

104TH CONGRESS
1ST SESSION

S. 842

To replace the Aid to Families With Dependent Children Program with a block grant to the States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 23 (legislative day, MAY 15), 1995

Mr. ASHCROFT (for himself, Mr. COVERDELL, Mr. CRAIG, Mr. DEWINE, Mr. SMITH, Mr. INHOFE, and Mr. KEMPTHORNE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To replace the Aid to Families With Dependent Children Program with a block grant to the States, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Individual Accountabil-
5 ity Act of 1995”.

6 **SEC. 2. BLOCK GRANTS TO THE STATES FOR AID TO NEEDY**
7 **FAMILIES WITH CHILDREN.**

8 Part A of title IV of the Social Security Act (42
9 U.S.C. 601–617) is amended to read as follows:

1 “PART A—BLOCK GRANTS TO STATES FOR AID TO
2 NEEDY FAMILIES WITH CHILDREN

3 “PURPOSE; IMPLEMENTATION

4 “SEC. 401. (a) PURPOSE.—The purpose of this part
5 is to strengthen families by helping them move from de-
6 pendence on government benefits to economic independ-
7 ence by consolidating Federal assistance to the States for
8 aid to needy families and children into a single grant for
9 such purpose, thereby giving States maximum flexibility
10 to—

11 “(1) require welfare beneficiaries to work, from
12 the first receipt of benefits to the last;

13 “(2) require beneficiaries who are parents to
14 ensure that their school-age children attend school;

15 “(3) require minors who are beneficiaries to at-
16 tend school;

17 “(4) require parent beneficiaries to ensure that
18 their children receive the full complement of child-
19 hood immunizations;

20 “(5) limit the amount of time beneficiaries may
21 receive assistance;

22 “(6) require beneficiaries not to use illegal
23 drugs or abuse other drugs;

24 “(7) reduce and discourage illegitimate births;

1 “(8) require each mother to identify the father
2 of any child for whom she seeks assistance;

3 “(9) provide noncash assistance to children or
4 unwed minors to prevent benefits from being di-
5 verted to inappropriate purposes;

6 “(10) provide assistance to children to unwed
7 minor parents only when such minor parents are liv-
8 ing in the homes of relatives;

9 “(11) deny assistance to illegal aliens;

10 “(12) require individuals who sponsor the resi-
11 dency of legal aliens to support those they sponsor;
12 and

13 “(13) involve religious and charitable organiza-
14 tions, voluntary associations, civic groups, commu-
15 nity organizations, nonprofit entities, benevolent and
16 fraternal orders, philanthropic entities, and other
17 groups in the private sector, as appropriate, in the
18 provision of assistance to needy families with the
19 funding States receive under this part.

20 “(b) IMPLEMENTATION.—This purpose shall be im-
21 plemented in accordance with conditions in each State and
22 as determined by State law.

23 “PAYMENTS TO STATES

24 “SEC. 402. (a) STATE MANDATES FOR WORK BY
25 BENEFICIARIES.—As a condition of receiving a payment
26 of funds under this part, a State shall require each adult

1 member of any family receiving aid from a State under
2 this part to work, as defined by State law. Any individual
3 who fails or refuses to work, and any member of such indi-
4 vidual's family residing with such individual, shall not be
5 eligible for assistance from funds provided to the State
6 under this part.

7 “(b) AMOUNT.—

8 “(1) IN GENERAL.—Each State shall, subject to
9 the requirements of this part, be entitled to receive
10 quarterly payments for fiscal years 1996, 1997,
11 1998, 1999, and 2000 in an amount equal to 25
12 percent of the annual amount determined under
13 paragraph (2) for such fiscal year for carrying out
14 the purpose described in section 401.

