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.".

TITLE VI—CHILD CARE

SEC. 601. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This title may be cited as the "Child Care and Development Block Grant Amendments of 1996".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 602. GOALS.

Section 658A (42 U.S.C. 9801 note) is amended—

(1) in the section heading by inserting "AND GOALS" after "TITLE";

(2) by inserting "(a) SHORT TITLE.—" before "This"; and

(3) by adding at the end the following:

"(b) GOALS.—The goals of this subchapter are—

"(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 regulations.".

SEC. 603. AUTHORIZATION OF APPROPRIATIONS AND ENTITLEMENT AUTHORITY.

(a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subchapter $1,000,000,000 for each of the fiscal years 1996 through 2002.".

(b) SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act (42 U.S.C. 601–617) is amended by adding at the end the following new section:

"SEC. 418. FUNDING FOR CHILD CARE.

"(a) GENERAL CHILD CARE ENTITLEMENT.—

"(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to—

"(A) the sum of the total amount required to be paid to the State under section 403 for fiscal year 1994 or 1995 (whichever is greater) with respect to amounts expended for child care under section—

"(i) 402(g) of this Act (as such section was in effect before October 1, 1995); and

"(ii) 402(i) of this Act (as so in effect); or

"(B) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the sections referred to in subparagraph (A);

whichever is greater.

"(2) REMAINDER.—

"(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (4) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

"(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

"(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under paragraph (1)(A) for such year and the amount of State expenditures in fiscal year 1994 or 1995 (whichever is greater) that equal the non-Federal share for the programs described in subparagraph (A) of paragraph (1).

"(D) REDISTRIBUTION.—

"(i) IN GENERAL.—With respect to any fiscal year, if the Secretary determines (in accordance with clause (ii)) that amounts under any grant awarded to a State under this paragraph for such fiscal year will not be used by such State during such fiscal year for carrying out the purpose for which the grant is made, the Secretary shall make such amounts available in the subsequent fiscal year for carrying out such purpose to one or more States which apply for such funds to the extent the Secretary determines that such States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 403(n) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'.

"(ii) TIME OF DETERMINATION AND DISTRIBUTION.—The determination of the Secretary under clause (i) for a fiscal year shall be made not later than the end of the first quarter of the subsequent fiscal year. The redistribution of amounts under clause (i) shall be made as close as practicable to the date on which such determination is made. Any amount made available to a State from an appropriation for a fiscal year in accordance with this subparagraph shall, for purposes of this part, be regarded as part of such State's

payment (as determined under this subsection) for the fiscal year in which the redistribution is made.

"(3) APPROPRIATION.—For grants under this section, there are appropriated—

"(A) $1,967,000,000 for fiscal year 1997;

"(B) $2,067,000,000 for fiscal year 1998;

"(C) $2,167,000,000 for fiscal year 1999;

"(D) $2,367,000,000 for fiscal year 2000;

"(E) $2,567,000,000 for fiscal year 2001; and

"(F) $2,717,000,000 for fiscal year 2002.

"(4) INDIAN TRIBES.—The Secretary shall reserve not less than 1 percent, and not more than 2 percent, of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance. Amounts received by a State under a grant under subsection (a)(1) shall be available for use by the State without fiscal year limitation.

"(2) USE FOR CERTAIN POPULATIONS.—A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

"(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT of 1990.—Notwithstanding any other provision of law, amounts provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

"(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States or the District of Columbia.".

SEC. 604. LEAD AGENCY.

Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" the first place that such appears and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

SEC. 605. APPLICATION AND PLAN.

Section 658E (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking "implemented—" and all that follows through "(2)" and inserting "implemented"; and

(B) by striking "for subsequent State plans";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking ", other than through assistance provided under paragraph (3)(C),"; and

(II) by striking "except" and all that follows through "1992", and inserting "and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph";

(ii) in subparagraph (B)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of such procedures";

(iii) in subparagraph (C)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of how such record is maintained and is made available";

(iv) by amending subparagraph (D) to read as follows:

"(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.";

(v) in subparagraph (E), to read as follows:

"(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

"(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

"(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organization receiving assistance under this subchapter.";

(vi) in subparagraph (F) by striking "Provide assurances" and inserting "Certify";

(vii) in subparagraph (G) by striking "Provide assurances" and inserting "Certify"; and

(viii) by striking subparagraphs (H), (I), and (J) and inserting the following:

"(H) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, and families that are at risk of becoming dependent on such assistance program.";

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "(B) and (C)" and inserting "(B) through (D)";

(ii) in subparagraph (B)—

(I) by striking ".—Subject to the reservation contained in subparagraph (C), the" and inserting "AND RELATED ACTIVITIES.—The";

(II) in clause (i) by striking "; and" at the end and inserting a period;

(III) by striking "for—" and all that follows through "section 658E(c)(2)(A)" and inserting "for child care services on a sliding fee scale basis, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)"; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services."; and

(iv) by adding at the end thereof the following:

"(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 418(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities under this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(H)."; and

(C) in paragraph (4)(A)—

(i) by striking "provide assurances" and inserting "certify";

(ii) in the first sentence by inserting "and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access" before the period; and

(iii) by striking the last sentence.

SEC. 606. LIMITATION ON STATE ALLOTMENTS.

Section 658F(b)(1) (42 U.S.C. 9858d(b)(1)) is amended by striking "No" and inserting "Except as provided for in section 658O(c)(6), no".

SEC. 607. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

"A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 4 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).".

SEC. 608. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858f) is repealed.

SEC. 609. ADMINISTRATION AND ENFORCEMENT.

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking ", and shall have" and all that follows through "(2)"; and

(2) in the matter following clause (ii) of paragraph (2)(A), by striking "finding and that" and all that follows through the period and inserting "finding and shall require that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options.".

SEC. 610. PAYMENTS.

Section 658J(c) (42 U.S.C. 9858h(c)) is amended—

(1) by striking "expended" and inserting "obligated"; and

(2) by striking "3 fiscal years" and inserting "fiscal year"

SEC. 611. ANNUAL REPORT AND AUDITS.

Section 658K (42 U.S.C. 9858i) is amended—

(1) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS";

(2) in subsection (a), to read as follows:

"(a) REPORTS.—

"(1) COLLECTION OF INFORMATION BY STATES.—

"(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

"(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

"(i) family income;

"(ii) county of residence;

"(iii) the gender, race, and age of children receiving such assistance;

"(iv) whether the family includes only one parent;

"(v) the sources of family income, including the amount obtained from (and separately identified)—

"(I) employment, including self-employment;

"(II) cash or other assistance under part A of title IV of the Social Security Act;

"(III) housing assistance;

"(IV) assistance under the Food Stamp Act of 1977; and

"(V) other assistance programs;

"(vi) the number of months the family has received benefits;

"(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

"(viii) whether the child care provider involved was a relative;

"(ix) the cost of child care for such families; and

"(x) the average hours per week of such care;

during the period for which such information is required to be submitted.

"(C) SUBMISSION TO SECRETARY.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

"(D) SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

"(2) BIANNUAL REPORTS.—Not later than December 31, 1997, and every 6 months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

"(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(5);

"(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

"(C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided;

"(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

"(E) the total number (without duplication) of children and families served under this subchapter;

during the period for which such report is required to be submitted."; and

(2) in subsection (b)—

(A) in paragraph (1) by striking "a application" and inserting "an application";

(B) in paragraph (2) by striking "any agency administering activities that receive" and inserting "the State that receives"; and

(C) in paragraph (4) by striking "entitles" and inserting "entitled".

SEC. 612. REPORT BY THE SECRETARY.

Section 658L (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "biennially"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

SEC. 613. ALLOTMENTS.

Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "POSSESSIONS" and inserting "POSSESSIONS";

(ii) by inserting "and" after "States,"; and

(iii) by striking ", and the Trust Territory of the Pacific Islands"; and

(B) in paragraph (2), by striking "more than 3 percent" and inserting "less than 1 percent, and not more than 2 percent,";

(2) in subsection (c)—

(A) in paragraph (5) by striking "our" and inserting "out"; and

(B) by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(3) in subsection (e), by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs.".

SEC. 614. DEFINITIONS.

Section 658P (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) by striking paragraph (3);

(3) in paragraph (4)(B), by striking "75 percent" and inserting "85 percent";

(4) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if such provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(5) by striking paragraph (10);

(6) in paragraph (13)—

(A) by inserting "or" after "Samoa,"; and

(B) by striking ", and the Trust Territory of the Pacific Islands";

(7) in paragraph (14)—

(A) by striking "The term" and inserting the following: "(A) IN GENERAL.—The term"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) OTHER ORGANIZATIONS.—Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.".

SEC. 615. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on October 1, 1996.

(b) EXCEPTION.—The amendment made by section 603(a) shall take effect on the date of enactment of this Act.

TITLE VII—CHILD NUTRITION PROGRAMS

Subtitle A—National School Lunch Act

SEC. 701. STATE DISBURSEMENT TO SCHOOLS.

(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended—

(1) in the third sentence, by striking "Nothing" and all that follows through "educational agency to" and inserting "The State educational agency may";

(2) by striking the fourth and fifth sentences;

(3) by redesignating the first through seventh sentences, as amended by paragraph (2), as subsections (a) through (g), respectively;

(4) in subsection (b), as redesignated by paragraph (3), by striking "the preceding sentence" and inserting "subsection (a)"; and

(5) in subsection (d), as redesignated by paragraph (3), by striking "Such food costs" and inserting "Use of funds paid to States".

(b) DEFINITION OF CHILD.—Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)) is amended by adding at the end the following:

"(9) CHILD.—

"(A) IN GENERAL.—The term 'child' includes an individual, regardless of age, who—

"(i) is determined by a State educational agency, in accordance with regulations prescribed by the Secretary, to have one or more mental or physical disabilities; and

"(ii) is attending any institution, as defined in section 17(a), or any nonresidential public or nonprofit private school of high school grade or under, for the purpose of participating in a school program established for individuals with mental or physical disabilities.

"(B) RELATIONSHIP TO CHILD AND ADULT CARE FOOD PROGRAM.—No institution that is not otherwise eligible to participate in the program under section 17 shall be considered eligible because of this paragraph.".

SEC. 702. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) NUTRITIONAL STANDARDS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) in paragraph (2)—

(A) by striking "(2)(A) Lunches" and inserting "(2) Lunches";

(B) by striking subparagraph (B); and

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

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) UTILIZATION OF AGRICULTURAL COMMODITIES.—Section 9(c) of the National School Lunch Act (42 U.S.C. 1758(c)) is amended—

(1) in the fifth sentence, by striking "of the provisions of law referred to in the preceding sentence" and inserting "provision of law"; and

(2) by striking the second, fourth, and sixth sentences.

(c) NUTRITIONAL INFORMATION.—Section 9(f) of the National School Lunch Act (42 U.S.C. 1758(f)) is amended—

(1) by striking paragraph (1);

(2) by striking "(2)";

(3) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively;

(4) by striking paragraph (1), as redesignated by paragraph (3), and inserting the following:

"(1) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1996–1997 school year, schools that are participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

"(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

"(B) provide, on the average over each week, at least—

"(i) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

"(ii) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.";

(5) in paragraph (3), as redesignated by paragraph (3)—

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

(B) in subparagraph (A), as so redesignated, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (4), as redesignated by paragraph (3)—

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

(B) in subparagraph (A), as redesignated by subparagraph (A), by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(C) in subparagraph (A)(ii), as redesignated by subparagraph (B), by striking "subparagraph (C)" and inserting "paragraph (3)".

(d) USE OF RESOURCES.—Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended by striking subsection (h).

SEC. 703. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)) is amended by adding at the end the following:

"(D) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school food authority shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school food authority. A routine change in the policy of a school food authority, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school food authority to submit a policy statement.".

SEC. 704. SPECIAL ASSISTANCE.

(a) EXTENSION OF PAYMENT PERIOD.—Section 11(a)(1)(D)(i) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)(D)(i)) is amended by striking ", on the date of enactment of this subparagraph,".

(b) ROUNDING RULE FOR LUNCH, BREAKFAST, AND SUPPLEMENT RATES.—

(1) IN GENERAL.—The third sentence of section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended by adding before the period at the end the following:

", except that adjustments to payment rates for meals and supplements served to individuals not determined to be eligible for free or reduced price meals and supplements shall be computed to the nearest lower cent increment and based on the unrounded amount for the preceding 12-month period".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall become effective on July 1, 1997.

(c) APPLICABILITY OF OTHER PROVISIONS.—Section 11 of the National School Lunch Act (42 U.S.C. 1759a) is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)—

(A) by striking "The" and inserting "On request of the Secretary, the"; and

(B) by striking "each month"; and

(3) by redesignating subsections (e) and (f), as so amended, as subsections (d) and (e), respectively.

SEC. 705. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) ACCOUNTS AND RECORDS.—The second sentence of section 12(a) of the National School Lunch Act (42 U.S.C. 1760(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(b) RESTRICTION ON REQUIREMENTS.—Section 12(c) of the National School Lunch Act (42 U.S.C. 1760(c)) is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

(c) DEFINITIONS.—Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)), as amended by section 701(b), is amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands";

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (1), (2), and (5) through (9) as paragraphs (6), (7), (3), (4), (2), (5), and (1), respectively, and rearranging the paragraphs so as to appear in numerical order.

(d) ADJUSTMENTS TO NATIONAL AVERAGE PAYMENT RATES.—Section 12(f) of the National School Lunch Act (42 U.S.C. 1760(f)) is amended by striking "the Trust Territory of the Pacific Islands".

(e) EXPEDITED RULEMAKING.—Section 12(k) of the National School Lunch Act (42 U.S.C. 1760(k)) is amended—

(1) by striking paragraphs (1), (2), and (5);

(2) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively; and

(3) in paragraph (1), as redesignated by paragraph (2), by striking "Guidelines" and inserting "guidelines contained in the most recent 'Dietary Guidelines for Americans' that is published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341)".

(f) WAIVER.—Section 12(l) of the National School Lunch Act (42 U.S.C. 1760(l)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (iii), by adding "and" at the end;

(B) in clause (iv), by striking the semicolon at the end and inserting a period; and

(C) by striking clauses (v) through (vii);

(2) in paragraph (3)—

(A) in subparagraph (A), by striking "(A)"; and

(B) by striking subparagraphs (B) through (D);

(3) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "of any requirement relating" and inserting "that increases Federal costs or that relates";

(B) by striking subparagraph (D);

(C) by redesignating subparagraphs (E) through (N) as subparagraphs (D) through (M), respectively; and

(D) in subparagraph (L), as redesignated by subparagraph (C), by striking "and" at the end and inserting "or"; and

(4) in paragraph (6)—

(A) by striking "(A)(i)" and all that follows through "(B)"; and

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

SEC. 706. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) ESTABLISHMENT OF PROGRAM.—Section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking "initiate, maintain, and expand" and inserting "initiate and maintain"; and

(B) in subparagraph (E) of the second sentence, by striking "the Trust Territory of the Pacific Islands,"; and

(2) in paragraph (7)(A), by striking "Except as provided in subparagraph (C), private" and inserting "Private".

(b) SERVICE INSTITUTIONS.—Section 13(b) of the National School Lunch Act (42 U.S.C. 1761(b)) is amended by striking "(b)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(b) SERVICE INSTITUTIONS.—

"(1) PAYMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

"(B) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

"(i) $1.97 for each lunch and supper served;

"(ii) $1.13 for each breakfast served; and

"(iii) 46 cents for each meal supplement served.

"(C) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted on January 1, 1997, and each January 1 thereafter, to the nearest lower cent increment to reflect changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.".

(c) ADMINISTRATION OF SERVICE INSTITUTIONS.—Section 13(b)(2) of the National School Lunch Act (42 U.S.C. 1761(b)(2)) is amended—

(1) in the first sentence, by striking "four meals" and inserting "3 meals, or 2 meals and 1 supplement,"; and

(2) by striking the second sentence.

(d) REIMBURSEMENTS.—Section 13(c)(2) of the National School Lunch Act (42 U.S.C. 1761(c)(2)) is amended—

(1) by striking subparagraphs (A), (C), (D), and (E);

(2) by striking "(B)";

(3) by striking ", and such higher education institutions,"; and

(4) by striking "without application" and inserting "on showing residence in areas in which poor economic conditions exist or on the basis of income eligibility statements for children enrolled in the program".

(e) ADVANCE PROGRAM PAYMENTS.—Section 13(e)(1) of the National School Lunch Act (42 U.S.C. 1761(e)(1)) is amended—

(1) by striking "institution: *Provided*, That (A) the" and inserting "institution. The";

(2) by inserting "(excluding a school)" after "any service institution"; and

(3) by striking "responsibilities, and (B) no" and inserting "responsibilities. No".

(f) FOOD REQUIREMENTS.—Section 13(f) of the National School Lunch Act (42 U.S.C. 1761(f)) is amended—

(1) by redesignating the first through seventh sentences as paragraphs (1) through (7), respectively;

(2) by striking paragraph (3), as redesignated by paragraph (1);

(3) in paragraph (4), as redesignated by paragraph (1), by striking "the first sentence" and inserting "paragraph (1)";

(4) in subparagraph (B) of paragraph (6), as redesignated by paragraph (1), by striking "that bacteria levels" and all that follows through the period at the end and inserting "conformance with standards set by local health authorities."; and

(5) by redesignating paragraphs (4) through (7), as redesignated by paragraph (1), as paragraphs (3) through (6), respectively.

(g) PERMITTING OFFER VERSUS SERVE.—Section 13(f) of the National School Lunch Act (42 U.S.C. 1761(f)), as amended by subsection (f), is amended by adding at the end the following:

"(7) OFFER VERSUS SERVE.—A school food authority participating as a service institution may permit a child attending a site on school premises operated directly by the authority to refuse one or more items of a meal that the child does not intend to consume, under rules that the school uses for school meals programs. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.".

(h) RECORDS.—The second sentence of section 13(m) of the National School Lunch Act (42 U.S.C. 1761(m)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(i) REMOVING MANDATORY NOTICE TO INSTITUTIONS.—Section 13(n)(2) of the National School Lunch Act (42 U.S.C. 1761(n)(2)) is amended by striking ", and its plans and schedule for informing service institutions of the availability of the program".

(j) PLAN.—Section 13(n) of the National School Lunch Act (42 U.S.C. 1761(n)), as amended by subsection (i), is amended—

(1) in paragraph (2), by striking ", including the State's methods of assessing need";

(2) by striking paragraph (3);

(3) in paragraph (4), by striking "and schedule"; and

(4) by redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively.

(k) MONITORING AND TRAINING.—Section 13(q) of the National School Lunch Act (42 U.S.C. 1761(q)) is amended—

(1) by striking paragraphs (2) and (4);

(2) in paragraph (3), by striking "paragraphs (1) and (2) of this subsection" and inserting "paragraph (1)"; and

(3) by redesignating paragraph (3) as paragraph (2).

(l) EXPIRED PROGRAM.—Section 13 of the National School Lunch Act (42 U.S.C. 1761) is amended—

(1) by striking subsection (p); and

(2) by redesignating subsections (q) and (r) as subsections (p) and (q), respectively.

(m) EFFECTIVE DATE.—The amendments made by subsection (b) shall become effective on January 1, 1997.

SEC. 707. COMMODITY DISTRIBUTION.

(a) CEREAL AND SHORTENING IN COMMODITY DONATIONS.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1762a(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) STATE ADVISORY COUNCIL.—Section 14(e) of the National School Lunch Act (42 U.S.C. 1762a(e)) is amended to read as follows:

"(e) Each State agency that receives food assistance payments under this section for any school year shall consult with representatives of schools in the State that participate in the school lunch program with respect to the needs of such schools relating to the manner of selection and distribution of commodity assistance for such program.".

(c) CASH COMPENSATION FOR PILOT PROJECT SCHOOLS.—Section 14(g) of the National School Lunch Act (42 U.S.C. 1762a(g)) is amended by striking paragraph (3).

SEC. 708. CHILD AND ADULT CARE FOOD PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended in the first sentence of subsection (a), by striking "initiate, maintain, and expand" and inserting "initiate and maintain".

(b) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than one employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited.".

(c) TECHNICAL ASSISTANCE.—The last sentence of section 17(d)(1) of the National School Lunch Act (42 U.S.C. 1766(d)(1)) is amended by striking ", and shall provide technical assistance" and all that follows through "its application".

(d) REIMBURSEMENT OF CHILD CARE INSTITUTIONS.—Section 17(f)(2)(B) of the National School Lunch Act (42 U.S.C. 1766(f)(2)(B)) is amended by striking "two meals and two supplements or three meals and one supplement" and inserting "2 meals and 1 supplement".

(e) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION OF TIER I FAMILY OR GROUP DAY CARE HOME.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring organization of the home under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on July 1, 1996.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be 95 cents for lunches and suppers, 27 cents for breakfasts, and 13 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe

simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any minimum verification requirements that are necessary to carry out this clause.".

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1997.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) made by section 708(e)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1995 as a percentage of the number of all family day care homes participating in the program during fiscal year 1995.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1997 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(3) PROVISION OF DATA.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)), as amended by paragraph (2), is amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the

program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(4) CONFORMING AMENDMENTS.—Section 17(c) of the National School Lunch Act (42 U.S.C. 1766(c)) is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(f) REIMBURSEMENT.—Section 17(f) of the National School Lunch Act (42 U.S.C. 1766(f)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)(ii), by striking "conduct outreach" and all that follows through "may become" and inserting "assist unlicensed family or group day care homes in becoming"; and

(2) in the first sentence of paragraph (4), by striking "shall" and inserting "may".

(g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the National School Lunch Act (42 U.S.C. 1766(g)(1)) is amended—

(1) in subparagraph (A), by striking the second sentence; and

(2) in subparagraph (B), by striking the second sentence.

(h) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(i) RECORDS.—The second sentence of section 17(m) of the National School Lunch Act (42 U.S.C. 1766(m)) is amended by striking "at all times" and inserting "at any reasonable time".

(j) UNNEEDED PROVISION.—Section 17 of the National School Lunch Act is amended by striking subsection (q).

(k) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1) and (4) of subsection (e) shall become effective on July 1, 1997.

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than January 1, 1997, the Secretary of Agriculture shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (e); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than July 1, 1997, the Secretary of Agriculture shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

(l) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child and adult care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child and adult care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary of Agriculture data on—

(A) the number of family day care homes participating in the program on June 30, 1997, and June 30, 1998;

(B) the number of family day care homes licensed, certified, registered, or approved for service on June 30, 1997, and June 30, 1998; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the date of enactment of this section, the Secretary of Agriculture shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 709. PILOT PROJECTS.

(a) UNIVERSAL FREE PILOT.—Section 18(d) of the National School Lunch Act (42 U.S.C. 1769(d)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) DEMONSTRATION PROJECT OUTSIDE SCHOOL HOURS.—Section 18(e) of the National School Lunch Act (42 U.S.C. 1769(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "(A)"; and

(ii) by striking "shall" and inserting "may"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (5) and inserting the following:

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1997 and 1998.".

SEC. 710. REDUCTION OF PAPERWORK.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is repealed.

SEC. 711. INFORMATION ON INCOME ELIGIBILITY.

Section 23 of the National School Lunch Act (42 U.S.C. 1769d) is repealed.

SEC. 712. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

Section 24 of the National School Lunch Act (42 U.S.C. 1769e) is repealed.

Subtitle B—Child Nutrition Act of 1966

SEC. 721. SPECIAL MILK PROGRAM.

Section 3(a)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(3)) is amended by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands".

SEC. 722. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

"(E) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school food authority shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school food authority. A routine change in the policy of a school food authority, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school food authority to submit a policy statement.".

SEC. 723. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

(a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD PREPARATION.—Section 4(e)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(B)) is amended by striking the second sentence.

(b) EXPANSION OF PROGRAM; STARTUP AND EXPANSION COSTS.—

(1) IN GENERAL.—Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsections (f) and (g).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on October 1, 1996.

SEC. 724. STATE ADMINISTRATIVE EXPENSES.

(a) USE OF FUNDS FOR COMMODITY DISTRIBUTION ADMINISTRATION; STUDIES.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking subsections (e) and (h); and

(2) by redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g), respectively.

(b) APPROVAL OF CHANGES.—Section 7(e) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(e)), as so redesignated, is amended—

(1) by striking "each year an annual plan" and inserting "the initial fiscal year a plan"; and

(2) by adding at the end the following: "After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan.".

SEC. 725. REGULATIONS.

Section 10(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1779(b)) is amended—

(1) in paragraph (1), by striking "(1)"; and

(2) by striking paragraphs (2) through (4).

SEC. 726. PROHIBITIONS.

Section 11(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1780(a)) is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

SEC. 727. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands"; and

(2) in the first sentence of paragraph (3)—

(A) in subparagraph (A), by inserting "and" at the end; and

(B) by striking ", and (C)" and all that follows through "Governor of Puerto Rico".

SEC. 728. ACCOUNTS AND RECORDS.

The second sentence of section 16(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1785(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

SEC. 729. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) DEFINITIONS.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

(1) in paragraph (15)(B)(iii), by inserting "of not more than 365 days" after "accommodation"; and

(2) in paragraph (16)—

(A) in subparagraph (A), by adding "and" at the end; and

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C).

(b) SECRETARY'S PROMOTION OF WIC.—Section 17(c) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(c)) is amended by striking paragraph (5).

(c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)) is amended by striking paragraph (4).

(d) NUTRITION EDUCATION.—Section 17(e) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)) is amended—

(1) in paragraph (2), by striking the third sentence;

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "shall";

(B) by striking subparagraph (A);

(C) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(D) in subparagraph (A), as so redesignated—

(i) by inserting "shall" before "provide"; and

(ii) by striking "and" at the end;

(E) in subparagraph (B), as so redesignated—

(i) by inserting "shall" before "provide"; and

(ii) by striking the period at the end and inserting "; and"; and

(F) by adding at the end the following:

"(C) may provide a local agency with materials describing other programs for which a participant in the program may be eligible.";

(3) in paragraph (5), by striking "The State agency shall ensure that each" and inserting "Each"; and

(4) by striking paragraph (6).

(e) STATE PLAN.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "annually to the Secretary, by a date specified by the Secretary, a" and inserting "to the Secretary, by a date specified by the Secretary, an initial"; and

(ii) by adding at the end the following: "After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan.";

(B) in subparagraph (C)—

(i) by striking clause (iii) and inserting the following:

"(iii) a plan to coordinate operations under the program with other services or programs that may benefit participants in, and applicants for, the program;";

(ii) in clause (vi), by inserting after "in the State" the following: "(including a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas)";

(iii) in clause (vii), by striking "to provide program benefits" and all that follows through "emphasis on" and inserting "for";

(iv) by striking clauses (ix), (x), and (xii);

(v) in clause (xiii), by striking "may require" and inserting "may reasonably require";

(vi) by redesignating clauses (xi) and (xiii), as so amended, as clauses (ix) and (x), respectively; and

(vii) in clause (ix), as so redesignated, by adding "and" at the end;

(C) by striking subparagraph (D); and

(D) by redesignating subparagraph (E) as subparagraph (D);

(2) by striking paragraphs (6) and (22);

(3) in the second sentence of paragraph (5), by striking "at all times be available" and inserting "be available at any reasonable time";

(4) in paragraph (9)(B), by striking the second sentence;

(5) in the first sentence of paragraph (11), by striking ", including standards that will ensure sufficient State agency staff";

(6) in paragraph (12), by striking the third sentence;

(7) in paragraph (14), by striking "shall" and inserting "may";

(8) in paragraph (17), by striking "and to accommodate" and all that follows through "facilities";

(9) in paragraph (19), by striking "shall" and inserting "may"; and

(10) by redesignating paragraphs (7) through (21) as paragraphs (6) through (20), and paragraphs (23) and (24) as paragraphs (21) and (22), respectively.

(f) INFORMATION.—Section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) is amended—

(1) in paragraph (5), by striking "the report required under subsection (d)(4)" and inserting "reports on program participant characteristics"; and

(2) by striking paragraph (6).

(g) PROCUREMENT OF INFANT FORMULA.—

(1) IN GENERAL.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended—

(A) in paragraph (4)(E), by striking "and, on" and all that follows through "(d)(4)"; and

(B) in paragraph (8)—

(i) by striking subparagraphs (A), (C), and (M);

(ii) in subparagraph (G)—

(I) in clause (i), by striking "(i)"; and

(II) by striking clauses (ii) through (ix);

(iii) in subparagraph (I), by striking "Secretary—" and all that follows through "(v) may" and inserting "Secretary may";

(iv) by redesignating subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(v) in subparagraph (A)(i), as so redesignated, by striking "subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A)," and inserting "subparagraphs (B) and (C)(iii),";

(vi) in subparagraph (B)(i), as so redesignated, by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)"; and

(vii) in subparagraph (C)(iii), as so redesignated, by striking "subparagraph (B)" and inserting "subparagraph (A)".

(2) APPLICATION.—The amendments made by paragraph (1) shall not apply to a contract for the procurement of infant formula under section 17(h)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)) that is in effect on the date of enactment of this subsection.

(h) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(k)(3)) is amended by striking "Secretary shall designate" and inserting "Council shall elect".

(i) COMPLETED STUDY; COMMUNITY COLLEGE DEMONSTRATION; GRANTS FOR INFORMATION AND DATA SYSTEM.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by striking subsections (n), (o), and (p).

(j) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), as amended by subsection (i), is amended by adding at the end the following:

"(n) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this section of an approved vendor that is disqualified from accepting benefits under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) shall not be subject to judicial or administrative review.".

SEC. 730. CASH GRANTS FOR NUTRITION EDUCATION.

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.

SEC. 731. NUTRITION EDUCATION AND TRAINING.

(a) FINDINGS.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) in subsection (a), by striking "that—" and all that follows through the period at the end and inserting "that effective dissemination of scientifically valid information to children

participating or eligible to participate in the school lunch and related child nutrition programs should be encouraged."; and

(2) in subsection (b), by striking "encourage" and all that follows through "establishing" and inserting "establish".

(b) USE OF FUNDS.—Section 19(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(f)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B); and

(B) in subparagraph (A)—

(i) by striking "(A)";

(ii) by striking clauses (ix) through (xix);

(iii) by redesignating clauses (i) through (viii) and (xx) as subparagraphs (A) through (H) and (I), respectively;

(iv) in subparagraph (I), as so redesignated, by striking the period at the end and inserting "; and"; and

(v) by adding at the end the following:

"(J) other appropriate related activities, as determined by the State.";

(2) by striking paragraphs (2) and (4); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) ACCOUNTS, RECORDS, AND REPORTS.—The second sentence of section 19(g)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(g)(1)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(d) STATE COORDINATORS FOR NUTRITION; STATE PLAN.—Section 19(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(h)) is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking "as provided in paragraph (2) of this subsection"; and

(B) by striking "as provided in paragraph (3) of this subsection";

(2) in paragraph (2), by striking the second and third sentences; and

(3) by striking paragraph (3).

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)) is amended—

(1) in the first sentence of paragraph (2)(A), by striking "and each succeeding fiscal year";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) FISCAL YEARS 1997 THROUGH 2002.—

"(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

"(B) GRANTS.—

"(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within the State, except that no State shall receive an amount less than $75,000 per fiscal year.

"(ii) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.".

(f) ASSESSMENT.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended by striking subsection (j).

(g) EFFECTIVE DATE.—The amendments made by subsection (e) shall become effective on October 1, 1996.

Subtitle C—Miscellaneous Provisions

SEC. 741. COORDINATION OF SCHOOL LUNCH, SCHOOL BREAKFAST, AND SUMMER FOOD SERVICE PROGRAMS.

(a) COORDINATION.—

(1) IN GENERAL.—The Secretary of Agriculture shall develop proposed changes to the regulations under the school lunch program under the National School Lunch Act (42 U.S.C. 1751 et seq.), the summer food service program under section 13 of that Act (42 U.S.C. 1761), and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), for the purpose of simplifying and coordinating those programs into a comprehensive meal program.

(2) CONSULTATION.—In developing proposed changes to the regulations under paragraph (1), the Secretary of Agriculture shall consult with local, State, and regional administrators of the programs described in such paragraph.

(b) REPORT.—Not later than November 1, 1997, the Secretary of Agriculture shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Economic and Educational Opportunities of the House of Representatives a report containing the proposed changes developed under subsection (a).

SEC. 742. REQUIREMENTS RELATING TO PROVISION OF BENEFITS BASED ON CITIZENSHIP, ALIENAGE, OR IMMIGRATION STATUS UNDER THE NATIONAL SCHOOL LUNCH ACT, THE CHILD NUTRITION ACT OF 1966, AND CERTAIN OTHER ACTS.

(a) SCHOOL LUNCH AND BREAKFAST PROGRAMS.—Notwithstanding any other provision of this Act, an individual who is eligible to receive free public education benefits under State or local law shall not be ineligible to receive benefits provided under the school lunch program under the National School Lunch Act (42 U.S.C. 1751 et seq.) or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) on the basis of citizenship, alienage, or immigration status.

(b) OTHER PROGRAMS.—

(1) IN GENERAL.—Nothing in this Act shall prohibit or require a State to provide to an individual who is not a citizen or a qualified alien, as defined in section 431(b), benefits under programs established under the provisions of law described in paragraph (2).

(2) PROVISIONS OF LAW DESCRIBED.—The provisions of law described in this paragraph are the following:

(A) Programs (other than the school lunch program and the school breakfast program) under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

(B) Section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note).

(C) The Emergency Food Assistance Act of 1983 (7 U.S.C 612c note).

(D) The food distribution program on Indian reservations established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C 2013(b)).

TITLE VIII—FOOD STAMPS AND COMMODITY DISTRIBUTION

Subtitle A—Food Stamp Program

SEC. 801. DEFINITION OF CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.".

SEC. 802. DEFINITION OF COUPON.

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued in lieu of a coupon, or access device, including an electronic benefit transfer card or personal identification number,".

SEC. 803. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 804. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting the following: "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1996, and each October 1 thereafter adjust the cost of the diet to reflect the cost of the diet in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996.".

SEC. 805. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 806. STATE OPTION FOR ELIGIBILITY STANDARDS.

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking "(b) The Secretary" and inserting the following:

"(b) ELIGIBILITY STANDARDS.—Except as otherwise provided in this Act, the Secretary".

SEC. 807. EARNINGS OF STUDENTS.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "17".

SEC. 808. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: "(11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law (other than part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)), or (B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,".

(b) CONFORMING AMENDMENTS.—Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "plan for aid to families with dependent children approved" and inserting "program funded"; and

(B) in subparagraph (B), by striking ", not including energy or utility-cost assistance,";

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) a payment or allowance described in subsection (d)(11);"; and

(3) by adding at the end the following:

"(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

"(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law (other than a law referred to in paragraph (2)(H)) to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.".

SEC. 809. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking subsection (e) and inserting the following:

"(e) DEDUCTIONS FROM INCOME.—

"(1) STANDARD DEDUCTION.—The Secretary shall allow a standard deduction for each household in the 48 contiguous

States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of $134, $229, $189, $269, and $118, respectively.

"(2) EARNED INCOME DEDUCTION.—

"(A) DEFINITION OF EARNED INCOME.—In this paragraph, the term 'earned income' does not include—

"(i) income excluded by subsection (d); or

"(ii) any portion of income earned under a work supplementation or support program, as defined under section 16(b), that is attributable to public assistance

"(B) DEDUCTION.—Except as provided in subparagraph (C), a household with earned income shall be allowed a deduction of 20 percent of all earned income to compensate for taxes, other mandatory deductions from salary, and work expenses.

"(C) EXCEPTION.—The deduction described in subparagraph (B) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

"(3) DEPENDENT CARE DEDUCTION.—

"(A) IN GENERAL.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

"(B) EXCLUDED EXPENSES.—The excluded expenses referred to in subparagraph (A) are—

"(i) expenses paid on behalf of the household by a third party;

"(ii) amounts made available and excluded, for the expenses referred to in subparagraph (A), under subsection (d)(3); and

"(iii) expenses that are paid under section 6(d)(4)

"(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

"(A) IN GENERAL.—A household shall be entitled to a deduction for child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.

"(B) METHODS FOR DETERMINING AMOUNT.—The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, that a State agency shall use to determine the amount of the deduction for child support payments.

"(5) HOMELESS SHELTER ALLOWANCE.—Under rules prescribed by the Secretary, a State agency may develop a standard homeless shelter allowance, which shall not exceed $143 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. A State agency that develops the allowance may use the allowance in determining eligibility and allotments for the

households. The State agency may make a household with extremely low shelter costs ineligible for the allowance.

"(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

"(A) IN GENERAL.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds $35 per month.

"(B) METHOD OF CLAIMING DEDUCTION.—

"(i) IN GENERAL.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information on, or verification of, actual expenses on a monthly basis.

"(ii) METHOD.—The method described in clause (i) shall—

"(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

"(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

"(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

"(7) EXCESS SHELTER EXPENSE DEDUCTION.—

"(A) IN GENERAL.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) MAXIMUM AMOUNT OF DEDUCTION.—In the case of a household that does not contain an elderly or disabled individual, in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, the excess shelter expense deduction shall not exceed—

"(i) for the period beginning on the date of enactment of this subparagraph and ending on December 31, 1996, $247, $429, $353, $300, and $182 per month, respectively;

"(ii) for the period beginning on January 1, 1997, and ending on September 30, 1998, $250, $434, $357, $304, and $184 per month, respectively;

"(iii) for fiscal years 1999 and 2000, $275, $478, $393, $334, and $203 per month, respectively; and

"(iv) for fiscal year 2001 and each subsequent fiscal year, $300, $521, $429, $364, and $221 per month, respectively.

"(C) STANDARD UTILITY ALLOWANCE.—

"(i) IN GENERAL.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

"(ii) RESTRICTIONS ON HEATING AND COOLING EXPENSES.—An allowance for a heating or cooling expense may not be used in the case of a household that—

"(I) does not incur a heating or cooling expense, as the case may be;

"(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with regard to the expense, only for excess utility costs; or

"(III) shares the expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

"(iii) MANDATORY ALLOWANCE.—

"(I) IN GENERAL.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

"(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

"(bb) the Secretary finds that the standards will not result in an increased cost to the Secretary.

"(II) HOUSEHOLD ELECTION.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

"(iv) AVAILABILITY OF ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

"(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981

(42 U.S.C. 8621 et seq.) or other similar energy assistance program, if the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

"(II) SEPARATE ALLOWANCE.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

"(III) STATES NOT ELECTING TO USE SEPARATE ALLOWANCE.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of clause (ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

"(IV) PRORATION OF ASSISTANCE.—For the purpose of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.".

(b) CONFORMING AMENDMENT.—Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended by striking ". Under rules prescribed" and all that follows through "verifies higher expenses".

SEC. 810. VEHICLE ALLOWANCE.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by striking paragraph (2) and inserting the following:

"(2) INCLUDED ASSETS.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

"(B) ADDITIONAL INCLUDED ASSETS.—The Secretary shall include in financial resources—

"(i) any boat, snowmobile, or airplane used for recreational purposes;

"(ii) any vacation home;

"(iii) any mobile home used primarily for vacation purposes;

"(iv) subject to subparagraph (C), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds $4,600 through September 30, 1996, and $4,650 beginning October 1, 1996; and "(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

"(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

"(i) used to produce earned income;

"(ii) necessary for the transportation of a physically disabled household member; or

"(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.".

SEC. 811. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 812. SIMPLIFIED CALCULATION OF INCOME FOR THE SELF-EMPLOYED.

Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014), as amended by title I, is amended by adding at the end the following:

"(m) SIMPLIFIED CALCULATION OF INCOME FOR THE SELF-EMPLOYED.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall establish a procedure by which a State may submit a method, designed to not increase Federal costs, for the approval of the Secretary, that the Secretary determines will produce a reasonable estimate of income excluded under subsection (d)(9) in lieu of calculating the actual cost of producing self-employment income.

"(2) INCLUSIVE OF ALL TYPES OF INCOME OR LIMITED TYPES OF INCOME.—The method submitted by a State under paragraph (1) may allow a State to estimate income for all types of self-employment income or may be limited to 1 or more types of self-employment income.

"(3) DIFFERENCES FOR DIFFERENT TYPES OF INCOME.—The method submitted by a State under paragraph (1) may differ for different types of self-employment income.".

SEC. 813. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking "six months" and inserting "1 year"; and

(2) in clause (ii), by striking "1 year" and inserting "2 years".

SEC. 814. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

(1) in subclause (II), by striking "or" at the end;

(2) in subclause (III), by striking the period at the end and inserting "; or"; and

(3) by inserting after subclause (III) the following:

"(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.".

SEC. 815. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program established under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term used in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not use a meaning, procedure, or determination under subclause (I) that is less restrictive on individuals receiving benefits under this Act than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For purposes of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20 of the Food Stamp Act of 1977 (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 816. CARETAKER EXEMPTION.

Section 6(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)) is amended by adding at the end the following: "A State that requested a waiver to lower the age specified in subparagraph (B) and had the waiver denied by the Secretary as of August 1, 1996, may, for a period of not more than 3 years, lower the age of a dependent child that qualifies a parent or other member of a household for an exemption under subparagraph (B) to between 1 and 6 years of age.".

SEC. 817. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) by striking "(4)(A) Not later than April 1, 1987, each" and inserting the following:

"(4) EMPLOYMENT AND TRAINING.—

"(A) IN GENERAL.—

"(i) IMPLEMENTATION.—Each";

(2) in subparagraph (A)—

(A) by inserting "work," after "skills, training,"; and

(B) by adding at the end the following:

"(ii) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Each component of an employment and training program carried out under this paragraph shall be delivered through a statewide workforce development system, unless the component is not available locally through such a system.";

(3) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: ", except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:";

(B) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(4) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(5) in subparagraph (E), by striking the third sentence;

(6) in subparagraph (G)—

(A) by striking "(G)(i) The State" and inserting "(G) The State"; and

(B) by striking clause (ii);

(7) in subparagraph (H), by striking "(H)(i) The Secretary" and all that follows through "(ii) Federal funds" and inserting "(H) Federal funds";

(8) in subparagraph (I)(i)(II), by striking ", or was in operation," and all that follows through "Social Security Act" and

inserting the following: "), except that no such payment or reimbursement shall exceed the applicable local market rate";

(9)(A) by striking subparagraphs (K) and (L) and inserting the following:

"(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including funds used to carry out subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)."; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(10) in subparagraph (L), as so redesignated—

(A) by striking "(L)(i) The Secretary" and inserting "(L) The Secretary"; and

(B) by striking clause (ii).