15 “(2) ANNUAL AMOUNT.—The annual amount
16 determined under this paragraph is equal to—

17 “(A) in fiscal year 1996, 100 percent of
18 the amounts received by a State in fiscal year
19 1994, or 100 percent of the average of amounts
20 received by a State in fiscal years 1992, 1993,
21 and 1994, whichever is greater, under—

22 “(i) this part (as in effect in fiscal
23 year 1994, or, if applicable, in fiscal years
24 1992, 1993, and 1994); and

25 “(ii) part F (as so in effect); and

1 “(B) in each fiscal year thereafter, 100
2 percent of the amount received by a State in
3 the preceding fiscal year under this part (as in
4 effect in such preceding fiscal year).

5 “(c) FUNDING REQUIREMENTS.—The Secretary of
6 the Treasury shall make quarterly payments described in
7 subsection (b)(1) directly to each State in accordance with
8 section 6503 of title 31, United States Code.

9 “(d) EXPENDITURE OF FUNDS; RAINY DAY FUND.—
10 Amounts received by a State under this part for any fiscal
11 year shall be expended by the State in such fiscal year
12 or in the succeeding fiscal year; except for such amounts
13 as the State deems necessary to set aside in a separate
14 account to provide, without fiscal year limitation, for unex-
15 pected levels of assistance during periods of high unem-
16 ployment or other events which cause unexpected increases
17 in the need for assistance to needy families and children.
18 Any amounts remaining in such segregated accounts after
19 fiscal year 2000 shall be expended by a State for the pur-
20 pose described in section 401 of this part as in effect in
21 fiscal year 2000.

22 “(e) PROHIBITION ON USE OF FUNDS.—Except as
23 provided in subsection (f), a State to which a payment
24 is made under this part may not use any part of such
25 payment to provide medical services.

1 “(f) AUTHORITY TO USE PORTION OF GRANT FOR
2 OTHER PURPOSES.—

3 “(1) FOR SSI FOR THE DISABLED, HEALTH
4 CARE SERVICES FOR NEEDY INDIVIDUALS, OR FOOD
5 ASSISTANCE.—

6 “(A) IN GENERAL.—A State may use not
7 more than 30 percent of the annual amount
8 paid to the State under this part for a fiscal
9 year to carry out a State program pursuant to
10 any or all of the following provisions of law:

11 “(i) Title XVI of this Act.

12 “(ii) Title XIX of this Act.

13 “(iii) The Food Stamp Act.

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

23 “(2) FOR ELEMENTARY AND SECONDARY EDU-
24 CATION AND OTHER PURPOSES.—

1 “(1) have in effect a plan approved under part
2 D of title IV of the Social Security Act; and

3 “(2) operate a child support and paternity es-
4 tablishment program in substantial compliance with
5 such plan.

6 “ADMINISTRATIVE AND FISCAL ACCOUNTABILITY

7 “SEC. 404. (a) AUDITS; REIMBURSEMENT.—

8 “(1) AUDITS.—

9 “(A) IN GENERAL.—A State shall, not less
10 than annually, audit the State expenditures
11 from amounts received under this part. Such
12 audit shall—

13 “(i) determine the extent to which
14 such expenditures were or were not ex-
15 pended in accordance with this part; and

16 “(ii) be conducted by an approved en-
17 tity (as defined in subparagraph (B)) in
18 accordance with generally accepted audit-
19 ing principles.

20 “(B) APPROVED ENTITY.—For purposes of
21 subparagraph (A), the term ‘approved entity’
22 means an entity that is—

23 “(i) approved by the Secretary of the
24 Treasury;

25 “(ii) approved by the chief executive
26 officer of the State; and

1 “(iii) independent of any agency ad-
2 ministering activities funded under this
3 part.

4 “(2) REIMBURSEMENT.—

5 “(A) IN GENERAL.—Not later than 30
6 days following the completion of an audit under
7 this subsection, a State shall submit a copy of
8 the audit to the State legislature and to the
9 Secretary of the Treasury.