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

"(1) IN GENERAL.—

"(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

"(i) for fiscal year 1996, $75,000,000;

"(ii) for fiscal year 1997, $79,000,000;

"(iii) for fiscal year 1998, $81,000,000;

"(iv) for fiscal year 1999, $84,000,000;

"(v) for fiscal year 2000, $86,000,000;

"(vi) for fiscal year 2001, $88,000,000; and

"(vii) for fiscal year 2002, $90,000,000.

"(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(o).

"(C) REALLOCATION.—

"(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 for each fiscal year.".

(c) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(2)) is amended by inserting before the period at the end the following: ", including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work".

(d) REPORTS.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 818. FOOD STAMP ELIGIBILITY.

The third sentence of section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by inserting ", at State option," after "less".

SEC. 819. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

"(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the food stamp program.

"(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i); and".

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 820. DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 819, is amended by adding at the end the following:

"(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.—An individual shall be ineligible to participate in the food stamp program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the food stamp program.".

SEC. 821. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 820, is amended by adding at the end the following:

"(k) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

"(2) violating a condition of probation or parole imposed under a Federal or State law.".

SEC. 822. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 821, is amended by adding at the end the following:

"(l) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services.

The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(m) NONCUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified noncustodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in providing support for the child.

"(2) REFUSAL TO COOPERATE.—

"(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

"(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.".

SEC. 823. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 822, is amended by adding at the end the following:

"(n) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of a State agency, no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C 651 et seq.) to provide support for the child of the individual.".

SEC. 824. WORK REQUIREMENT.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 823, is amended by adding at the end the following:

"(o) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); and

"(C) a program of employment and training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

"(2) WORK REQUIREMENT.—Subject to the other provisions of this subsection, no individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 36-month period, the individual received food stamp benefits for not less than 3 months (consecutive or otherwise) during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency;

"(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State; or

"(D) receive benefits pursuant to paragraph (3), (4), or (5).

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with responsibility for a dependent child;

"(D) otherwise exempt under subsection (d)(2); or

"(E) a pregnant woman.

"(4) WAIVER.—

"(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 10 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(5) SUBSEQUENT ELIGIBILITY.—

"(A) REGAINING ELIGIBILITY.—An individual denied eligibility under paragraph (2) shall regain eligibility to participate in the food stamp program if, during a 30-day period, the individual—

"(i) works 80 or more hours;

"(ii) participates in and complies with the requirements of a work program for 80 or more hours, as determined by a State agency; or

"(iii) participates in and complies with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(B) MAINTAINING ELIGIBILITY.—An individual who regains eligibility under subparagraph (A) shall remain eligible as long as the individual meets the requirements of subparagraph (A), (B), or (C) of paragraph (2).

"(C) LOSS OF EMPLOYMENT.—

"(i) IN GENERAL.—An individual who regained eligibility under subparagraph (A) and who no longer meets the requirements of subparagraph (A), (B), or (C) of paragraph (2) shall remain eligible for a consecutive 3-month period, beginning on the date the individual first notifies the State agency that the individual no longer meets the requirements of subparagraph (A), (B), or (C) of paragraph (2).

"(ii) LIMITATION.—An individual shall not receive any benefits pursuant to clause (i) for more than a single 3-month period in any 36-month period.

"(6) OTHER PROGRAM RULES.—Nothing in this subsection shall make an individual eligible for benefits under this Act if the individual is not otherwise eligible for benefits under the other provisions of this Act.".

(b) TRANSITION PROVISION.—The term "preceding 36-month period" in section 6(o) of the Food Stamp Act of 1977, as added by subsection (a), does not include, with respect to a State, any period before the earlier of—

(1) the date the State notifies recipients of food stamp benefits of the application of section 6(o); or

(2) the date that is 3 months after the date of enactment of this Act.

SEC. 825. ENCOURAGEMENT OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) IN GENERAL.—Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by striking "(i)(1)(A) Any State" and all that follows through the end of paragraph (1) and inserting the following:

"(i) ELECTRONIC BENEFIT TRANSFERS.—

"(1) IN GENERAL.—

"(A) IMPLEMENTATION.—Not later than October 1, 2002, each State agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

"(B) TIMELY IMPLEMENTATION.—Each State agency is encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

"(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

"(i) commercial electronic funds transfer technology;

"(ii) the need to permit interstate operation and law enforcement monitoring; and

"(iii) the need to permit monitoring and investigations by authorized law enforcement agencies.";

(2) in paragraph (2)—

(A) by striking "effective no later than April 1, 1992,";

(B) in subparagraph (A)—

(i) by striking ", in any 1 year,"; and

(ii) by striking "on-line";

(C) by striking subparagraph (D) and inserting the following:

"(D)(i) measures to maximize the security of a system using the most recent technology available that the State agency considers appropriate and cost effective and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

"(ii) effective not later than 2 years after the date of enactment of this clause, to the extent practicable, measures that permit a system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment;";

(D) in subparagraph (G), by striking "and" at the end;

(E) in subparagraph (H), by striking the period at the end and inserting "; and"; and

(F) by adding at the end the following:

"(I) procurement standards."; and

(3) by adding at the end the following:

"(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based food stamp issuance system.

"(8) REPLACEMENT CARD FEE.—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

"(9) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

"(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.

"(10) APPLICABLE LAW.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

"(11) APPLICATION OF ANTI-TYING RESTRICTIONS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

"(A) DEFINITIONS.—In this paragraph:

"(i) AFFILIATE.—The term 'affiliate' has the meaning provided the term in section 2(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(k)).

"(ii) COMPANY.—The term 'company' has the meaning provided the term in section 106(a) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971), but shall not include a bank, a bank holding company, or any subsidiary of a bank holding company.

"(iii) ELECTRONIC BENEFIT TRANSFER SERVICE.—The term 'electronic benefit transfer service' means the processing of electronic transfers of household benefits, determined under section 8(a) or 26, if the benefits are—

"(I) issued from and stored in a central databank;

"(II) electronically accessed by household members at the point of sale; and

"(III) provided by a Federal or State government.

"(iv) POINT-OF-SALE SERVICE.—The term 'point-of-sale service' means any product or service related to the electronic authorization and processing of payments for merchandise at a retail food store, including credit or debit card services, automated teller machines, point-of-sale terminals, or access to on-line systems.

"(B) RESTRICTIONS.—A company may not sell or provide electronic benefit transfer services, or fix or vary the consideration for electronic benefit transfer services, on the condition or requirement that the customer—

"(i) obtain some additional point-of-sale service from the company or an affiliate of the company; or

"(ii) not obtain some additional point-of-sale service from a competitor of the company or competitor of any affiliate of the company.

"(C) CONSULTATION WITH THE FEDERAL RESERVE BOARD.—Before promulgating regulations or interpretations of regulations to carry out this paragraph, the Secretary shall consult with the Board of Governors of the Federal Reserve System.".

(b) SENSE OF CONGRESS.—It is the sense of Congress that a State that operates an electronic benefit transfer system under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) should operate the system in a manner that is compatible with electronic benefit transfer systems operated by other States.

SEC. 826. VALUE OF MINIMUM ALLOTMENT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 827. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 828. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 829. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

"(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

"(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.

"(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the food stamp program.".

SEC. 830. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

"(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the center.

"(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 831. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: "No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the food stamp program unless an authorized employee of the Department of Agriculture, a designee of the Secretary, or, if practicable, an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.".

SEC. 832. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

"(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and redeem coupons, or to redeem benefits through an electronic benefit transfer system, shall be valid under the food stamp program.".

SEC. 833. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information"; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 834. WAITING PERIOD FOR STORES THAT FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that is denied approval to accept and redeem coupons because the store or concern does not meet criteria for approval established by the Secretary may not, for at least 6 months, submit a new application to participate in the program. The Secretary may establish a longer time period under the preceding sentence, including permanent disqualification, that reflects the severity of the basis of the denial.".

SEC. 835. OPERATION OF FOOD STAMP OFFICES.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020), as amended by sections 809(b) and 819(b), is amended—

(1) in subsection (e)—

(A) by striking paragraph (2) and inserting the following:

"(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English.

"(B) In carrying out subparagraph (A), a State agency—

"(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

"(ii) shall develop an application containing the information necessary to comply with this Act;

"(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

"(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

"(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

"(I) the information contained in the application is true; and

"(II) all members of the household are citizens or are aliens eligible to receive food stamps under section 6(f);

"(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals, to ensure that participation in the food stamp program is limited to eligible households; and

"(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State.

"(C) Nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records.

"(D) The signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement;";

(B) in paragraph (3)—

(i) by striking "shall—" and all that follows through "provide each" and inserting "shall provide each"; and

(ii) by striking "(B) assist" and all that follows through "representative of the State agency;";

(C) by striking paragraphs (14) and (25);

(D)(i) by redesignating paragraphs (15) through (24) as paragraphs (14) through (23), respectively; and

(ii) by redesignating paragraph (26), as paragraph (24); and

(2) in subsection (i)—

(A) by striking "(i) Notwithstanding" and all that follows through "(2)" and inserting the following:

"(i) APPLICATION AND DENIAL PROCEDURES.—

"(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law,"; and

(B) by striking "; (3) households" and all that follows through "title IV of the Social Security Act. No" and inserting a period and the following:

"(2) DENIAL AND TERMINATION.—Except in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no".

SEC. 836. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking "that (A) the" and inserting "that—

"(A) the";

(2) by striking "Act; (B) the" and inserting "Act; and

"(B) the";

(3) in subparagraph (B), by striking "United States Civil Service Commission" and inserting "Office of Personnel Management"; and

(4) by striking subparagraphs (C) through (E).

SEC. 837. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "that (A) such" and inserting the following: "that—

"(A) the";

(2) by striking "law, (B) notwithstanding" and inserting the following: "law;

"(B) notwithstanding";

(3) by striking "Act, and (C) such" and inserting the following: "Act;

"(C) the"; and

(4) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

"(ii) locating or apprehending the member is an official duty; and

"(iii) the request is being made in the proper exercise of an official duty; and

"(E) the safeguards shall not prevent compliance with paragraph (16);".

SEC. 838. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A), by striking "five days" and inserting "7 days";

(2) by striking subparagraph (B);

(3) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C);

(4) in subparagraph (B), as redesignated by paragraph (3), by striking "five days" and inserting "7 days"; and

(5) in subparagraph (C), as redesignated by paragraph (3), by striking ", (B), or (C)" and inserting "or (B)".

SEC. 839. WITHDRAWING FAIR HEARING REQUESTS.

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: "At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing".

SEC. 840. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)(18), as redesignated by section 835(1)(D)—

(A) by striking "that information is" and inserting "at the option of the State agency, that information may be"; and

(B) by striking "shall be requested" and inserting "may be requested"; and

(2) by adding at the end the following:

"(p) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, in carrying out the food stamp program, a State agency shall not be required to use an income and eligibility or an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b-7).".

SEC. 841. INVESTIGATIONS.

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended by adding at the end the following: "Regulations issued pursuant to this Act shall provide criteria for the finding of a violation and the suspension or disqualification of a retail food store or wholesale food concern on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through a transaction report under an electronic benefit transfer system.".

SEC. 842. DISQUALIFICATION OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12(b) of the Food Stamp Act of 1977 (7 U.S.C. 2021(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) for a reasonable period of time to be determined by the Secretary, including permanent disqualification, on the knowing submission of an application for the approval or reauthorization to accept and redeem coupons that contains false information about a substantive matter that was a part of the application.".

SEC. 843. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this Act of an approved retail food store or a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same length of time as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to judicial or administrative review.".

SEC. 844. COLLECTION OF OVERISSUANCES.

(a) COLLECTION OF OVERISSUANCES.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

"(A) reducing the allotment of the household;

"(B) withholding amounts from unemployment compensation from a member of the household under subsection (c);

"(C) recovering from Federal pay or a Federal income tax refund under subsection (d); or

"(D) any other means.

"(2) COST EFFECTIVENESS.—Paragraph (1) shall not apply if the State agency demonstrates to the satisfaction of the

Secretary that all of the means referred to in paragraph (1) are not cost effective.

"(3) MAXIMUM REDUCTION ABSENT FRAUD.—If a household received an overissuance of coupons without any member of the household being found ineligible to participate in the program under section 6(b)(1) and a State agency elects to reduce the allotment of the household under paragraph (1)(A), the State agency shall not reduce the monthly allotment of the household under paragraph (1)(A) by an amount in excess of the greater of—

"(A) 10 percent of the monthly allotment of the household; or

"(B) $10.

"(4) PROCEDURES.—A State agency shall collect an overissuance of coupons issued to a household under paragraph (1) in accordance with the requirements established by the State agency for providing notice, electing a means of payment, and establishing a time schedule for payment."; and

(2) in subsection (d)—

(A) by striking "as determined under subsection (b) and except for claims arising from an error of the State agency," and inserting ", as determined under subsection (b)(1),"; and

(B) by inserting before the period at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(b) CONFORMING AMENDMENTS.—Section 11(e)(8)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(C)) is amended—

(1) by striking "and excluding claims" and all that follows through "such section"; and

(2) by inserting before the semicolon at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(c) RETENTION RATE.—The proviso of the first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "section 13(b)(2) which arise" and inserting "35 percent of the value of all funds or allotments recovered or collected pursuant to sections 6(b) and 13(c) and 20 percent of the value of any other funds or allotments recovered or collected, except the value of funds or allotments recovered or collected that arise".

SEC. 845. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) by redesignating the first through seventeenth sentences as paragraphs (1) through (17), respectively; and

(2) by adding at the end the following:

"(18) SUSPENSION OF STORES PENDING REVIEW.—Notwithstanding any other provision of this subsection, any permanent disqualification of a retail food store or wholesale food concern under paragraph (3) or (4) of section 12(b) shall be effective from the date of receipt of the notice of disqualification. If the disqualification is reversed through administrative or judicial review, the Secretary shall not be liable for the value of any sales lost during the disqualification period.".

SEC. 846. EXPANDED CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CRIMINAL FORFEITURE.—Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at the end the following:

"(h) CRIMINAL FORFEITURE.—

"(1) IN GENERAL.—In imposing a sentence on a person convicted of an offense in violation of subsection (b) or (c), a court shall order, in addition to any other sentence imposed under this section, that the person forfeit to the United States all property described in paragraph (2).

"(2) PROPERTY SUBJECT TO FORFEITURE.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), shall be subject to forfeiture to the United States under paragraph (1).

"(3) INTEREST OF OWNER.—No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

"(4) PROCEEDS.—The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

"(A) first, to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding;

"(B) second, to reimburse the Department of Agriculture Office of Inspector General for any costs the Office incurred in the law enforcement effort resulting in the forfeiture;

"(C) third, to reimburse any Federal or State law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

"(D) fourth, by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores and wholesale food concerns under section 9.".

SEC. 847. LIMITATION ON FEDERAL MATCH.

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)) is amended by inserting after the comma at the end the following: "but not including recruitment activities,".

SEC. 848. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)) is amended by striking "the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or".

(2) Section 16(c)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to subsection (b)".

SEC. 849. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by section 848(a), is amended by inserting after subsection (a) the following:

"(b) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

"(1) DEFINITION OF WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—In this subsection, the term 'work supplementation or support program' means a program under which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a public assistance recipient who was not employed by the employer at the time the public assistance recipient entered the program.

"(2) PROGRAM.—A State agency may elect to use an amount equal to the allotment that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting a job under a work supplementation or support program established by the State.

"(3) PROCEDURE.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the food stamp program that contains an individual who is participating in the work supplementation or support program—

"(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

"(B) the State agency shall expend the amount received under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

"(C) for purposes of—

"(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

"(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

"(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

"(4) OTHER WORK REQUIREMENTS.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

"(5) LENGTH OF PARTICIPATION.—A State agency shall provide a description of how the public assistance recipients in the program shall, within a specific period of time, be moved from supplemented or supported employment to employment that is not supplemented or supported.

"(6) DISPLACEMENT.—A work supplementation or support program shall not displace the employment of individuals who are not supplemented or supported.".

SEC. 850. WAIVER AUTHORITY.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) in subparagraph (A)—

(A) in the first sentence, by striking "benefits to eligible households, including" and inserting the following: "benefits to eligible households, and may waive any requirement of this Act to the extent necessary for the project to be conducted.

"(B) PROJECT REQUIREMENTS.—

"(i) PROGRAM GOAL.—The Secretary may not conduct a project under subparagraph (A) unless—

"(I) the project is consistent with the goal of the food stamp program of providing food assistance to raise levels of nutrition among low-income individuals; and

"(II) the project includes an evaluation to determine the effects of the project.

"(ii) PERMISSIBLE PROJECTS.—The Secretary may conduct a project under subparagraph (A) to—

"(I) improve program administration;

"(II) increase the self-sufficiency of food stamp recipients;

"(III) test innovative welfare reform strategies; or

"(IV) allow greater conformity with the rules of other programs than would be allowed but for this paragraph.

"(iii) RESTRICTIONS ON PERMISSIBLE PROJECTS.—If the Secretary finds that a project under subparagraph (A) would reduce benefits by more than 20 percent for more than 5 percent of households in the area subject to the project (not including any household whose benefits are reduced due to a failure to comply with work or other conduct requirements), the project—

"(I) may not include more than 15 percent of the State's food stamp households; and

"(II) shall continue for not more than 5 years after the date of implementation, unless the Secretary approves an extension requested by the State agency at any time.

"(iv) IMPERMISSIBLE PROJECTS.—The Secretary may not conduct a project under subparagraph (A) that—

"(I) involves the payment of the value of an allotment in the form of cash, unless the project was approved prior to the date of enactment of this subparagraph;

"(II) has the effect of substantially transferring funds made available under this Act to services or benefits provided primarily through another public assistance program, or using the funds for any purpose other than the purchase of food, program administration, or an employment or training program;

"(III) is inconsistent with—

"(aa) the last 2 sentences of section 3(i);

"(bb) the last sentence of section 5(a), insofar as a waiver denies assistance to an otherwise eligible household or individual if the household or individual has not failed to comply with any work, behavioral, or other conduct requirement under this or another program;

"(cc) section 5(c)(2);

"(dd) paragraph (2)(B), (4)(F)(i), or (4)(K) of section 6(d);

"(ee) section 8(b);

"(ff) section 11(e)(2)(B);

"(gg) the time standard under section 11(e)(3);

"(hh) subsection (a), (c), (g), (h)(2), or (h)(3) of section 16;

"(ii) this paragraph; or

"(jj) subsection (a)(1) or (g)(1) of section 20;

"(IV) modifies the operation of section 5 so as to have the effect of—

"(aa) increasing the shelter deduction to households with no out-of-pocket housing costs or housing costs that consume a low percentage of the household's income; or

"(bb) absolving a State from acting with reasonable promptness on substantial reported changes in income or household size (except that this subclause shall not apply with regard to changes related to food stamp deductions);

"(V) is not limited to a specific time period; or

"(VI) waives a provision of section 26.

"(v) ADDITIONAL INCLUDED PROJECTS.—A pilot or experimental project may include";

(B) by striking "to aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(C) by striking "coupons. The Secretary" and all that follows through "Any pilot" and inserting the following: "coupons.

"(vi) CASH PAYMENT PILOT PROJECTS.—Any pilot".

SEC. 851. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)), as amended by section 850, is amended by adding at the end the following:

"(D) RESPONSE TO WAIVERS.—

"(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and describes any modification needed for approval of the waiver request;

"(III) denies the waiver request and describes the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

"(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 852. EMPLOYMENT INITIATIVES PROGRAM.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (d) and inserting the following:

"(d) EMPLOYMENT INITIATIVES PROGRAM.—

"(1) ELECTION TO PARTICIPATE.—

"(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out an employment initiatives program under this subsection.

"(B) REQUIREMENT.—A State shall be eligible to carry out an employment initiatives program under this subsection only if not less than 50 percent of the households in the State that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

"(2) PROCEDURE.—

"(A) IN GENERAL.—A State that has elected to carry out an employment initiatives program under paragraph (1) may use amounts equal to the food stamp allotments that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, to provide cash benefits in lieu of the food stamp allotments to the household if the household is eligible under paragraph (3).

"(B) PAYMENT.—The Secretary shall pay to each State that has elected to carry out an employment initiatives program under paragraph (1) an amount equal to the value of the allotment that each household participating in the program in the State would be eligible to receive under this Act but for the operation of this subsection.

"(C) OTHER PROVISIONS.—For purposes of the food stamp program (other than this subsection)—

"(i) cash assistance under this subsection shall be considered to be an allotment; and

"(ii) each household receiving cash benefits under this subsection shall not receive any other food stamp benefit during the period for which the cash assistance is provided.

"(D) ADDITIONAL PAYMENTS.—Each State that has elected to carry out an employment initiatives program under paragraph (1) shall—

"(i) increase the cash benefits provided to each household participating in the program in the State under this subsection to compensate for any State or local sales tax that may be collected on purchases of food by the household, unless the Secretary determines on the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

"(ii) pay the cost of any increase in cash benefits required by clause (i).

"(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

"(A) has worked in unsubsidized employment for not less than the preceding 90 days;

"(B) has earned not less than $350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

"(C)(i) is receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) was receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

"(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

"(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

"(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency, with the concurrence of the Secretary, shall determine the content of the evaluation.".

SEC. 853. REAUTHORIZATION.

The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1991 through 1997" and inserting "1996 through 2002".

SEC. 854. SIMPLIFIED FOOD STAMP PROGRAM.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(b) ELECTION.—Subject to subsection (d), a State may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program'), statewide or in a political subdivision of the State, in accordance with this section.

"(c) OPERATION OF PROGRAM.—If a State elects to carry out a Program, within the State or a political subdivision of the State—

"(1) a household in which no members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may not participate in the Program;

"(2) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program;

"(3) if approved by the Secretary, a household in which 1 or more members but not all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may be eligible to participate in the Program; and

"(4) subject to subsection (f), benefits under the Program shall be determined under rules and procedures established by the State under—

"(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(B) the food stamp program; or

"(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program.

"(d) APPROVAL OF PROGRAM.—

"(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

"(2) APPROVAL OF PLAN.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

"(A) complies with this section; and

"(B) contains sufficient documentation that the plan will not increase Federal costs for any fiscal year.

"(e) INCREASED FEDERAL COSTS.—

"(1) DETERMINATION.—

"(A) IN GENERAL.—The Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act.

"(B) NO EXCLUDED HOUSEHOLDS.—[illegible] mination under subparagraph (A) [illegible] require the State agency to collect [illegible] on households not included in the [illegible]

"(C) ALTERNATIVE ACCOUNTING [illegible] retary may approve the request of a State agency to apply alternative acc[illegible] periods to determine if Federa[illegible] do not exceed [illegible]ederal costs had the State agency elected to carry [illegible] the Program.

"(2) NOTIFICAT[illegible] If the Secretary determines that [illegible] Program has increa[illegible] Federal costs under this Act [illegible] fiscal year or an[illegible] shall notify the Sta[illegible] makes the determi[illegible]

"(3) ENFORCEME[illegible]—

"(A) CORRE[illegible] ACTION.—Not later than 90 days after the date of a [illegible] under paragraph (2), the [illegible] shall submit [illegible] for approval by the Secretary [illegible] prompt correct[illegible] action that is designed to prevent [illegible] Program from [illegible] Federal costs under this Act.

"(B) TERMINA[illegible]ON.—If the State does not subm[illegible] plan under sub[illegible]graph (A) or carry out [illegible] plan appr[illegible] by the Secret[illegible] the Secretary shall terminate [illegible] approval of the [illegible] agency operating the Program an[illegible] the State ager[illegible] shall [illegible] ineligible to operate a fu[illegible] Program.

"(f) RULES AND PRO[illegible]—

"(1) IN GENERAL.—[illegible] a Program [illegible] State or politi-cal subdivision of [illegible] established by the [illegible] program funded u[illegible] Act (42 U.S.C. 60[illegible]

"(2) STANDARD[illegible] a State or politica[illegible] subdivision of a State may standard[illegible] the deductions provided under section 5(e). In developing [illegible] standardized ded[illegible], the State shall consider the w[illegible] expenses, depende[illegible] costs, and shelter costs of participa-ing households.

"(3) REQUIREM[illegible] political subdivisi[illegible]

"(A) subse[illegible]

"(B) secti[illegible] may be dete[illegible] part A of ti[illegible] 601 et seq.));

"(C) subse[illegible] and (d) of section 6;

"(D) subsections (a), (c), (d), and (n) of section [illegible]

"(E) par[illegible] (8), [illegible], (16), [illegible], (20), (24), [illegible] (25) of section [illegible];

"(F) sec[illegible] (e)(10) for a comparable requireme[illegible] established [illegible] the State under a State program fund[illegible] under part [illegible] of title IV of the Social Security Act [illegible] U.S.C. 601 et seq.)); and

"(G) sectio[illegible] 16.

"(4) LIMITAT[illegible] ON ELIGIBILITY.—Notwithstanding [illegible] other provision [illegible] section, a household may not [illegible] eligible for the prog[illegible]

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by sections 819(b) and 835, is amended by adding at the end the following:

"(25) if a State elects to carry out a Simplified Food Stamp Program under section 26, the plans of the State agency for operating the program, including—

"(A) the rules and procedures to be followed by the State agency to determine food stamp benefits;

"(B) how the State agency will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

"(C) a description of the method by which the State agency will carry out a quality control system under section 16(c).".

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017), as amended by section 830, is amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

SEC. 855. STUDY OF THE USE OF FOOD STAMPS TO PURCHASE VITAMINS AND MINERALS.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the National Academy of Sciences and the Center for Disease Control and Prevention, shall conduct a study on the use of food stamps provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to purchase vitamins and minerals.

(b) ANALYSIS.—The study shall include—

(1) an analysis of scientific findings on the efficacy of and need for vitamins and minerals, including—

(A) the adequacy of vitamin and mineral intakes in low-income populations, as shown by research and surveys conducted prior to the study; and

(B) the potential value of nutritional supplements in filling nutrient gaps that may exist in the United States population as a whole or in vulnerable subgroups in the population;

(2) the impact of nutritional improvements (including vitamin or mineral supplementation) on the health status and health care costs of women of childbearing age, pregnant or lactating women, and the elderly;

(3) the cost of commercially available vitamin and mineral supplements;

(4) the purchasing habits of low-income populations with regard to vitamins and minerals;

(5) the impact of using food stamps to purchase vitamins and minerals on the food purchases of low-income households; and

(6) the economic impact on the production of agricultural commodities of using food stamps to purchase vitamins and minerals.

(c) REPORT.—Not later than December 15, 1998, the Secretary shall report the results of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 856. DEFICIT REDUCTION.

It is the sense of the Committee on Agriculture of the House of Representatives that reductions in outlays resulting from this title shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902).

Subtitle B—Commodity Distribution Programs

SEC. 871. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

"SEC. 201A. DEFINITIONS.

"In this Act:

"(1) ADDITIONAL COMMODITIES.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

"(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the average monthly number of unemployed persons in each State during the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

"(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization that—

"(A) administers—

"(i) an emergency feeding organization;

"(ii) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that the institution serves needy persons;

"(iii) a summer camp for children, or a child nutrition program providing food service;

"(iv) a nutrition project operating under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), including a project that operates a congregate nutrition site and a project that provides home-delivered meals; or

"(v) a disaster relief program;

"(B) has been designated by the appropriate State agency, or by the Secretary; and

"(C) has been approved by the Secretary for participation in the program established under this Act.

"(4) EMERGENCY FEEDING ORGANIZATION.—The term 'emergency feeding organization' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency, providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

"(5) FOOD BANK.—The term 'food bank' means a public or charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products of food or edible commodities, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

"(6) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

"(7) POVERTY LINE.—The term 'poverty line' has the meaning provided in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(8) SOUP KITCHEN.—The term 'soup kitchen' means a public or charitable institution that, as an integral part of the normal activities of the institution, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

"(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term 'total value of additional commodities' means the actual cost of all additional commodities that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).

"(10) VALUE OF ADDITIONAL COMMODITIES ALLOCATED TO EACH STATE.—The term 'value of additional commodities allocated to each State' means the actual cost of additional commodities allocated to each State that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).".

(b) STATE PLAN.—Section 202A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

"SEC. 202A. STATE PLAN.

"(a) IN GENERAL.—To receive commodities under this Act, a State shall submit a plan of operation and administration every 4 years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

"(b) REQUIREMENTS.—Each plan shall—

"(1) designate the State agency responsible for distributing the commodities received under this Act;

"(2) set forth a plan of operation and administration to expeditiously distribute commodities under this Act;

"(3) set forth the standards of eligibility for recipient agencies; and

"(4) set forth the standards of eligibility for individual or household recipients of commodities, which shall require—

"(A) individuals or households to be comprised of needy persons; and

"(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of applying for assistance.

"(c) STATE ADVISORY BOARD.—The Secretary shall encourage each State receiving commodities under this Act to establish a State advisory board consisting of representatives of all entities in the State, both public and private, interested in the distribution of commodities received under this Act.".

(c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNDS.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence, by striking "for State and local" and all that follows through "under this title" and inserting "to pay for the direct and indirect administrative costs of the States related to the processing, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources"; and

(2) by striking the fourth sentence.

(d) DELIVERY OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) by striking subsections (a) through (e) and (j);

(2) by redesignating subsections (f) through (i) as subsections (a) through (d), respectively;

(3) in subsection (b), as redesignated by paragraph (2)—

(A) in the first sentence, by striking "subsection (f) or subsection (j) if applicable," and inserting "subsection (a),"; and

(B) in the second sentence, by striking "subsection (f)" and inserting "subsection (a)";

(4) by striking subsection (c), as redesignated by paragraph (2), and inserting the following:

"(c) ADMINISTRATION.—

"(1) IN GENERAL.—Commodities made available for each fiscal year under this section shall be delivered at reasonable intervals to States based on the grants calculated under subsection (a), or reallocated under subsection (b), before December 31 of the following fiscal year.

"(2) ENTITLEMENT.—Each State shall be entitled to receive the value of additional commodities determined under subsection (a)."; and

(5) in subsection (d), as redesignated by paragraph (2), by striking "or reduce" and all that follows through "each fiscal year".

(e) TECHNICAL AMENDMENTS.—The Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of section 203B(a), by striking "203 and 203A of this Act" and inserting "203A";

(2) in section 204(a), by striking "title" each place it appears and inserting "Act";

(3) in the first sentence of section 210(e), by striking "(except as otherwise provided for in section 214(j))"; and

(4) by striking section 212.

(f) REPORT ON EFAP.—Section 1571 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c note) is repealed.

(g) AVAILABILITY OF COMMODITIES UNDER THE FOOD STAMP PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 854(a), is amended by adding at the end the following:

"SEC. 27. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

"(a) PURCHASE OF COMMODITIES.—From amounts made available to carry out this Act, for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of a variety of nutritious and useful commodities of the types that the Secretary has the authority to acquire through the Commodity Credit Corporation or under section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c), and distribute the commodities to States for distribution in accordance with section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note).

"(b) BASIS FOR COMMODITY PURCHASES.—In purchasing commodities under subsection (a), the Secretary shall, to the extent practicable and appropriate, make purchases based on—

"(1) agricultural market conditions;

"(2) preferences and needs of States and distributing agencies; and

"(3) preferences of recipients.".

(h) EFFECTIVE DATE.—The amendments made by subsection (d) shall become effective on October 1, 1996.

SEC. 872. FOOD BANK DEMONSTRATION PROJECT.

Section 3 of the Charitable Assistance and Food Bank Act of 1987 (Public Law 100-232; 7 U.S.C. 612c note) is repealed.

SEC. 873. HUNGER PREVENTION PROGRAMS.

The Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) by striking section 110;

(2) by striking subtitle C of title II; and

(3) by striking section 502.

SEC. 874. REPORT ON ENTITLEMENT COMMODITY PROCESSING.

Section 1773 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 612c note) is amended by striking subsection (f).

Subtitle C—Electronic Benefit Transfer Systems

SEC. 891. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

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

(1) by striking "(d) In the event that" and inserting "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—If"; and

(2) by adding at the end the following:

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

"(A) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this paragraph, the term 'electronic benefit transfer system'—

"(i) means a system under which a government agency distributes needs-tested benefits by establishing accounts that may be accessed by recipients electronically, such as through automated teller machines or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by a Federal, State, or local government agency.

"(B) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer system established under State or local law or administered by a State or local government.

"(C) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (B) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer system for a deposit directly into a consumer account held by the recipient of the benefit.

"(D) RULE OF CONSTRUCTION.—No provision of this paragraph—

"(i) affects or alters the protections otherwise applicable with respect to benefits established by any other provision Federal, State, or local law; or

"(ii) otherwise supersedes the application of any State or local law.".

TITLE IX—MISCELLANEOUS

SEC. 901. APPROPRIATION BY STATE LEGISLATURES.

(a) IN GENERAL.—Any funds received by a State under the provisions of law specified in subsection (b) shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(2) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

SEC. 902. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States shall not be prohibited by the Federal Government from testing welfare recipients for use of controlled substances nor from sanctioning welfare recipients who test positive for use of controlled substances.

SEC. 903. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) ELIGIBILITY FOR ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(l)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

"(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

"(A) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) is violating a condition of probation or parole imposed under Federal or State law."; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking "and" at the end;

(B) in clause (iv), by striking the period at the end and inserting "; and"; and

(C) by adding after clause (iv) the following new clause:

"(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(II) is violating a condition of probation or parole imposed under Federal or State law;".

(b) PROVISION OF INFORMATION TO LAW ENFORCEMENT AGENCIES.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following:

"SEC. 27. EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.

"Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall 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 recipient of assistance under this Act, if the officer—

"(1) furnishes the public housing agency with the name of the recipient; and

"(2) notifies the agency that—

"(A) such recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties;

"(B) the location or apprehension of the recipient is within such officer's official duties; and

"(C) the request is made in the proper exercise of the officer's official duties.".

SEC. 904. SENSE OF THE SENATE REGARDING THE INABILITY OF THE NONCUSTODIAL PARENT TO PAY CHILD SUPPORT.

It is the sense of the Senate that—

(a) States should diligently continue their efforts to enforce child support payments by the non-custodial parent to the custodial parent, regardless of the employment status or location of the non-custodial parent; and

(b) States are encouraged to pursue pilot programs in which the parents of a non-adult, non-custodial parent who refuses to or is unable to pay child support must—

(1) pay or contribute to the child support owed by the non-custodial parent; or

(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non-custodial parent, such as participation in a work program or other related activity.

SEC. 905. ESTABLISHING NATIONAL GOALS TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) preventing out-of-wedlock teenage pregnancies, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

SEC. 906. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(1) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offenses; and

(2) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in particular on the commission of statutory rape by predatory older men committing repeat offenses, and any links to teenage pregnancy.

(c) VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offenses.

SEC. 907. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

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

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

"(1) IN GENERAL.—In the event"; and

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

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

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

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

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

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

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

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.".

SEC. 908. REDUCTION OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES; USE OF VOUCHERS.

(a) REDUCTION OF GRANTS.—Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking "and" at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

"(5) $2,800,000,000 for each of the fiscal years 1990 through 1995;

"(6) $2,381,000,000 for the fiscal year 1996;

"(7) $2,380,000,000 for each of the fiscal years 1997 through 2002; and

"(8) $2,800,000,000 for the fiscal year 2003 and each succeeding fiscal year.".

(b) AUTHORITY TO USE VOUCHERS.—Section 2002 of such Act (42 U.S.C. 1937a) is amended by adding at the end the following:

"(f) A State may use funds provided under this title to provide vouchers, for services directed at the goals set forth in section 2001, to families, including—

"(1) families who have become ineligible for assistance under a State program funded under part A of title IV by reason of a durational limit on the provision of such assistance; and

"(2) families denied cash assistance under the State program funded under part A of title IV for a child who is born to a member of the family who is—

"(A) a recipient of assistance under the program; or

"(B) a person who received such assistance at any time during the 10-month period ending with the birth of the child.".

SEC. 909. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—

(1) IN GENERAL.—Paragraph (1) of section 32(i) of the Internal Revenue Code of 1986 (relating to denial of credit for individuals having excessive investment income) is amended by striking "$2,350" and inserting "$2,200".

(2) ADJUSTMENT FOR INFLATION.—Subsection (j) of section 32 of such Code is amended to read as follows:

"(j) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning after 1996, each of the dollar amounts in subsections (b)(2) and (i)(1) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) ROUNDING.—

"(A) IN GENERAL.—If any dollar amount in subsection (b)(2), after being increased under paragraph (1), is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.

"(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount in subsection (i)(1), after being increased under paragraph (1), is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

(3) CONFORMING AMENDMENT.—Paragraph (2) of section 32(b) of such Code is amended to read as follows:

"(2) AMOUNTS.—The earned income amount and the phaseout amount shall be determined as follows:

In the case of an eligible individual with:	The earned income amount is:	The phaseout amount is:
1 qualifying child	$6,330	$11,610
2 or more qualifying children.	$8,890	$11,610
No qualifying children.	$4,220	$ 5,280".

(b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) of such Code (defining disqualified income) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting a comma, and by adding at the end the following new subparagraphs:

"(D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and

"(E) the excess (if any) of—

"(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over

"(ii) the aggregate losses from all passive activities for the taxable year (as so determined).

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) ADVANCE PAYMENT INDIVIDUALS.—In the case of any individual who on or before June 26, 1996, has in effect an earned income eligibility certificate for the individual's taxable year beginning in 1996, the amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 910. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a)(2)(B), (c)(1)(C), and (f)(2)(B) of section 32 of the Internal Revenue Code of 1986 are each amended by striking "adjusted gross income" each place it appears and inserting "modified adjusted gross income".

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(5) MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to the amounts described in subparagraph (B).

"(B) CERTAIN AMOUNTS DISREGARDED.—An amount is described in this subparagraph if it is—

"(i) the amount of losses from sales or exchanges of capital assets in excess of gains from such sales

or exchanges to the extent such amount does not exceed the amount under section 1211(b)(1),

"(ii) the net loss from estates and trusts,

"(iii) the excess (if any) of amounts described in subsection (i)(2)(C)(ii) over the amounts described in subsection (i)(2)(C)(i) (relating to nonbusiness rents and royalties), and

"(iv) 50 percent of the net loss from the carrying on of trades or businesses, computed separately with respect to—

"(I) trades or businesses (other than farming) conducted as sole proprietorships,

"(II) trades or businesses of farming conducted as sole proprietorships, and

"(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) ADVANCE PAYMENT INDIVIDUALS.—In the case of any individual who on or before June 26, 1996, has in effect an earned income eligibility certificate for the individual's taxable year beginning in 1996, the amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 911. FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" includes the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and any State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

SEC. 912. ABSTINENCE EDUCATION.

Title V of the Social Security Act (42 U.S.C. 701 et seq.) is amended by adding at the end the following section:

"SEPARATE PROGRAM FOR ABSTINENCE EDUCATION

"SEC. 510. (a) For the purpose described in subsection (b), the Secretary shall, for fiscal year 1998 and each subsequent fiscal year, allot to each State which has transmitted an application for the fiscal year under section 505(a) an amount equal to the product of—

"(1) the amount appropriated in subsection (d) for the fiscal year; and

"(2) the percentage determined for the State under section 502(c)(1)(B)(ii).

"(b)(1) The purpose of an allotment under subsection (a) to a State is to enable the State to provide abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.

"(2) For purposes of this section, the term 'abstinence education' means an educational or motivational program which—

"(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

"(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

"(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

"(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

"(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

"(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

"(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

"(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.

"(c)(1) Sections 503, 507, and 508 apply to allotments under subsection (a) to the same extent and in the same manner as such sections apply to allotments under section 502(c).

"(2) Sections 505 and 506 apply to allotments under subsection (a) to the extent determined by the Secretary to be appropriate.

"(d) For the purpose of allotments under subsection (a), there is appropriated, out of any money in the Treasury not otherwise appropriated, an additional $50,000,000 for each of the fiscal years 1998 through 2002. The appropriation under the preceding sentence for a fiscal year is made on October 1 of the fiscal year.".

SEC. 913. CHANGE IN REFERENCE.

Effective January 1, 1997, the third sentence of section 1902(a) and section 1908(e)(1) of the Social Security Act (42 U.S.C. 1396a(a), 1396g-1(e)(1)) are each amended by striking "The First Church of Christ, Scientist, Boston, Massachusetts" and inserting "The

Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc." each place it appears.

Approved August 22, 1996.

Families First

June 22, 1996

Dear Journalist:

We are delighted to share with you the Families First Agenda -- the steps that a new Democratic majority would take to improve the lives of hard-working, middle class families if we are given another chance to lead the Congress this November.

As you are well aware, Democrats have worked to fight the more extreme parts of the Republican agenda during the past year and a-half, and we make no apologies for that role. We believe it was important to defend the interests of average, working families. But Democrats also have an obligation to tell those families what we would do if we are elected this fall -- and why their choice of Representative or Senator will have national, not just local, consequences.

The truth is, we're in a much more competitive global economy. For too many middle class families, just staying in place means a never-ending scramble of longer hours, second jobs, and credit card debt. Family incomes have been falling for nearly twenty years. Economic pressures are stretching the limits of family and community life. Our country is changing in profound and permanent ways -- and too many Americans aren't prepared for that change.

Whether you agree with their agenda or not, the Republicans have all but ignored these bread-and-butter, day-to-day concerns. That is why the Families First Agenda is comprised entirely of the kinds of changes that affect people's day-to-day lives -- in their homes, in their neighborhoods, in their children's schools.

Just as importantly, we do not want to replace the extremism of one party with the extremism of another. Every part of this agenda is modest, moderate, and achievable. It is not about big government hand-outs. It is merely an attempt to help families earn more security for themselves in this tough new economy. Our hope is that, in the end, many moderate Republicans will join us in supporting the Families First Agenda.

Our message is simple: if Democrats are given a chance to lead the Congress this fall, our sole and central mission would be to help those families that are working hard to pay the bills, raise their children, and save for a decent retirement. That is the only way to have a Congress that truly puts families first, and special interests last.