10 “(B) REPAYMENT.—Each State shall pay
11 to the United States amounts ultimately found
12 by the approved entity under paragraph (1)(A)
13 not to have been expended in accordance with
14 this part plus 10 percent of such amount as a
15 penalty, or the Secretary of the Treasury may
16 offset such amounts plus the 10 percent penalty
17 against any other amount in any other year
18 that the State may be entitled to receive under
19 this part.

20 “(b) ADDITIONAL ACCOUNTING REQUIREMENTS.—
21 The provisions of chapter 75 of title 31, United States
22 Code, shall apply to the audit requirements of this section.

23 “(c) REPORTING REQUIREMENTS; FORM, CON-
24 TENTS.—

1 “(1) ANNUAL REPORTS.—A State shall prepare
2 comprehensive annual reports on the activities car-
3 ried out with amounts received by the State under
4 this part.

5 “(2) CONTENT.—Reports prepared under this
6 section—

7 “(A) shall be for the most recently com-
8 pleted fiscal year;

9 “(B) shall be in accordance with generally
10 accepted accounting principles, including the
11 provisions of chapter 75 of title 31, United
12 States Code;

13 “(C) shall include the results of the most
14 recent audit conducted in accordance with the
15 requirements of subsection (a) of this section;

16 “(D) shall include information on any re-
17 duction in the illegitimacy rate in a State and
18 the statistics by which such rate is determined
19 pursuant to section 402(f)(2); and

20 “(E) shall be in such form and contain
21 such other information as the State deems nec-
22 essary—

23 “(i) to provide an accurate description
24 of such activities; and

1 “(ii) to secure a complete record of
2 the purposes for which amounts were ex-
3 pended in accordance with this part.

4 “(3) COPIES.—A State shall make copies of the
5 reports required under this section available for pub-
6 lic inspection within the State. Copies also shall be
7 provided upon request to any interested public agen-
8 cy, and each such agency may provide its views on
9 such reports to the Congress.

10 “(d) ADMINISTRATIVE SUPERVISION.—

11 “(1) ROLE OF THE SECRETARY OF THE TREAS-
12 URY.—

13 “(A) IN GENERAL.—The Secretary of the
14 Treasury shall supervise the amounts received
15 under this part in accordance with subpara-
16 graph (B).

17 “(B) LIMITED SUPERVISION.—The super-
18 vision by the Secretary of the Treasury shall be
19 limited to—

20 “(i) making quarterly payments to the
21 States in accordance with section 402(b);

22 “(ii) approving the entities referred to
23 in subsection (a)(1)(B); and

1 “(iii) withholding payment to a State
2 based on the findings of such an entity in
3 accordance with subsection (a)(2)(B).

4 “(2) OTHER FEDERAL SUPERVISION.—No ad-
5 ministrative officer or agency of the United States,
6 other than the Secretary of the Treasury and, as
7 provided for in section 405, the Attorney General,
8 shall supervise the amounts received by the States
9 under this part or the use of such amounts by the
10 States.

11 “(e) LIMITED FEDERAL OVERSIGHT.—With the ex-
12 ception of the Department of the Treasury as provided
13 for in this section and section 405 of this part, no Federal
14 department or agency may promulgate regulations or issue
15 rules regarding the purpose of this part.

16 “NONDISCRIMINATION PROVISIONS

17 “SEC. 405. (a) NO DISCRIMINATION AGAINST INDI-
18 VIDUALS.—No individual shall be excluded from participa-
19 tion in, denied the benefits of, or subjected to discrimina-
20 tion under any program or activity funded in whole or in
21 part with amounts received under this part on the basis
22 of such individual’s—

23 “(1) disability under section 504 of the Reha-
24 bilitation Act of 1973 (29 U.S.C. 794);

25 “(2) sex under title IX of the Education
26 Amendments of 1972 (20 U.S.C. 1681 et seq.); or

1 “(3) race, color, or national origin under title
2 VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d
3 et seq.).