Yours very truly,

Richard A. Gephardt

Richard A. Gephardt

Thomas A. Daschle

Thomas A. Daschle

Families First

Families First Agenda:
Fighting for America's Working Families

Democrats are proud to announce the Families First Agenda -- a set of realistic proposals to encourage responsibility, promote personal and economic security and create greater opportunity. Americans have had their fill of empty promises and meaningless talk of revolution. They need the kind of change that makes a difference in their homes, in their neighborhoods, and in their children's schools. They're ready for moderation. That's what Democrats are offering -- moderate, modest and achievable changes that will help families that are struggling just to pay the bills, educate their children, and save for retirement.

Why Families First?

In today's economy, it's hard for families to get ahead. Parents are working harder and longer and too many work second or third jobs just to pay the bills. Instead of looking forward to the day when their child earns a college degree and gets a good-paying job, too many parents wonder if they will be able to afford college tuition at all. And after a lifetime of working hard and playing by the rules, their dreams of a secure retirement are clouded by shaky or non-existent pensions.

These families and their concerns need to come first for a change. Parents deserve help affording a good education for their kids, and they should know the pensions they've worked for are secure. Parents should be able to send kids to school knowing they'll be safe, and more children should have access to quality health care. This is the least we can do to help families who already face difficult challenges in an increasingly competitive economy.

What's Different About the Families First Agenda

The Families First Agenda is different because of what it does not do. It does not offer a new bureaucratic program for every problem we face. People don't want big government solutions and they don't want empty promises. They want a course that is reasonable, help that is realistic and solutions that can be delivered. The Families First Agenda does not propose massive spending programs or unrealistic goals. This is a moderate, achievable common-sense agenda that will improve people's daily lives, and not increase the size of government.

What's in the Families First Agenda

In the Families First Agenda, Democrats offer realistic, moderate and achievable ways to help every struggling family. They can be described in terms of three main principles: security, opportunity and responsibility.

Security

- Paycheck security: helping families get the paycheck they deserve.
- Health care security: expanding access to quality health care for children.
- Retirement security: making pensions more available and portable.
- Personal security: making our neighborhoods, communities and schools safer places to live, work and learn.

Opportunity

- Educational opportunity: making college and vocational school tax deductible and other ways to make it easier for parents to make sure their kids get better paying jobs.
- Economic opportunity: helping small businesses to prosper.

Responsibility

- Government responsibility: balancing the federal budget, while protecting fundamental commitments like Medicare.
- Individual responsibility: real welfare reform and a crack-down on parents who won't support their children and efforts to prevent teen pregnancy.
- Corporate responsibility: hands off employee pensions, end tax breaks that encourage companies to move American jobs overseas and basic protection of our environment.

Democrats: Ready to Lead

Americans sent a powerful message in 1994: they were tired of a government that promised too much and delivered too little. But Americans didn't get the change they voted for. Republicans saw the 1994 election not as an opportunity to fix what's wrong with government, but as a license to destroy what's right -- like education, Medicare, and sensible protections to keep our air clean and our water safe.

Democrats heard America's outcry against the Republican "revolution" and fought those wrong-headed proposals. But it's not enough to say what we stand against -- we have a responsibility to tell America what a Democratic Congress would stand for. That's why we've put together the Families First Agenda. As you read more about the proposals that a new Democratic Congress would work to accomplish, we hope you'll agree that this agenda is truly for families, for a change.

Families First

Paycheck Security

Each month at kitchen tables across America, parents sit down with their checkbooks and a stack of bills. Exhausted from working too hard for a paycheck that disappears too fast, they wonder how they'll ever manage to provide the quality of life and good education they dream of for their children.

Just to keep up, parents are having to work longer hours and take second and third jobs. More women are joining the workforce, and bringing home a desperately needed second paycheck. Yet no matter how hard families work, their income never seems to keep up with the soaring costs of day-to-day living. Choices between providing a safe home or affording a college education are not choices parents should have to make.

Democrats believe that we can make families more secure by making sure they get the paycheck they deserve -- and that it's enough to pay the bills. That's why the Families First Agenda calls for paying women at the same level as men who do the same jobs. The whole family suffers if a woman isn't paid what she deserves. We also need to make child care more affordable for working families. And we need to make sure that American workers are competing in a fair market, so that their jobs aren't threatened by competition from illegal child labor abroad.

The Families First Agenda calls for:

- **Paying Women What They Deserve.** By better enforcing the laws already on the books requiring equal pay for women and by offering voluntary "fair pay" guidelines for businesses, we can help make sure women get the pay they deserve.

- **Making Quality Child Care More Affordable.** Families shouldn't have to cut corners on child care, but with quality care priced at thousands of dollars a year, many families have no choice. That's why Democrats are proposing a bigger tax break to help parents afford quality child care.

- **Banning Imports Made with Child Labor.** American workers shouldn't have to compete with illegal child labor from abroad. Products manufactured in violation of a nation's child labor laws would be banned from entering the United States.

Families First

Health Care Security

A parent's worst fear is a sick child. To see a child full of promise and dreams for the future held back by pain and suffering is heartbreaking. Many parents with sick children face the added agony of being unable to get the best possible care for their children -- to give them the greatest chance at a healthy, happy future -- because they simply don't have the money to pay for it.

For too many American families, quality health care is a luxury they can't afford. Even in families with both parents working, health care is often priced out of reach, because many employers don't offer health benefits and buying a family policy on their own is outrageously expensive. That means millions of kids don't have health care, and without health care, even a minor childhood illness can become a major catastrophe.

Democrats believe that our first obligation should be to our children. Putting families first means putting kids first -- fighting to keep them healthy and strong, without emptying their parents' wallets. Children are much less expensive to insure than whole families -- yet few insurance companies allow families to purchase "kids-only" health plans. Democrats want to change that, and make health care for America's children available, accessible, and affordable.

The Families First Agenda calls for:

- **Kids-Only Health Plans.** We'll require private insurance companies to offer special "kids-only" health plans, with sound benefits to protect children. These health plans will follow a set of common-sense rules: that children can't be denied or dropped from health coverage if they get sick, or if their families move. We'll also offer assistance for working families to help make kids-only health policies affordable.

Families First

Retirement Security

Many Americans can't afford to worry about a secure retirement until it's too late. Preoccupied with paying the bills and keeping their kids clothed, fed, and schooled, many parents don't realize the limits of their pension plans until they're ready to retire and there's nothing they can do.

Retirement security can also easily be thrown into jeopardy. Elderly couples get their fixed income pensions dramatically cut because of a company bankruptcy or merger. Middle-aged workers forced to change jobs lose years of equity in their pension plan. Widows learn after it's too late that their husbands have unwittingly signed away their survivor benefits.

Democrats want to make your pension more secure and more flexible. We want to give more people access to pensions -- including employees of small businesses. We want to let you take your pension with you if you change jobs. We want to give families the flexibility to use their IRA to buy a first home or pay for college tuition. We want to protect widows from unethical insurance companies who try to mislead them into signing away their survivor benefits. Most important, Democrats want to stop companies from raiding employee pensions.

The Families First Agenda calls for:

- **Pension Reform and Protection.** Stiffer penalties for abuse of pensions and a crack-down on companies that use the money you've earned and saved as their piggy bank.

- **Making Pensions Portable.** With so many people changing jobs in today's fast-paced economy, it's important that workers be allowed to take their pension with them from job to job.

- **Expanding Pension Coverage.** Democrats would make it easier for small businesses to offer pensions and expand IRAs to another 20 million families earning up to $100,000 a year.

- **Protecting Women's Pension Benefits.** Protecting widows from losing pension benefits by developing standard easy-to-read consent forms which companies selling pensions must use.

Families First

Personal Security

Our kids face enough challenges getting ahead in the world without having to cope with random violence. But all across America, violence from drugs and gangs is creeping into the halls of our schools and the streets of our neighborhoods. Children today don't have to look for trouble; it comes to them. And it's not a problem just in our inner cities. Parents across the nation -- in cities, suburbs and small towns alike -- are increasingly worried about their children's safety.

No one will ever come up with a single magic solution to the crime problem. But we can take a strong step in the fight against crime by giving our police and community leaders the tools they need to tackle violence and to combat the influence of drugs.

Democrats want to make sure we have enough police on our streets, and will work to keep the promise of 100,000 new police officers for our local communities. We need to make sure our kids are taught to avoid violence, and that means giving judges greater power to intervene with kids the first time they commit a crime -- before it's too late. Democrats will also help local community groups offer supervised places where kids can go after school to stay out of trouble.

The Families First Agenda calls for:

- **Putting More Cops on the Beat.** Putting police on our streets who know our communities has proven very effective in fighting crime. Democrats would extend this popular program for two years, putting 125,000 police in our neighborhoods.

- **Keeping Kids off the Streets and out of Gangs.** Democrats want to give judges more flexibility in dealing with youth offenders, and offer incentives to get kids off the streets before they start causing trouble.

- **Cleaning Drugs out of Our Schools and Testing Drug Offenders.** Every schoolchild should understand the dangers of drugs, and every drug offender should be tested for drug use.

Families First

Educational Opportunity

One of a parent's proudest moments is the day a son or daughter puts on a cap and gown and receives a college diploma. But for many parents that day never comes, often because college is priced out of reach for working families. For parents lucky enough to get their children through school, the most common graduation present is thousands of dollars in student loan debt.

Education is the key to opportunity, and giving every child the chance to succeed means giving every child access to higher education. But many families are struggling to pay their monthly bills, never mind afford the skyrocketing costs of college tuition for their children.

Democrats want to offer those families a helping hand -- a way to make sure their kids get to college, without busting the family budget. That's why the Families First Agenda includes new scholarships for kids who make good grades and stay away from drugs, and new tax deductions making college and vocational school tuition tax deductible to help families afford education and job training.

The Families First Agenda calls for:

- **$10,000 Tax Deductions for College & Job Training.** Families will be able to deduct up to $10,000 from their taxes for tuition at a college, graduate school, or certified training or technical program. The deduction will also be available to recent graduates paying off interest on student loans, to help them get going in the working world without drowning in debt.

- **Two Years of College for Kids with Good Grades.** For students who are prepared to work hard, keep a B average, and stay off drugs, Democrats are prepared to offer a helping hand. Through HOPE Scholarships, we'll provide a $1,500 tax credit for the first two years of college, enough to pay the full tuition at most community colleges or get a good start on tuition at a four-year college.

Families First

Economic Opportunity

Small business owners face tough odds in today's fast-paced global economy. Keeping the company afloat is a daily challenge for most small business owners and their workers. Big corporations can hire well connected lobbyists to sweeten the competitive environment for them, while many small business owners are out there on their own.

We need to make America a better place to do business, and help small businesses thrive and grow. After all, they're the engine of economic growth, creating more than half of all new jobs.

Democrats want to make sure that we give small businesses the opportunities they need to keep growing and creating jobs. That's why we are calling for tax relief for small businesses, and new investments to rebuild our nation's economic lifelines.

The Families First Agenda calls for:

- **Helping Small Businesses Thrive and Create Jobs.** This initiative would help keep family businesses in the family, by offering tax relief for businesses that are being handed down from one generation to the next. It would also encourage growth by giving tax breaks to small businesses to help them invest in new machinery and equipment.

- **Investing in Our Communities.** All over our great nation, decaying roads, bridges, rail systems, and water treatment systems are clogging our economic lifelines. These are vital to business expansion and continued economic growth. Already, many states have set up special investment funds to help attract private dollars to rebuild our communities. We would offer this investment opportunity to every state, plus encourage targeted investments in improving sewage treatment and safe drinking water facilities.

Families First

Government Responsibility

Every month, Americans have to balance their family budgets. Sacrifices often must be made in less essential areas, like new clothes or a family vacation, in order to afford the basics, like food and rent. Each family sets the priorities that guide those important decisions.

The same must be true of government. Tough choices are necessary to balance the federal budget, and we need the right priorities to help make them. The government must do what families do -- figure out what can be cut, and what must be preserved.

Some in Washington have tried to balance the budget by cutting Medicare, eliminating the health care safety net for children, forcing seniors and their families to give up their home or the family farm to pay nursing home bills, cutting education, and rolling back environmental protections. That's the wrong way to balance the budget.

Democrats want to balance the budget the right way -- by eliminating wasteful spending and loopholes for large corporations and special interests. The budget can be balanced while still maintaining our obligations to our parents, our children, and our nation's future.

The Families First Agenda calls for:

- **A Balanced Federal Budget.** We must balance the budget responsibly -- by closing tax loopholes for special interests and the privileged, eliminating needless corporate subsidies, making responsible cost-saving reforms in government programs, requiring our allies to share more of the costs of defending democracy, and rooting out fraud and abuse in Medicare and Medicaid. Cuts will have to be made -- but the budget does not have to be balanced on the backs of American families. We must continue to protect families by preventing deep cuts in Medicare, education, and the environment.

Families First

Individual Responsibility

One of the most important values parents teach their children is to take responsibility for their actions. If they make a mess, they should clean it up. If they break something, they should fix it. If they cause a problem, they should help find the solution. Actions should have consequences.

We live in a society today where people can too easily avoid taking responsibility for their actions. Some people become dependent on the social safety net provided by government, instead of working to become financially independent and support their own families. In too many cases, divorced parents will move to another state simply to avoid paying support for their own children.

Democrats believe that we must require people to take greater responsibility for their own actions. That means welfare reform that requires work, but still protects innocent children. It means getting tough on "deadbeat parents." And it means working hard to prevent kids from having babies -- driving down the rate of teen pregnancy.

The Families First Agenda calls for:

- **Welfare Reform That Requires Work and Getting Tough on "Deadbeat Parents."** We need welfare reform that requires people to work for their welfare benefits -- without hurting innocent kids. We must move people off welfare and into the workforce, by temporarily providing the child care, health care and training they need to make that transition. And we must require people who agree to sponsor legal immigrants to take responsibility for that decision.

  We must also crack down on "deadbeat parents," who bring children into this world that they refuse to support. By giving states new tools to enforce child support orders and collect child support across state lines, we can force many "deadbeat parents" to take responsibility for their actions.

- **Preventing Teen Pregnancy.** We need a significant national effort to prevent teen pregnancy -- reaching out to young people at the greatest risk of becoming teen parents and forcing them to take a hard look at what could all too easily happen to them.

Families First

Corporate Responsibility

Families living near a manufacturing plant, or whose children swim and fish in a lake or river used by a local business, often worry that businesses are endangering their health through careless pollution. Workers who spend their lives helping a company grow and prosper worry about their company failing to keep up its end of the bargain, instead of protecting their jobs whenever possible and safeguarding their pensions.

America's strength comes from one of the greatest partnerships in world history: business, individuals, and government all working together. We all share a common goal: working toward a better future for our nation and for our families. But in the pursuit of short-term profits, we sometimes forget that greater goal. As we ask for more responsibility from government and individuals, we have a right to expect our corporate partners to return to earlier standards of loyalty to their employees, communities and country.

Democrats believe in holding corporations to a reasonable standard of accountability. That means honoring employees' pensions, and making sure that workers get the benefits they were promised when they retire. Corporations must also respect the air and water we all share, and do their part to keep it clean and safe. And they should think twice about moving valuable American jobs overseas just to take advantage of cheaper foreign labor.

The Families First Agenda calls for:

- **Making Sure Pensions Are There for Employees.** The Families First Agenda calls for an end to pension raiding and demands immediate reporting of any misuse of a pension fund.

- **Holding Corporations Accountable for the Safety of Our Water and Air.** Corporate leaders must take responsibility for keeping our families' drinking water safe and our air clean.

- **Ending Tax Breaks that Encourage Companies to Move American Jobs Overseas.** We can't stop American companies from building their plants overseas, but we can stop giving them tax breaks for doing it. We should not reward disloyalty to our country and its workers.

Families First

Families First on the Internet

Information about Families First is available on the World Wide Web, at:

http://www.dccc.org/families-first

Also, Web users are invited to join a live interactive discussion of Families First with House Democratic Leader Richard Gephardt on Wednesday, June 26. This live event will take place on the *Washington Post*'s new Web site (www.washingtonpost.com) from 6:30 to 7:00 p.m. Eastern.

What:	Live interactive discussion of Families First with House Democratic Leader Richard Gephardt
Where:	http://www.washingtonpost.com
When:	Wednesday, June 26 6:30 to 7:00 p.m. Eastern

LIST OF WITNESSES TO APPEAR BEFORE
SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON WAYS AND MEANS
ON HOW P.L. 96-272, THE ADOPTION
ASSISTANCE AND CHILD WELFARE ACT,
IS A BARRIER TO ADOPTION

THURSDAY, JUNE 27, 1996 - BEGINNING AT 1:00 P.M.

ROOM 1100 LONGWORTH HOUSE OFFICE BUILDING

PANEL:

The Honorable Mike DeWine, U.S.S., Ohio

The Honorable George Miller, M.C., California

The Honorable Harris W. Fawell, M.C., Illinois

The Honorable Connie Binsfeld, Lieutenant Governor, State of Michigan

Dave Thomas, Founder and Chairman Emeritus of the Board of Directors, Wendy's International, Dublin, Ohio

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PANEL:

Judith Goodhand, Ph.D., Executive Director, Cuyahoga County Department of Children and Family Services, Cleveland, Ohio;
accompanied by
Patricia Newell, Foster Parent, Cleveland, Ohio; and
Deborah Benn, Birth Parent, Cleveland, Ohio

Sister Josephine Murphy, Administrator, St. Ann's Infant and Maternity Home, Hyattsville, Maryland

Patricia Warenda, Grandmother, Ft. Lauderdale, Florida

Robert Dean, Foster Parent, Omaha, Nebraska

***

PANEL:

The Honorable D. Bruce Levy, Administrative Judge, Juvenile Division, 11th Judicial Circuit, Miami, Florida

David Liederman, Executive Director, Child Welfare League of America, Inc., Washington, D.C.

Laureen D'Ambra, Child Advocate, State of Rhode Island, Providence, Rhode Island

Peter Digre, Director, Department of Children and Family Services, County of Los Angeles, California

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Carol Williams
205-8618

HEARING STATEMENT
BARRIERS TO ADOPTION
U.S. SEN. MIKE DEWINE
JUNE 27, 1996

Thank you, Mr. Chairman.

Mr. Chairman, too many children are spending their most important, formative years in a legal limbo that denies them their chance to be adopted -- that denies them what all children should have -- the chance to be loved and cared for by parents.

The job of finding parents for these children becomes infinitely more difficult the longer they are suspended in this foster-care limbo. Sometimes we focus our energies on fruitless attempts to reunify certain families that can't be fixed. As a result, the children lose the opportunity to find a permanent adoptive home.

We are sending too many children back to dangerous and abusive homes. We send them back to live with parents who are parents in name only -- to homes that are homes in name only.

We send these children back to the custody of people who have already abused and tortured them.

We send these children back to be abused, beaten, and many times killed.

We're all too familiar with the statistics that demonstrate the tragedy that befalls these children.

Every day in America, three children actually die of abuse and neglect at the hands of their parents or caretakers. That's over 1200 children every year.

And almost half of these children are killed after their tragic circumstances have come to the attention of child welfare agencies.

Tonight, almost 421,000 children will sleep in foster homes. Over a year's time, 659,000 will be in a foster home for at least part of the year. Shockingly, roughly 43 percent of the children in the foster care system at any one time will languish in foster care longer than two years.

Ten percent will be in foster care longer than five years.

And the number of these foster children is rising. From 1986 to 1990, it rose almost 50 percent.

In summary, Mr. Chairman, too many of our children are not finding permanent homes.

Too many of them are being hurt.

Too many of them are dying.

0 Most Americans have probably heard of the tragedy that befell nine-year-old Elisa Izquierdo of New York City. Her mother used crack when she was pregnant with Elisa. A month before Elisa was born, her half-brother Ruben and half-sister Cassie had been removed from her mother's custody and placed into foster care. They had been neglected -- unsupervised and unfed for long periods of time.

In other words, this woman left her children alone -- and didn't feed them.

But then, Mr. Chairman, the children were sent <u>back</u> -- sent back to her!

Then Elisa was born.

When Elisa was born, she tested positive for crack. She was taken from her mother and transferred to her father's custody.

Tragically, in 1994, Elisa's father died.

Elisa was then five years old. The director of Elisa's pre-school warned officials about her mother's history of child abuse and drug abuse. But -- without any further investigation, and without ordering any further monitoring of Elisa's home situation, a family court judge transferred Elisa back to her mother.

In March 1995, when Elisa was six years old, she was admitted to the hospital with a shoulder fracture.

A shoulder fracture, Mr. Chairman. A little girl from a household with a history of child abuse shows up at the hospital with a shoulder fracture.

The hospital sent her back home to her mother.

Eight months later, in November of 1995, she was battered to death by that same mother. You see, Elisa's mother was convinced that Elisa was possessed by the devil. She wanted to drive out the evil, so she forced Elisa to eat her own feces, mopped the floor with her head, and finally bashed her head against a concrete wall. On November 22, 1995, Elisa was found dead.

It was on the front page of the <u>New York Times</u>. Millions of Americans were shocked.

What shocked _me_, Mr. Chairman, when I read the story was that anyone would be shocked.

While this horrible tragedy captured the attention of the country, the sad fact is that atrocities against children happen _every day_ in this country. Children are reunited with brutal abusers -- they are abused again -- and yes, sometimes, they die.

0 Here's _another_ incredible story. A Chicago woman had a lengthy history of mental illness. She ate batteries and coat hangers. She drank Drano. She stuck pop cans and light bulbs into herself. Twice, she had to have surgery to have foreign objects removed from her body.

Then, when she was pregnant, she denied that the baby was hers.

While pregnant, she even set herself on fire.

That's _her_ idea of what being a parent is all about.

On three occasions, her children were taken away from her by the Department of Children and Family Services -- known as DCFS.

One of her children was named Joseph. Joseph's _second_ foster mother reported to the DCFS that every time Joseph came back from visiting his mother, he had bruises.

But, in 1993, the children were returned to this mother -- one last time.

A month later, in April 1993, she hanged Joseph. She hanged her three-year-old son. Her comment to police was, "I just killed my child. I hung him."

She stood him up on a chair and said "bye." He said, "bye." Then he waved.

And she pushed the chair away. She hanged him.

What kind of person does something like that to her child?

She told a policeman: "DCFS was" blankety-blank "with me."

Mr. Chairman, why on earth would anyone think we should keep trying to reunite _that_ family?

0 Last year in Brooklyn, New York, there were allegations that baby Cecia Williams and her three older siblings had been abandoned by their mother. As a result, they were temporarily removed from her mother's custody. It turned out that they had

not been abandoned by the mother. She had placed them in the care of an uncle -- and he had abandoned the children.

Later, Cecia and the other children were sent back home. Last month in New York, Cecia Williams died after being battered, bruised, and -- possibly -- sexually abused. Her mother and her boyfriend have been charged with the crime.

Cecia was nine months old.

Today, Cecia is dead -- a victim of blunt blows to her torso, and lacerations to her liver and small intestinal area.

0 A young boy in New Jersey named Quintin McKenzie was admitted to a Newark Hospital after a severe beating, for which his father was arrested. Quintin was placed in foster care -- but when the charges were dropped, he was sent back to his family.

In 1988, Quintin was three-and-a-half years old when his mother killed him. She plunged him into scalding water because he had soiled his diapers.

0 In Franklin County, Ohio, the local Children Services agency was trying to help Kim Chandler deal with her children -- 7-year-old Quiana, four-year-old Quincy, and one-month-old Erica. In July 1992, they closed the case on her. On September 24, 1992, all three children were shot dead -- and Kim Chandler was charged with the crime.

0 In Rushville, Ohio, in March 1989, four-year-old Christopher Engle died when his father dumped scalding water on him.

Mr. Chairman, I could multiply example after example of households like these -- households that look like families but aren't. People who look like parents but aren't. People who never should be allowed to be alone with a child.

Why are atrocities like this happening?

There are many factors contributing to this problem.

0 In many cases, the abuse is caused by parents who were themselves abused as children.

0 In other cases, the parent is deeply disturbed or mentally ill.

0 Often, the parent is a teenager -- emotionally unprepared for the responsibility of raising a child.

0 All of these factors were present in earlier generations. What's different today is that too many of the young parents have no role models of good parenting. They didn't have good parents themselves -- so they have no idea how to be parents for their own children.

0 Another major problem is the decline of the extended family -- the support system that used to do so much to make sure the children were taken care of.

0 Add to this, the relatively new phenomenon of crack. As we all know, since the late 1980s we have seen the explosion of a new form of cocaine that's readily available, cheap, and explosively addictive. Crack is so addictive that mothers have sold their children so they can get some more of it.

Put all these factors together and you have a major social problem on your hands. We ask social workers to try and patch up the wounded, but the social workers are underpaid and overworked. When I was an assistant county prosecutor, and then county prosecutor, I worked closely with these dedicated, hard-working social welfare professionals. I have great respect and admiration for them. They are at the front line of our efforts to save children. We expect the impossible from them, and frankly don't give them all the tools and resources they need to do their job. Often, the only option they have -- and the only choices they have for these children -- are all bad.

Many times our social welfare agencies are simply overwhelmed. Some experts say a social worker ought to handle no more than 15 cases -- but we have social workers handling <u>50 to 70 cases</u>. They don't have enough <u>time</u> -- they don't have enough <u>resources</u> -- to solve the problems these kids have.

In summary, Mr. Chairman, there are many causes for the tragedies I have discussed. Further, there are many things that must change, many things we can do to help these children.

There are many things we can do to lessen the time it takes for children to be adopted, and to lessen the time these poor kids have to spend in the legal limbo of the system. Further, there are many things we can do to lessen the odds of tragedies like the cases of Elisa Izquierdo and Joseph Wallace.

Mr. Chairman, I intend to keep working to find solutions to these problems, recognizing that their causes are multiple -- and that to solve them, we must do many things.

But today, I would like to focus on <u>one</u> of the causes of these tragedies, one that most people haven't heard about. It's the unintended consequence of a small part of a law passed by the

U.S. Congress.

In 1980, Congress passed the Adoption Assistance and Child Welfare Act -- known as CWA. The Child Welfare Act has done a great deal of good. It increased the resources available to struggling families. It increased the supervision of children in the foster care system. And it gave financial support to people to encourage them to adopt children with special needs.

The authors of the CWA deserve a great deal of credit for how they dealt with the problems they faced. Their legislation has done a lot to improve the lives of America's children. But while the law has done a great deal of good, I have come to believe that the law is being commonly misinterpreted, with some truly unintended and undesirable consequences.

Under the CWA, for a state to be eligible for federal matching funds for foster care expenditures, the state must have a plan for the provision of child welfare services approved by the Secretary of HHS. The State plan must provide:

"that, in each case, reasonable efforts will be made (A) prior to the placement of a child in foster care, to prevent or eliminate the need for removal of the child from his home, and (B) to make it possible for the child to return to his home."

In other words, Mr. Chairman, no matter what the particular circumstances of a household may be -- the state must make reasonable efforts to keep it together, and to put it back together if it falls apart.

What constitutes "reasonable efforts"?

This has not been defined by Congress. Nor has it been defined by HHS.

This failure to define what constitutes "reasonable efforts" has had a very important -- and very damaging -- practical result. There is strong evidence to suggest that in the absence of a definition, reasonable efforts have become -- in practice -- extraordinary efforts. Efforts to keep families together at all costs.

There are hundreds of examples I could give you. Over the last several months, I have talked to people all over Ohio who deal with this problem every day. I have asked them the following hypothetical question: "Let's say there's a cocaine-addicted mother who has seven children. The father is an alcoholic. The seven children have been taken away -- permanently -- by the county.

"The mother gives birth to an eighth child. The child tests positive for cocaine. The father is still an alcoholic. What would you do?"

Some said they would apply for emergency temporary custody of the child -- but they would still have to work to put that family back together. Others said a court wouldn't grant them even temporary custody of the child. One county told me it would be two years before the child would be available for adoption. Another county said it would be five years.

Now, Dr. Goodhand -- who is here today and will be testifying -- in response to a similar hypothetical told me that her department would move immediately for permanent custody. But she said that their success would really depend on the judge assigned to the case.

Now, the answers I got were different from county to county. But one thing is clear: It is the 1980 law, and how it is being interpreted by social workers and judges, that leads to these different results.

In my view, this is certainly not what was intended by the authors of the CWA.

Mr. Chairman, much of the national attention on the case of Elisa Izquierdo has focused on the many ways the social welfare agencies dropped the ball. It has been said that there were numerous points in the story when some agency could have and should have intervened to remove Elisa and her siblings from her mother's custody.

I am not going to revisit that ground. Rather, my point is a broader one: Should our Federal law really push the envelope, so that extraordinary efforts are made to keep that family together -- efforts that any of us would not consider reasonable?

Throughout human history, the family has been recognized as the bedrock of civilization. The family is where values are transmitted. It's where children learn behavior -- develop their character -- and form their personality.

Over the last couple of years, a remarkable convergence has occurred in American social thought. Liberals and conservatives are now in near-total agreement on the need to strengthen the family as an institution. Without stronger families, it will be impossible to avoid a social explosion in which troubled children turn into dysfunctional adults on a massive scale.

But what we are confronting in the terrible stories I have just recounted are not families. They are households that look like families -- but aren't.

If you look inside one of these households, you see some children. And you see some people who -- superficially, at least -- resemble parents. But this is <u>not</u> what you and I and most Americans would call a "family."

In this household, the children are beaten and abused and neglected. Mr. Chairman, what do we, as a society, do about these households -- these households that aren't families?

By 1980, the child welfare system in this country had come under some pretty strong criticism. After many hearings, Congress concluded that abused and neglected children too often <u>were</u> unnecessarily removed from their parents -- that <u>insufficient resources were devoted to preserving and reuniting families</u> -- and that children not able to return to their parents often drifted in foster care without ever finding a permanent home.

That's how the CWA came to be enacted. The phenomenon known as "foster care drift" -- children who get lost in a child welfare system that cannot or will not find them a permanent home -- simply had to be faced and reversed.

Let me interject at this point that I had substantial experience on this issue before the passage of the CWA legislation in 1980. As long ago as 1973, I was serving as an assistant county prosecutor in Greene County, Ohio -- and one of my duties was to represent the Greene County Children Services in cases where children were going to be removed from their parents' custody.

I saw first hand that too many of these cases dragged on forever. The children end up getting trapped in temporary foster care placements, which often entail multiple moves from foster home to foster home to foster home, for years and years and years.

Congress enacted the CWA to try to solve this very real problem. There were good reasons for the CWA, and the CWA has done a lot of good. There are some families that need a little help if they are going to stay together, and it's right for us to help them. Not only is it <u>right</u> -- it's also <u>clearly</u> in the best interests of the child.

We shouldn't be in the position of taking children away just because the parents are too poor -- or just because there's a problem in the family. If the problem can be fixed, we must try to keep the family together for the children's benefit. It's just that at some point, when it comes to cases of child abuse and child neglect, we have to step in and say: "Enough is enough. The child's health and safety have to come first."

And that's where we are now, in a lot of cases. Fifteen years after the passage of the CWA, I think we need to revisit this issue, and see how the system is working in practice.

I believe we need to re-emphasize what all of us agree on -- the fact that the child ought to come first. We have to make the best interests of the child our top national priority.

In many of the cases we have looked at, it looks like the CWA has been not been correctly interpreted. Try to imagine what the authors of the CWA would have said if they had been asked: "Should Joseph Wallace be sent back to his mother?"

I can't believe that that was the authors' intent. I can't believe that they would say, "In that case, and in every case, the child must be reunited with the adult at all costs."

Reasonable people agree on one point: Nothing -- nothing -- should take precedence over the health and safety of the child. It's common sense. And I think we need to make sure the CWA is interpreted consistently -- and correctly -- to reflect that common sense.

It is my hope that an important new book will spark the national debate that America need to have on this issue. The book is called The Book of David: How Preserving Families Can Cost Children's Lives, by Richard J. Gelles.

Dr. Gelles is the director of the Family Violence Research Program at the University of Rhode Island. For years, Dr. Gelles thought children should be permanently removed from their homes only as a last resort, even if it meant that the children may spend years moving back and forth between birth homes and foster homes. He now says -- and I quote: "It is a fiction to believe one can balance preservation and safety without tilting in favor of parents and placing children at risk." End of quote. He believes that the system is weighted too far toward giving the mother and father chance after chance after chance to put their life in order -- putting the adults first, rather than putting the children first.

Even some social-work professionals will tell you how true this is. Krista Grevious, a Kentucky social worker with 21 years of experience, says -- and I quote: "I think it's probably one of the most dangerous things we have ever done for children." End of quote.

Patrick Murphy is the court-appointed lawyer for abused children in Cook County, Illinois. He says --- and I quote: "Increasingly, people in this business do not look at things from the point of view of the child. But the child is the defenseless party here. We've forgotten that." End of quote.

In 1993, Murphy published an article in the New York Times that put the problem in historical context. I quote from his article: "The family preservation system is a continuation of sloppy thinking of the 1960's and 1970's that holds, as an unquestionable truth, that society should never blame a victim. Of course, the children are not considered the victims here. Rather the abusive parents are considered victims of poverty and addiction. This attitude is not only patronizing, it endangers children."

Marcia Robinson Lowry, head of the Children's Rights Project at the American Civil Liberties Union, sums it up. She says -- and I quote: "We've oversold the fact that all families can be saved. All families can't be saved."

Mr. Chairman, let me make this absolutely clear. I think there's nothing wrong with giving parents another chance. But we have to make sure the health and safety of the child come first. Is that child going to get a second chance at growing up? A second chance to be four years old -- the age when a personality is already fundamentally shaped?

Jann Heffner, the director of the Dave Thomas Foundation for Adoption, has a useful way of looking at this problem -- the concept of "kid days." When you're three years old, one month of experience does a lot to the formation of your personality. It's not a month that can be taken for granted, or treated as routine.

One helpful way of looking at it is this: If you're fifty years old, one year is two percent of your life. If you're three years old, one year is one-third of your life.

There's some important psychological activity going on with these children. And every day -- every hour -- really counts. Lynne Gallagher, director of the Arizona Governor's Office for Children, says -- and I quote: "It's as though these people think we can put the kids in the deep freeze for awhile...and then pull them out when the parents are ready to parent." End of quote.

We all know how crucial those formative years can be.

Let me return to the work of Dr. Gelles. He says -- and I quote: "It is time to face up to the fact that some parents are not capable of being parents, cannot be changed, and should not continue to be allowed to care for children." End of quote. He advocates changes in Federal laws to protect children. He also thinks that child-protection officials should move to terminate parental rights sooner, thus freeing children for adoption.

I think the time is ripe for these changes. In New York City, Mayor Giuliani has pledged to shift the city's priorities away from family preservation -- and toward protecting children from harm.

But we need to examine how much of the problem we face is a consequence of Federal law -- the lack of precision of the CWA legislation back in 1980. And this is truly a national problem that needs a national response. According to the National Committee to Prevent Child Abuse, child abuse fatalities have increased by 40% between 1985 and 1995.

I think there's something the U.S. Congress should do about that. I think we should make it absolutely clear that the health and safety of the child are the primary concern of social policy.

I think it's time to clarify Congress's intent. While family reunification is a laudable goal, and should usually be attempted, the health and safety of the child should always come first. That, in my view, was the intention of the drafters of the 1980 law. Congress should reaffirm this -- by making whatever clarification is necessary in the law.

It's time for us to break this cycle -- to help children escape their abusers and find a permanent home before they have suffered absolutely irreparable physical and emotional damage. Let's make explicit the commitment of Congress and the American people: The health and safety of America's children must come first.

# # #

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STATEMENT OF THE HONORABLE GEORGE MILLER
on Adoption
Before the House Committee on Ways and Means
June 27, 1996

Mr. Chairman, I appreciate the opportunity to testify before the Subcommittee on the important issue of adoption, and barriers to providing children with permanent placements when they cannot and should not live with their biological parents.

I am here because nearly two decades ago, during my first years in Congress, I became aware of the tragedy of the foster care system in this country, and the lack of opportunity for children in the system to achieve permanent placement through adoption, and made a concerted effort to do something about it. That five year effort, which I initiated with Senator Walter Mondale, resulted in a comprehensive reform of the federal child welfare law in the "Adoption Assistance and Child Welfare Act of 1980." It is from my perspective as the original sponsor of this law that I have some observations about where we were then and where we are today.

My investigations into the status of children in the foster care system in the 1970s revealed an expensive waste of federal funds and young lives. Information provided in Congressional hearings indicated that thousands of children were being placed in out of home care with little thought to the appropriateness of those placements, with inadequate services and poor accountability by child welfare agencies, and with virtually no assurance that the child would ever have a permanent home.

Federal law at that time reinforced all of the worst aspects of the foster care system. It provided insufficient safeguards against the inappropriate removal of children from their families; it provided no incentive--in fact, provided a disincentive-- for placing children with adoptive families. Unlimited funding was available for foster placements, but inadequate funds were available for preventive or reunification services, even with ample evidence that many children were being unnecessarily removed from their homes.

Despite the fact that many children in foster care had special needs and would be expensive for families to adopt, the government provided no assistance for families wishing to undertake this responsibility. Not only was no basic support available, but foster children who were eligible for Medicaid most often lost eligibility once adopted.

All this added up to a system that encouraged impermanent placements, and "limbo" for thousands of children. Further, the "system," with impossibly large social work caseloads operated with virtually no accountability. There was no requirement to review foster placement or to create a case plan for the child. Indeed, we heard that a typical "review" of a child's foster placement consumed less than five minutes.

Congress passed the "Adoption Assistance and Child Welfare Act" (P.L. 96-272) to achieve not only greater cost savings for taxpayers, but also greater permanency for children. We built incentives to reduce or limit the duration of foster care placements while providing a permanent, secure environment for those children who could not return to their homes. Our goal was to provide adequate resources and funding for States to provide preventive and supportive services for at-risk families to prevent abuse and neglect and avoid the initial need for foster placement; and to provide a subsidy to families wishing to adopt special needs children so they would not languish in the foster care system

We also built into this law some protections for children who were in foster care by requiring States, as a condition of receiving Federal funds, to adopt certain procedures mandating the review of the child's placement. In that context, States had to make "reasonable efforts" to avoid placing a child in foster care to begin with or to reunite the child with his or her parents in a timely manner after removal from the parents. Judges had to make a determination that such "reasonable efforts" were made for each child.

It mystifies me that now, some 16 years later, the "reasonable effort" requirement has come under fire as some kind of "liberal" attempt to protect abusive parents, and in fact has *caused* children to incur serious harm or even death at the hands of "the system." It is patently absurd to imply that this provision of law was ever intended to compromise a child's safety or that a court would read it so. The reasonable effort" requirement was always intended to be applied within the context of meeting the child's needs and safety. There is nothing "mandatory" about sending a child back to his or her family, and no "reasonable" person would read it as such. It is true that the Department of Health and Human Services has never promulgated regulations providing guidance regarding what is "reasonable," but I think it can be argued that federal prescription in this area would be difficult and could cause more problems than it would solve. The State of California and many other states have crafted their own standards for reasonable efforts, and there should be no reason why all states cannot do this. In California, after the issue of reunification was carefully studied, a law was enacted that specifies situations where reunification is inappropriate, and authorities must follow a specific process in order to ensure that the situation is evident.

The "reasonable effort" requirements was adopted as part of a much broader structure of the law to ensure that the child welfare system be accountable to the child and his or her legal rights-- that there be a timetable for review of the child's situation and that the child only move to the next level of intervention, including adoption, if there is no other reasonable alterative.

No one can dispute that child welfare agencies make tragic mistakes with regard to the placement of children in dangerous family situations. Although I know it is popular these days to legislate by anecdote, I think it would be a grave error to blame such incidents on the "reasonable effort" requirement. In fact, such tragedies are contrary to the entire intent of the law.

No, this law is not about family preservation at any cost. It is about protecting our children <u>and</u> parental rights, which are sometimes at odds with each other and must be delicately balanced.

What is needed to make a "reasonable effort" requirement work to the maximum benefit of the child and his or her family is adequate resources and adequate services, which have been sorely lacking in many states. While tens of thousands of children throughout the nation have benefited from the case plans, services and reviews mandated since 1980, the current state of foster care demonstrates the intractable nature of this system.

A federal suit against New York's Child Welfare Agency conveys "an unmistakable picture [and] damning portrait of an agency in crisis," according to the New York *Times* (Feb. 2, 1996). Not only did children (and their families) fail to receive required services and periodic reviews of placement, but New York officials lied about providing the reviews required by law. The result, not unlike that of the 1970s, is a system filled with children adrift at enormous expense to the taxpayer and to their own futures. That condition is not the result of the federal law but rather the result of efforts to erode its direction and mandate.

But New York is not alone. Cases have been filed in twenty-one states because of their illegally inadequate child welfare program; child welfare proponents must resort to court action to force states to obey the law. Many states have reneged on promises to courts to upgrade their programs after findings of inadequacy in dozens of cases. Federal Judge Thomas F. Hogan in Washington, D.C. (whose foster care program is in receivership) recently condemned "outrageous deficiencies," and an Illinois judge termed his state's program "a bleak and Dickensian picture."

What happened to the promise of the 1980 Act? To be sure, pressures on the system from the crack cocaine epidemic have been tremendous. The nature and severity of abuse and neglect has worsened and the causes more difficult to treat. Children entering foster care, many more of whom are babies, have more complicated problems than ever before. But surely the condition of the child welfare system is also a result of some states' unwillingness to devote adequate resources to protect one of their most vulnerable populations.

The state of the child welfare system today is not because of the federal law but in spite of it. I am far more concerned about a future federal child welfare program that lacks the basic requirements we established in the 1980 Act H.R. 4, the welfare reform proposal reported by this committee and eventually vetoed by President Clinton, turned a deaf ear to this dismal record by the states and to their young victims as well. This bill would have diluted the goals of the 1980 law in favor of a block grant to allow states to manage their own child welfare programs. It is difficult to see how the foster children of New York, Washington, Illinois or any other of the 20 states that violate current law would benefit by Congress giving total control over the program to the very state agency that lied, delayed or misrepresented to the courts its record in enforcing the law.

Left to their own devices before 1980, the states rarely provided meaningful reviews, or few operated programs to reduce the need for or duration of foster care. Even fewer supported the adoption of children out of costly foster care. Absent the standards mandated by current federal policy, there is a strong indication that many states and local jurisdictions would not only fail to improve their existing, inadequate programs, but would revert to the *status quo ante* in which states regularly disregarded the best interests of the foster child.

The key to wise policy making is not merely to react to a crisis, but to react in a manner that will alleviate the crisis. Blunting foster care reform by relieving local officials of legal accountability of their programs will not remedy the continuing crisis in foster care and adoption.

It is all well and good to experiment with ways to improve welfare administration, as over 30 states are already doing under waivers provided by the Clinton Administration. But no responsible legislation should sanction experimenting with the lives of abused, neglected and abandoned children. Investing in those policies, it is being shown across America, can not only improve the current system, but prevent today's foster children from becoming the parents of the next generation of children without permanent homes.

Testimony of Congressman Harris W. Fawell (R-IL) before the House Committee on Ways and Means Subcommittee on Human Resources -- Barriers to children being placed for adoption.

June 27, 1996

First, I would like to thank the Chairman of the Human Resources Subcommittee, Congressman Clay Shaw, for holding this hearing on such a critical issue to the thousands of children languishing in our nation's foster care system. All of us here this afternoon are united in a common bond to assist those children who, through no fault of their own, are victims of an overburdened system which permits them to fall through the cracks.

Mr. Chairman, it is no secret that adoption rates have declined in recent decades. In 1969, over 360,000 babies were born out of wedlock -- almost one in four was adopted. In 1991, over 1.2 million babies were born out of wedlock, yet only one in 25 was adopted. However, public interest has increased -- close to two million couples would like to adopt these children. Because of this vast need for adoption and the large pool of parents willing to adopt, Congress must develop incentives to eliminate as many barriers as possible to a speedy and permanent adoption.

While adoption issues and barriers to adoption encompass a multitude of areas, this afternoon I would like to focus on one group of children: at-birth abandoned babies. For a number of years, I have sponsored legislation which seeks to expedite the adoption process of babies abandoned at birth, or shortly thereafter. Again this Congress I have introduced the At-Birth Abandoned Baby Act (H.R. 1044). I believe we must develop a system which helps these very special babies abandoned at-birth, or shortly thereafter, the right to a fast-track placement and immediate bonding with "pre-adoptive parents" who would, at their own expense, be guaranteed expedited adoption proceedings in the proper State court of jurisdiction.

There is no doubt something must be done about the terrible plight faced by babies abandoned at-birth. Our present system, in effect, leaves these most vulnerable babies -- those abandoned at-birth and often drug addicted and/or HIV-infected -- without any chance of access to immediate bonding with loving parents. In the present welfare system, with lack of staff and service resources and poor coordination among courts, attorneys and crowded calendars, babies abandoned at birth have no one to represent them; no one to hold them and love them, let alone represent their rights in a court of law for the immediate bonding and love they so desperately need.

Mr. Chairman, the At-Birth Abandoned Baby Act of 1995 amends Title IV (E) of the Social Security Act. The bill simply requires State welfare authorities to immediately place "at-birth abandoned babies" with suitable "pre-adoptive parents" who, in turn, will be allowed to immediately file, at their own expense, for an expeditious adoption of the abandoned baby in the State court of proper jurisdiction.

The State court would terminate parental rights and award an adoption decree to the preadoptive parents only upon proper proof and after taking into account the rights of all parties involved, including the infant abandoned at-birth, the natural parent(s), the pre-adoptive parents, and any other interested parties. The bill gives babies abandoned at-birth at least a fighting chance for immediate parental bonding and a permanent home. Currently, they have none.

I would like to review some of the sad findings of a comprehensive study conducted by the Department of Health and Human Services (HHS) on boarder and abandoned babies which was released in 1993. The (HHS) study found nearly 12,000 abandoned babies residing in 573 hospitals throughout 101 counties in the United States which were surveyed across the country in 1991. Tragically, drug exposure could be found in 87 percent of the abandoned infants. Perhaps the most troubling finding of the HHS study addresses the placement of the abandoned infants. The HHS study found that NONE of the abandoned infants were expected to leave the hospital in the care of their biological parent(s) and ONLY six percent were expected to go into adoptive placement.

Today we continue to hear the heart wrenching stories of abandoned infants. Less than a month ago, a suburban Washington, D.C. couple returned to their apartment to find a cardboard box harboring two abandoned infants swaddled in yellow towels and a bedsheet. Within hours the local police department received telephone calls from people hoping to adopt the two babies who were just days old.

Mr. Chairman, numerous studies have shown that if an abandoned infant is placed into a loving home as early as possible, that baby has a better chance of normal development and a happy childhood. The problem here is that our present system - though well intentioned - leaves the most vulnerable of the vulnerable with next to no chance at all of finding the immediate parental bonding which is vital to the healthy development of the child. It is for that reason that I believe we should pass legislation which will expedite the adoption process for babies abandoned at birth and who, without a fast track process, would be condemned to oblivion. My hope is that we can do the same for all children waiting for adoption.

Mr. Chairman, extensive factual research tells us adoption works! It increases the emotional, physical, and cognitive capacities of the children who are adopted. It improves the life chances of the adoptive child while saving vast amounts of taxpayer funds. Perhaps most importantly, it brings love and happiness, both to the adoptive parents and the adoptive child.

I will continue to make myself available to you, Chairman Shaw and the members of the Ways and Means Committee in the hope of passing the At-Birth Abandoned Baby Act and any other measures which will eliminate the barriers and expedite the adoption of those children waiting for our assistance in foster care.

Testimony before the
House Ways and Means Subcommittee on Human Resources
June 27, 1996

Connie Binsfeld
Lieutenant Governor
State of Michigan

Thank you very much for inviting me here today. I consider it an honor to come before the Ways and Means Subcommittee on Human Resources on an issue that has been a driving force in my life since becoming Lt. Governor - the issue of giving children a permanent, loving family through early adoption.

In the first few months of our administration, I had a startling experience that became the foundation of my work in the five years Governor Engler and I have been in office. I was invited to a meeting of people who were experiencing problems with "special needs" adoption of state wards. I was totally unprepared for the experience that awaited me. I thought I was going to meet people who were upset with their experience of adopting state wards. What I found were people who WANTED to adopt state wards, but were unable to because of various bureaucratic roadblocks!

The things I heard that night astounded me. I had believed that there were very few people willing to adopt "special needs" children. What I learned was that families were sometimes forced to go ***outside the state*** to adopt a "special needs" child! They wanted my help in making state wards more available to the many families who wanted to adopt them. That was the beginning of my work that brings me here today.

When I shared that experience with Governor Engler, he immediately began to take action. He issued Executive Order No. 1991-14 creating the Lieutenant Governor's Special Commission on Adoption. He gave us one year to develop recommendations to address the problems of adoption.

As in all difficult issues, we found that even in Michigan, a model for other states in our adoption process, there were multiple obstacles to adoption, not the least of which is the attitude that adoption is the last resort for children instead of a loving, positive way to build a family.

We focused on voluntary infant and state ward adoptions. They are distinguished by the source of the funds which pay for the adoption services. State wards, because they are the responsibility of the Family Independence Agency Adoption Services (formerly the Department of Social Services), are primarily funded by the State of Michigan. Infant adoptions are paid through fees charged to the adoptive families

For state ward adoptions, we learned how the public/private partnership for adoption service delivery affects the ability to achieve permanent placements. For voluntary infant adoptions, the major concern was the appropriateness of the adoptive placement and the need of birth mothers to have more control over the placement of their infants.

Most of our report focused on state ward adoption issues where the greatest number of children were awaiting permanent homes. Too many of them were waiting too long to be adopted. We learned how complicated the adoption process was and that the adoption system contains several subsystems and is interrelated with other major systems. Each of the subsystems has its own procedures and problems, and each seems powerless to improve adoptions beyond its own portion of the process. The larger, interrelated systems, including in-home services, foster care, the judicial system, legislative funding system, and the public at large, all impact immensely on the adoption system.

In order to improve adoption services in Michigan, we found that our public/private partnerships must be extended to include all of the parties involved, the adoption triad (the birth parent, adoptive parent, and the best interest of the child), private and public child placing agencies, the courts, funding entities and the public - a very complex situation.

In many instances, there were no timeline requirements when tasks had to be completed or goals achieved. In other instances, timelines had already been established, but were not enforced. Administrative rules and statutes needed to be changed in order to structure the timeliness of adoptions.

Workers, public policy makers, and court personnel needed better training on planning for children's permanency. Accurate and comprehensive data needed to be collected and shared for informed decision-making to occur. Additionally, the collection and dissemination of this data would assist in the effort to inform the public. We know that when families are aware that children are waiting, they do adopt.

We found that most transracial placements occurred when the recruitment system failed to keep up with the flow of children entering foster care. The systemic problem of family recruitment that causes children to be placed transracially must be addressed, but not at the expense of children who are already bonded. Rather, recruitment efforts must be increased on the foster care side to ensure an adequate number of families are available. We strongly believe that like-race placement, when possible, is optimal for children. We also believe as strongly that permanency for children should not be sacrificed because of it. Early permanency is essential to child nurturing and connectedness. It is basic to child development.

Adoptive services must emphasize helping families with adjustment during and after adoption. As children and families grow and develop together, resources must be available to support and sustain them.

We found that insurance issues had a profound affect on adoption - the issues of coverage of pre-existing conditions of the "special needs" child and the need to have adopted children added to private insurance policies upon adoptive placement.

We took the somewhat controversial step of recommending parental consent adoption, but we insisted on safeguards for the child through private agency home studies and prohibiting exchange of anything of monetary value beyond the established fee structure to prevent the "buying" of a baby. This prohibition is ensured by sworn testimony by the parties during court proceedings.

Our Commission's report contained sixty-seven recommendations. After our report was issued, the Department of Social Services (now the FIA) formed a working group to study and implement the recommended policy changes and the legislature introduced a legislative package to make our recommended changes in statute. I am proud to be able to tell you that in the years from 1991-1995, there has been an overall increase in adoption of special needs children by forty-four percent and an increase in adoption of African American special needs children by **one hundred fifty-one percent!**

However, until we address the issue of foster care, we will always have problems in adoption. Foster care drives adoption. As long as children are captives of the foster care system, the dream of a childhood in a permanent, loving home will be denied. Because foster care and adoption are inextricably woven, I was lead to a deeper understanding of the effect foster care policy had on permanency for children. I began to hear heartbreaking tales of abused children, of children removed too late from horrifying home situations, of children languishing in foster care as their parents failed and failed again to be rehabilitated by the services they were given.

I was deeply troubled then, as I am still, by the world our children face, a world that so often makes them its last concern. Again I shared my concerns with the Governor and again he took action. He issued Executive Order 1995-12 which created the Lt. Governor's Children's Commission. Our charge was to review state and federal statutes, rules and policies regarding prevention/preservation programs, removal/foster care placement, reunification, termination of parental rights, post termination placement, and adoption of children.

Each member of my Commission came to their duties with the belief that the biological family is the basic and natural structure for raising children. However, in the real world, we know that this is not always possible. Child abuse and neglect has grown at such an alarming rate it is now considered a national emergency. The U.S. Advisory Board on Child Abuse and Neglect reports that deaths from abuse and neglect of children age 4 and under outnumber those from falls, choking on food, suffocation, drowning, residential fires, and motor vehicle accidents combined!

Society has changed and in many cases government has been left to pick up the pieces. Unless we open new pathways for children of severely abusive homes to flourish and grow, an increasing number of children will be raised by the state. Children will lose something that can never be replaced: a chance at childhood; a chance at a forever family.

The history of child welfare reveals that the foster care system became overwhelmed by the number of children entering the system which resulted in "foster care drift" - a term used to describe years of foster care placement with no permanency for the child. To address the problem, Congress enacted The Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272). This Act requires that "reasonable efforts" be made both to prevent the need for removal from the family and to provide services to the family so the child can be returned as quickly as possible if removed from the home. Congress hoped, through the creation of the "reasonable efforts" provision, to reduce the number of children removed from their parents. The federal legislation was well intended and may have been appropriate at the time. However, as society changed, due to an increase of drugs, violence and abandonment by birth parents, we have witnessed unintended consequences of that legislation.

We face a new kind of "foster care drift" resulting from the "reasonable efforts" provision of this Act. "Foster care drift" was not eliminated by that provision. It merely changed. Prior to the 1980 Act, "foster care drift" was caused by taking children from their families, placing them in foster care and not providing services to the parent to help them reunite with their children.

Today, however," foster care drift" continues as a variation of its former self. Today, "reasonable efforts" have become "unreasonable efforts" as we provide services again and again to abusive parents. Children are entering foster care more damaged because they are left in their abusive homes while workers attempt to prove the unprovable to the federal government - that the undefined, nebulous "reasonable efforts" have been made to prevent the removal of the children from their home.

Because children are more damaged upon entering the system, our foster care and adoption subsidy costs have soared due to the intensive care these children need. Their damage is compounded as they are shuffled from disrupted placement to disrupted placement due to their behavior and overwhelming needs. They become unadoptable.

We need to challenge the present trend of our child welfare system which is based on the "reasonable efforts" provision that implies that every family can be "fixed" and a biological family, regardless of the severity of its dysfunction, is always the best place to raise a child. I have seen far too many loving and happy adoptive families with children adopted from abusive homes to believe that. There is a placement of choice for every child. The placement may be back in the child's own home, if investigation proves the parents have ***learned*** rather than simply ***complied*** with the services they have received. It could be adoption if the biological family can not be saved. However, our current system, instead of focusing on the best interest of the child, directs its attention on the adults. The rights of the adults override the needs of the child. In my opinion, reuniting a child with an abusive parent is nothing less than ordering a beaten wife to return to live with her abusive husband. The abused wife is no longer seen as the property of her husband. It is time we free our children from similar bondage.

Let me tell you a little bit about the children of whom I speak lest you think I'm referring to all the children who come under the supervision of the child protective services. I'm not talking about children whose parents keep a dirty, cluttered house or who don't know how to prepare nourishing meals or have no food in the refrigerator. Nor are they the children whose parents love them but need our help in learning the skills to care for their children. Those families deserve our help and our department works compassionately and determinedly to provide the services needed to teach them the proper skills to care for their children. It is our duty and moral obligation to help those families help themselves.

The children of whom I speak are the shattered bodies in tiny coffins; the little ones who have been raped; the babies who have been shaken so hard the blood vessels burst in their skulls; the children who have been burned with cigarette butts or set on hot stoves or put in scalding water to "make them behave"; the little faces and bones broken by the people who brought them life or those they allow into their homes.

Generally, the public and state and federal officials continue to regard these stories as rare and tragic events. Let me assure you, from five years experience of working with abused children, they are not rare.

Let me give you just two startling examples of how taxpayer's money is spent on achieving "reasonable efforts" to preserve families. A woman with four felony convictions and who was known by protective services to have abused, abandoned, terrorized and sold one of her children for one year's free rent and twelve hundred dollars cash was flown, on probation, round trip from another state, housed in a motel, provided meals and spending money for weekend visitation with her children. This continued for a period of thirteen months. These children were so traumatized by the visits that they experienced nightmares and bedwetting after the visits. In another case, services were provided for a parent who put her baby's face in scalding water because she was tired of her crying. The child's face was virtually melted and required countless surgeries to try to rebuild her face, but still "reasonable efforts" had to be made and reunification services were offered and visitation, though terrifying to the child, was ordered.

I've told you the problems, now let me tell you some of the recommendations our Children's Commission made that will help our caseworkers document abuse and establish grounds for early termination, ***without reunification efforts*** and free our waiting children for early adoption. We have recommended: increased training for protective service workers; field investigations on all complaints; portable computers for field investigations; development of a uniform assessment tool for investigations; increased ability to track families who have moved to avoid further protective services involvement; multi-disciplinary teams of the prosecutor and appropriate specialists to identify and collect enough evidence to sustain the "clear and convincing" burden of proof to terminate parental rights; decentralizing protective service workers to off-site assignments in hospitals that make more than 200 referrals of abuse and neglect per year; development of a data bank with each county prosecutor; and the establishment of a presumption to seek termination of the parent's rights at the first dispositional hearing when certain severe abuse has occurred. These abuses that the Commission determined merit termination are as follows:

> when children have been tortured; there has been severe physical abuse of a child or sibling; a sibling has been killed by the parent(s); the parent(s) has attempted to murder a child or sibling; a child or sibling has been sexually penetrated by a parent; or a very young or severely impaired child has been abandoned by the parent(s). This presumption should also be made in cases when parental rights to previous children have been terminated, or multiple attempts have been made to rehabilitate the family or when substance abuse has been ongoing and has resulted in previous harm to the children and the addiction has proved to be intractable even with appropriate treatment. This presumption that a termination petition should be filed at the first dispositional hearing should only be negated if it can be demonstrated that termination of parental rights is not in the child's best interest.

These are just a few of our one hundred and ninety-seven recommendations that are designed to achieve a permanent family for abused children, whether that is a return to a rehabilitated family or through adoption if the family can't be saved.

But we need your help on the federal level. Without it, we will never be rid of the fear that the federal government may come into our state and tell us that we have not reached that undefined, nebulous standard of "reasonable efforts". We need your support to put into federal law what we have recommended be put into state law. Without it, we are still at the mercy of federal regulators and judicial interpretation. Without federal changes, states will continue to fear that federal money will be lost because we have not met the mysterious and vague standard of "reasonable efforts."

There is such a small window of opportunity to save an abused child. If we allow them to stay in an abusive home for years as we struggle to change their parents, they become damaged. If we leave them in foster care for years as their parents fail repeatedly to change, they become damaged, **so damaged that adoption is not possible**. When abuse is severe, we must move quickly. Identify it, prosecute it, and terminate parental rights with no reunification efforts. As we are doing this, we should simultaneously and aggressively identify a permanent, loving, adoptive home for the child.

I am the guardian of our vulnerable children by virtue of my moral and my civic responsibility. And so are you, my fellow colleagues. On behalf of every child who shudders when Daddy - or Mommy's boyfriend - opens the bedroom door at night; whose screams are ignored by the neighbors; whose tortured minds and bodies are sick with fear, I ask your help.

Thank you for receiving this testimony today.

TESTIMONY OF
R. DAVID THOMAS

WENDY'S FOUNDER AND CHAIRMAN
THE DAVE THOMAS FOUNDATION FOR ADOPTION

BEFORE THE
U.S. HOUSE COMMITTEE ON WAYS AND MEAN
SUBCOMMITTEE ON HUMAN RESOURCES

THURSDAY, JUNE 27, 1996

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, GOOD AFTERNOON. I'M DAVE THOMAS, AND I'M HERE ON BEHALF OF THE DAVE THOMAS FOUNDATION FOR ADOPTION. THANK YOU FOR INVITING ME TO TALK WITH YOU TODAY. AS YOU KNOW ADOPTION IS A SUBJECT THAT'S CLOSE TO MY HEART.

I DON'T CLAIM TO BE AN EXPERT ON ADOPTION LAWS, AND THERE ARE MANY PEOPLE HERE TODAY WHO KNOW MORE ABOUT THAT THAN I DO. WHAT I DO KNOW IS HOW IMPORTANT IT IS FOR EVERY CHILD TO HAVE A HOME AND LOVING FAMILY. I WAS BORN OUT OF WEDLOCK AND ADOPTED WHEN I WAS SIX WEEKS OLD, AND I KNOW I WOULD NOT BE WHERE I AM TODAY WITHOUT A FAMILY TO CALL MY OWN.

I'M HERE TO TALK TO YOU TODAY ON BEHALF OF THE 600,000 CHILDREN IN AMERICA WHO ARE HELD IN THE FOSTER CARE SYSTEM, INCLUDING ABOUT 100,000 THAT ARE AVAILABLE FOR IMMEDIATE ADOPTION.

THAT'S 100,000 TOO MANY. EVEN ONE CHILD WITHOUT A PERMANENT HOME IS WRONG.

NOW, FOSTER PARENTS ARE WONDERFUL. THEY OPEN THEIR HEARTS EVERYDAY TO THESE CHILDREN. BUT FOSTER CARE WAS NEVER MEANT TO BE A PERMANENT SOLUTION, BUT THAT'S WHAT IT HAS BECOME.

FOSTER CHILDREN ARE INNOCENT VICTIMS OF A SYSTEM THAT TAKES AWAY THEIR HOPE AND THEIR TRUST. IT WEARS THEM DOWN WHILE THEY WAIT FOR A FAMILY TO LOVE THEM AND A PLACE TO CALL HOME. MOST OF THEM WAIT FOR YEARS...MANY FOR AN ENTIRE CHILDHOOD.

NOW, I FIRMLY BELIEVE THAT EVERYTHING WITHIN REASON SHOULD BE DONE TO KEEP CHILDREN WITH THEIR BIRTH PARENTS...IF, AND <u>ONLY</u> IF, IT'S THE RIGHT THING TO DO FOR THE CHILD. HOWEVER, TOO MANY CHILDREN REMAIN IN HOMES THAT AREN'T SAFE, HEALTHY OR CARING.

PARENTS NEED TO ACCEPT THE RESPONSIBILITY FOR RAISING AND CARING FOR THEIR CHILDREN. THIS IS NOT SOMEONE ELSE'S JOB, AND IT CERTAINLY ISN'T THE GOVERNMENT'S JOB. I THINK WE CAN ALL AGREE THAT THE GOVERNMENT DOESN'T MAKE A GOOD PARENT.

LISTEN TO THE ODDS THAT CHILDREN AWAITING ADOPTION ARE UP AGAINST. MANY CHILDREN GO THROUGH MULTIPLE ASSESSMENT STUDIES DURING THE ADOPTION PROCESS. WHY DO WE NEED SO MANY STUDIES TO LEARN THE SAME THINGS?

THEN CHILDREN IN THE FOSTER CARE SYSTEM ARE MOVED AROUND TO FOUR, EIGHT, SOMETIMES 10 DIFFERENT FOSTER HOMES BEFORE THEY ARE ADOPTED. THAT'S SIMPLY TOO MANY FOR ANY CHILD TO BE ABLE TO GAIN THE STABILITY THEY NEED TO GROW.

I MET A LITTLE BOY IN SOUTH CAROLINA WHO HAD BEEN IN SO MANY HOMES THAT HE LITERALLY COULDN'T REMEMBER HIS LAST NAME.

AND I MET A THIRTEEN-YEAR-OLD TEENAGER IN CHICAGO WHO HAD BEEN IN 15 DIFFERENT FOSTER HOMES AND HE WAS SICK AND TIRED OF BEING PASSED AROUND. ALL HE WANTED WAS A PERMANENT, LOVING FAMILY. HE WAS WORRIED THAT PEOPLE WANTED TO ADOPT BABIES AND HE WAS TOO OLD. WHAT KIND OF LIFE IS THAT FOR A CHILD? WHAT KIND OF AN ADULT CAN WE EXPECT HIM TO BE?

I ALSO MET A LITTLE GIRL WHO TOLD ME SHE KEEPS EVERYTHING SHE OWNS – ALL HER TOYS AND ALL HER CLOTHES — IN A SINGLE PILLOW CASE BECAUSE SHE MOVES SO OFTEN FROM FOSTER HOME TO FOSTER HOME.

THE NUMBERS KEEP GETTING WORSE. A FOSTER CHILD IN AMERICA WAITS BETWEEN THREE AND SIX YEARS BEFORE BEING ADOPTED…UP TO SIX YEARS BEFORE RECEIVING THE LOVE OF A PERMANENT FAMILY.

I THINK YOU'LL AGREE THE NUMBERS ARE STACKED AGAINST WAITING CHILDREN IN AMERICA. THE FOSTER CARE SYSTEM SHOULD PROTECT THE CHILDREN FIRST AND FOREMOST, AND ENSURE EACH FOSTER CHILD HAS EVERY OPPORTUNTY TO HAVE A LOVING FAMILY AND BECOME A PRODUCTIVE CITIZEN.

GROWING UP WITHOUT YOUR OWN FAMILY IS REALLY TOUGH. AND WHAT IT DOES TO KIDS IN THE LONG RUN IS EVEN WORSE.

EXPERTS TELL US THAT KIDS WHO GROW UP IN FOSTER CARE ARE MORE LIKELY TO DROP OUT OF SCHOOL, GIVE BIRTH OUT OF WEDLOCK, GO ON WELFARE OR END UP HOMELESS. THEY ARE ALSO MORE LIKELY TO ENTER A LIFE OF CRIME. ALL BECAUSE THEY DON'T HAVE A STABLE FAMILY THAT CARES ABOUT THEM, ONE THAT HELPS THEM ESTABLISH A SENSE OF RIGHT AND WRONG, A SENSE OF SELF WORTH, AND A PRIDE IN WHO THEY ARE.

AND THE ANSWER TO THIS PROBLEM IS SIMPLE: THE NUMBER **ONE**.

ONE HOME STUDY, **ONE** CASEWORKER, **ONE** FOSTER HOME AND A PERMANENT FAMILY IN JUST **ONE** YEAR. WE NEED AN ADOPTION SYSTEM THAT LIVES UP TO ALL THESE **ONES**...AND SO DO AMERICA'S WAITING CHILDREN.

LET ME EXPLAIN.

MANY OF US IN THE ADOPTION COMMUNITY SUPPORT SOME SIMPLE GOALS OUTLINED BY THE KELLOGG FOUNDATION.

HERE ARE THOSE GOALS.

- GIVE FAMILIES THE SUPPORT THAT THEY NEED TO STAY TOGETHER. BUT REMEMBER THAT THE CHILD'S CONCERNS ARE NUMBER **ONE**.

- JUST **ONE** COMPREHENSIVE ASSESSMENT SHOULD BE MADE FOR EACH CHILD AND EACH FAMILY INTERESTED IN ADOPTION.

- **ONE** CASEWORKER OR TEAM SHOULD BE ASSIGNED TO EACH CHILD AND EACH FAMILY -- AN INDIVIDUAL WHO WILL STAND BY THAT CHILD UNTIL HE OR SHE FINDS A FAMILY.

- CHILDREN SHOULD BE ASSIGNED TO JUST **ONE** FOSTER HOME, AND NOT MOVED FREQUENTLY LIKE THEY ARE NOW.

- AND EACH CHILD SHOULD BECOME PART OF A PERMANENT FAMILY WITHIN **ONE** YEAR.

WE THINK THESE IDEAS ARE SIMPLE TO UNDERSTAND AND WE SUPPORT THEM. WE ASK THAT YOU MAKE THEM YOUR GOALS TOO AS YOU LOOK FOR WAYS TO IMPROVE THE ADOPTION PROCESS.

THE COMMITTEE HAS THE ABILITY TO FIX THE SYSTEM THAT HOLDS THESE CHILDREN HOSTAGE. LET THEM KNOW THAT THEY ARE NUMBER **ONE** IN YOUR MINDS.

THANK YOU FOR INVITING ME TO TESTIFY HERE TODAY. I LOOK FORWARD TO WORKING WITH YOU TO HELP AMERICA'S WAITING CHILDREN.

U.S. House of Representatives
Committee on Ways and Means
Subcommittee on Human Resources
E. Clay Shaw, Jr., Chairman

Written Testimony of Judith Goodhand

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I am Judith Goodhand, Director of the Department of Children and Family Services in Cleveland, Ohio and I have worked in children's services for 24 years. I began my career in Knox County, Ohio, a small rural county of 45,000 people, later moved to the county agency in Toledo (population: 350,000) and, for the past 4 years, I have directed the county agency in Cleveland. So for 24 years, I have known the rewards and the pain of developing children's services under a broad range of circumstances and conditions.

Today in Cleveland we are working to improve and reform our system in response to dramatically changing conditions. Currently my agency must respond every month to 1,500 reports involving children who are abused, abandoned, homeless, hungry or toxic with drugs at birth. We provide services to almost 60,000 children and their parents each year, take custody of close to 300 children each month and on any given day are seeking adoptive families for 700 waiting children.

These are very different circumstances than existed in 1972 in Knox County or even Cleveland when we often removed children from their homes to foster care or institutions for the slightest reasons. We took children from their parents too easily, and worse, kept them indefinitely. In that process we sometimes lost track of where, and who, they were. In 1972, we did not have 15,000 homeless children on our streets and in our shelters in Ohio, as we did in 1994. We had never heard of crack cocaine, which did not hit our streets until the late 1980's.

The threats to children are significantly different and greater today from what they were in 1972, and the decisions we are called to make are more complex. As this Committee opens discussion on the reasonable efforts standards for agencies such as ours, I ask you to please keep in mind the pressures on social workers and other professionals every day to make the right decisions about when to *remove* the child, when to *reunite* the child with the birth parents, and when to permanently sever the ties between the two. Social workers need sophisticated training and a broad range of knowledge, tools and skills to protect children today. Our response to that first notice of an incident of abuse or neglect is critical. We must be thorough investigators to determine the appropriate action. A child's safety must and always does come first. In Cleveland we use a structured risk assessment process to help social workers determine the level of risk to that child. Our goal is to make sure the most serious cases get quick and intense action. We also need to have access to a broad range of *preventive* services based on what is best for the child and the family, including family preservation, drug treatment, health care, and parent training. If a child needs to be removed to be safe, we need a wide range of *placement* resources for children who aren't safe in their own homes. We need to provide special services for those foster and adoptive families who care for special needs children. And we must be able to provide adoptive families for those children who can never return home. Mr. Chairman and members of this Committee, there is no one response or service that is appropriate for every child, or every family. We do not have a one-size-fits-all system. We need both home-based services, such as family preservation, and out-of-home services, such as foster care.

We often hear and read about what *doesn't* work: the child who is not removed and dies of abuse, the child who is reunited and reabused.

We do not hear very much about the thousands of children who remain safely in their homes because they received appropriate services, which is why I urge you to pay close attention to the testimony of Pat Newell and Deborah Benn, who join me here today. They are successful because our system worked for them and their children. They represent the thousands of children and families who are in safe, secure and stable homes because of systems that worked. And we rarely hear about the other risk: the risk of growing up without a family, separated from home, brothers and sisters, schools and friends when children are removed unnecessarily. A review of reasonable efforts should not focus on just family preservation or reunification or adoption services. We need all of these services to respond to different levels and different kinds of risk. Most of all we need safe, secure, permanent families for our children.

There are successful programs which protect children at home, and others which place them outside of their homes in foster care. We need to build on these new models. In Cleveland we've been very fortunate to have private funds to assist us with our reform effort. Thanks to a grant from the Annie E. Casey Foundation, we have developed a program called Family to Family, which trains foster parents who live in the same or nearby communities as the birth parents. Birth and foster parents work as a team with social workers for changes that will allow the child to be returned home and, when that is not possible, to facilitate adoption. (Sixty percent of our children are adopted by their foster parents.) This process involves a whole network of community and neighborhood supports for these families, and builds on a partnership with the private sector.

Our first goal is to keep children safe from harm and we must use every resource available to do this. The key is to choose the right resource in each case. We know that some children cannot be protected in their own homes, even with family preservation or other resources. No one has ever claimed that family preservation is right for all families. But we also know that foster care does not always provide the stability, commitment or nurturing that all children need. And I tell you, with great sorrow, that if we are not able to find adoptive homes for the 700 children in our permanent custody, they will grow up without families of their own.

I firmly believe that children need families. And that we should make reasonable efforts to help families break the cycle of violence, learn how to discipline children without abusing them and stop neglect, too often due to poverty. As a society, we cannot afford to take children from their homes, breaking family ties, just because they are poor. If you look at the child welfare system through the eyes of a child, reasonable efforts need reasonable services.

Yes, we must do what is best for the child, but permanent families, whether birth or adoptive, are best for children and young people. We all need families.

Specifically on barriers to adoption there are a number of things that could help children who wait too long for families.

Wendy's and the Dave Thomas Foundation have done a good job developing public/private partnerships around the country with child welfare agencies. With a grant from the Families for Kids Initiative of the W.K. Kellogg Foundation, nine counties are working together on a special Wendy's recruitment project in northern Ohio focusing on five key outcomes described by Mr. Thomas.
Quite frankly, the proposed legislation passed by the House on tax credits would not really help children in foster care who are waiting for families. There are

important issues Congress and the government can do on adoption. Over the past twenty years, you have identified many of these problems, but it is time to take another look at what is working. Specifically in the areas of:

- Technology and uniform data collection: Most child welfare agencies still rely on paper systems to track their children and families. Computerization has been too slow in coming to our field. This is why so many children can literally get "lost" in the system. Good management information systems and improved data collection and utilization technologies are key toward identifying problems and finding solutions for the backlog of children in the system. We are just beginning this process in Ohio and it is a hard one. Each state should not have to recreate the wheel, over and over again on MIS systems and data collection. Congress has taken action in this area over the last ten years. But we need more and better technical assistance given the rapid advances in this area.

- Recruitment: The U.S. Department of Health and Human Services' Adoption Opportunities Program provides funds for developing recruitment campaigns featuring special needs children legally free to be adopted. Under this excellent program, our county developed a set of materials that I would like to submit for the record as an example of what others are doing around the country. The program is under-funded and still is just a "pilot." But much more can and should be done. The Federal government could provide ongoing funds for national and regional recruitment efforts. Just as the Army asks people to "Be all that you can be" or the Parks Service has Smokey the Bear telling people "Only You Can Prevent Forest Fires," we could use some leadership on foster care and adoption utilizing both mass media, radio and television spots, and on-going, child-specific recruitment.

- The backlog of Waiting Children: In Ohio and many other states, the log jam for kids in foster care and permanency comes during the home study process. We must be thorough in our investigations when certifying foster and adoptive families. The public expects us to set high review standards and to ensure that children in foster and adoptive homes are truly safe, secure and stable. But a good home study costs between $600-$1200. I fear that without additional resources to help relieve the backlog of children in foster care, we may never find enough homes for all the children who need them.

Ohio is very lucky to have several national foundations investing in us to reform our system. Both the Family to Family program supported by the Annie E. Casey Foundation in six states and the Families for Kids Initiative by the W.K. Kellogg Foundation in 11 states are identifying important best practices to improve the child welfare system in foster care and adoption. We now know what parts of the system can be fixed and the new and improved tools needed for reform.

I urge you to preserve the entitlement which IV-E maintenance and administrative dollars give to our children in foster and adoptive placements. But there is more Congress can do: we also need to assure that there are adequate funds to support family preservation, prevention services, drug treatment, health care and other services. And finally we need both resources and technical assistance to help us in developing and supporting adoptive families for special needs children. I am keenly aware that it is not a good time to come and talk about additional needs. But out of the 24 years of my experience in working with children, I am telling you that the situation of our children today is desperate and they need your help.

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COLLECTION:
Clinton Presidential Records
Policy Development
Lyn Hogan
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FOLDER TITLE:
Legislation [3]

2011-1010-S
ms199

RESTRICTION CODES

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

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[001]

U. S. House of Representatives, Committee On Ways And Means,
Subcommittee on Human Resources. E. Clay Shaw Jr. Chairman.
Written Testimony of Patricia Newell. P6/(b)(6)
P6/(b)(6)

Thank you Mr. Chairman, members of the committee for inviting me to testify concerning this vitally important subject which is one that is very dear to my heart.

I wear two hats as I sit before you today. I am the assistant director of St. Martin De Porres Family Resource Center, a private nonprofit agency in Cleveland, Ohio, and I am a foster parent. Our agency was selected as one of the two sites to pilot the Family To Family Neighborhood Foster Care Initiative and I had no idea at that time that as a result of that contract my life was about to be radically changed. In fact my very soul was about to be challenged.

My husband and I opened hearts and our home to a scrawny little 10-year-old boy named Damu Bridges on May 28th 1992. We had no idea at that time how long we would have Damu with us and that seemed relatively unimportant to us. We had no children of our own at that time and we had plenty of room in our home and in our lives for little Damu. Damu was the middle child of a family of nine children and, needless to say, he was enjoying all of the attention lavished upon him by our family and friends. He would often ask us if we could adopt him so that his last name would be Newell like ours. I would always respond by telling him that his parents loved him very much and that they had not given him to us -- that they were only asking us for a little help while they got their lives back in order. Having a professional background in the field of drug treatment I was able to talk to Damu about his father's chemical dependency without ever putting his dad down. Damu never talked much about his mom at first. I later found out that she had abandoned Damu and his brothers and sisters about six months prior to the children being taken from the home by the Department of Children and Family Services. He had a great deal of anger locked inside about his mom leaving him and the other children.

Well, having given you a little background information about Damu I need to talk about how the Family To Family Initiative affected us. An important part of the Family To Family agenda was to begin to bring about more interaction between the foster family and birth parents. I was concerned when I heard this concept being tossed about. After all I had not become a foster parent thinking I would ever have to interact with the child's parents. I knew that this could be risky not to mention potentially dangerous. However, being the type A personality that I am I stepped up to the challenge. I determined that I would be willing to meet Damu's parents as a sort of test case. I would arrange for the meeting to take place at St. Martin De Porres, a safe place, on my own turf. I remember that day vividly. I was a nervous wreck but I tried to appear to be in control. I waited in my office busying myself with paperwork, having given my staff instructions to notify me when Mrs. Bridges entered the building. Finally, the moment had arrived, and out to the main lobby I went. There sat this very docile unassuming little woman. She looked so very scared and I remember thinking that she looked nothing like I had imagined. Up to the conference room we went, not saying a word to one another in the elevator. We sat around trying to make small talk until Damu was brought from school by his social worker. Suddenly there was a knock at the door. Damu walked into the room with a timid look on his face and what I saw after that would change my life. Mrs. Bridges looked into her son's eyes and pulled his little chin toward her and kissed him. It was a gesture that only his mom could make. I could provide Damu with shelter, clothing and food but I knew at that moment that she had just given him something that I could never give him I was moved to tears just watching her tenderness with him and his respect for her. I didn't know how I would be able to help but I knew that Damu needed to be with his mom.

Four years later on June 17th 1996, Damu Bridges went home. Adoption is a wonderful thing and I applaud the efforts of those who make it happen, but it is not the answer for every child. In reality, there may be too many barriers for adoption of a 15-year-old African-American male. For Damu, permanency was achieved when he went home to his mother. Damu's mom will need a great deal of support and I have pledged to give her that support so that this reunification will be a successful reunification.

In closing, I plead with you members of the government that in our effort to contain cost, and keep children safe, we do not decimate the resources that should be available to provide the supportive services to families to preserve them and to protect children when they cannot protect themselves.

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[002]

U.S. House Of Representatives, Committee On Ways and Means, Subcommittee on Human Resources. E. Clay Shaw Jr. Chairman.
Written Testimony of Deborah Benn. P6/(b)(6)
P6/(b)(6)

Thank you Mr.Chairman, members of the committee for inviting me to testify.

I am Deborah Benn, a 34 year old mother of 3

Both my parents are deceased. My mom was a L.P.N. nurse, my father was a welder. My father as an alcoholic, and while growing up I witnessed domestic violence between my parents. My mother was the primary caretaker for the family, due mainly to my fathers alcoholism. My mom died of M.S. when I turned 22 years old. I was pregnant with my second child when she died. I was living with the father of my two sons. I was a manager with Burger King, Inc., and was doing well, I thought however, I was in a violent relationship, and I stayed with this relationship for six years, despite my families pleading for me to leave. One night I came home late; and we got into a physical fight. This night I was really tired of the beatings. I had suffered a broken arm, black eyes, and, hospitalized for one week due to internal bleeding. I took enough clothes for my kids and went to a friend's house. However, my sons' father would consistently harass me at work and in the community. Burger King, Inc., changed my job site 2 times, and I was eventually fired. I became so depressed with everything and one night some friends invited me to their house and I was introduced to crack/cocaine. Within the same week I tried it again. the drugs were free and available whenever I needed them. Within the next three - four months I saw myself becoming addicted, but I rationalized it, telling myself that I could quit anytime.

I moved in with my sister, and stayed with her for a year. I would leave my kids with my sister for days at a time, or if necessary leave them by themselves. They were 6 and 3 years old. After a year of this, my sister put me out. I went into the West Side Shelter. They helped me find housing, where I stayed for two years. I was still using drugs, but I thought I was okay, I was working and taking care of my kids. Finally, things got worse, I spent all my rent money, food stamps, and utility money on drugs. I was finally evicted. Me and my kids moved in with a drug using friend, who I became pregnant by with my 3rd child. I had no running water (I got water out of the fire hydrant), no gas and no heat, I lived this way for a year. One day I came home from picking up my check and found a note from a social worker. I never called, but the worker came back a few days later and my friend had told them that I moved. Actually I came back, and me and my friend had spent all my money on drugs. We got into a fight, and me and my kids left It was cold, and I had no place to go. We slept at an RTA bus shelter. That morning I went back to my friend's, but couldn't get in. I don't know why I kept the card from the social worker, but I did, and I called. I asked the worker what would happen if I brought my kids down. Would I get them back? The worker told me if I brought them down she would give me referrals for treatment, and would work with me to help me get my children back. She told me it would take at least a year. I told her that I would talk to my kids and get back to her. The worker kept asking me to bring my kids now that day. I did not give the worker any information she wanted. In fact, I think the worker was "shocked" when I showed the next day. The worker met me in the lobby. She explained to me what I needed to do. She helped me get into a shelter, and placed my kids in foster care. Within a week I was in treatment. I was in treatment for 6 months. I saw my children once per month. Once I completed treatment, my worker referred me to Family Transitional Housing. I was accepted, but didn't have enough income for the program. I was able to work at the treatment facility and earn enough to live at Family Transitional Housing. During this time my children were able to have overnight visits with me. My oldest son came home first. When he came home I got a chance to meet the foster parent, who lived in the same community. My second son came home a month later. My daughter who was placed in another foster home came home a month after my second son. Within 90 days I had all my children back.

I lived at Family Transitional Housing for 2 years. I went back to school, received my G.E.D., and did volunteer work at Family Transitional Housing, I moved into a SAFH (Facility to assist the Homeless) home. I lived there for about a year. During this time I applied for a Habitat House, and was hired as a full time child advocate for Family Transitional Housing, I work with children of recovering parents. I moved into my own home two years ago.

I still work for Family Transitional Housing, and I am a part-time student at Tri-C Community College. I also train new social workers and foster parents. My children are recovering as well. My oldest is 15 and in the 10th grade. He carries a B average, and plans to be a architect. My second son is 13, in the 8th grade. He is a straight A student with a 4.0 average. He is an Upward Bound program at Case Western Reserve University. Only two children from the Cleveland School district received this scholarship; my daughter is 8, and also does well in school. I currently have her in private school.

It was hard, but because my social worker believed in me and made efforts to help me, I was able to get my children back. I don't know where me or my children would be if these efforts had not been made.