4 “(b) COMPLIANCE.—If the Secretary of the Treasury
5 determines that a State, or an entity that has received
6 funds from amounts received by the State under this part,
7 has failed to comply with a provision of law referred to
8 in subsection (a), except as provided for in section 406
9 of this part, the Secretary of the Treasury shall notify the
10 chief executive officer of the State and shall request the
11 officer to secure compliance with such provision of law.
12 If, not later than 60 days after receiving such notification,
13 the chief executive officer fails or refuses to secure compli-
14 ance, the Secretary of the Treasury may—

15 “(1) refer the matter to the Attorney General
16 with a recommendation that an appropriate civil ac-
17 tion be instituted;

18 “(2) exercise the powers and functions provided
19 under title VI of the Civil Rights Act of 1964 (42
20 U.S.C. 2000d et seq.), title IX of the Education
21 Amendments of 1972 (20 U.S.C. 1681 et seq.); or
22 section 505 of the Rehabilitation Act of 1973 (29
23 U.S.C. 794a), (as applicable); or

24 “(3) take such other action as may be provided
25 by law.

1 “(1) IN GENERAL.—Notwithstanding any other
2 provision of law, any religious organization partici-
3 pating as a provider of assistance funded under this
4 part shall retain its independence from Federal,
5 State, and local governments, including such organi-
6 zation’s control over the definition, development,
7 practice, and expression of its religious beliefs. Such
8 an organization may select, employ, promote, dis-
9 cipline, and dismiss its clerics and other
10 ecclesiastics, directors, officers, employees, and vol-
11 unteers on the basis of religion, a religious belief, or
12 a religious practice. However, a religious organiza-
13 tion shall not deny needy families and children the
14 benefits of any assistance funded under this part on
15 the basis of religion, a religious belief, or refusal to
16 participate in a religious practice.

17 “(2) ADDITIONAL SAFEGUARDS.—Neither the
18 Federal Government nor a State shall require a reli-
19 gious provider of assistance to—

20 “(A) alter its form of internal governance,
21 or form a separate, nonprofit corporation to re-
22 ceive and administer the assistance funded
23 under this part; or

24 “(B) alter real estate or facilities used to
25 provide such assistance, including but not lim-

1 ited to the removal of religious art, icons, scrip-
2 ture, or other symbols;
3 in order to be eligible to be a provider of assistance
4 funded under this part.

5 “(3) FISCAL ACCOUNTABILITY.—

6 “(A) IN GENERAL.—Except as provided in
7 subparagraph (B), any religious organization
8 providing assistance funded under this part
9 shall be subject to the same regulations as
10 other providers to account in accord with gen-
11 erally accepted auditing principles for the use of
12 such funds provided under this part.

13 “(B) LIMITED AUDIT.—Religious organiza-
14 tions may segregate Federal funds provided
15 under this part into separate accounts, and
16 then only the financial assistance provided with
17 those funds shall be subject to audit.

18 “(d) COMPLIANCE.—A religious organization which
19 has its rights under this section violated may enforce its
20 claim by asserting a civil action for such relief as may
21 be appropriate, including injunctive relief or damages, in
22 an appropriate district court of the United States against
23 the entity or agency that commits such violation.

24 “(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

1 “(1) IN GENERAL.—If a beneficiary has a bona
2 fide objection to the religious character of the orga-
3 nization or institution from which the beneficiary is
4 receiving assistance funded under this part, each
5 State shall provide such beneficiary a certificate, re-
6 deemable with any other provider of assistance fund-
7 ed under this part, for services the value of which
8 is no less than the value of the funding received by
9 the religious provider from a State to provide assist-
10 ance funded under this part for such individual.

11 “(2) PROHIBITION ON PROVIDING CASH IN EX-
12 CHANGE FOR CERTIFICATES.—No provider of assist-
13 ance funded under this part shall provide a bene-
14 ficiary a cash amount in exchange for a certificate
15 provided for under paragraph (1).”.

16 **SEC. 3. CONFORMING AMENDMENTS TO THE BUDGET ACT.**

17 The Balanced Budget and Emergency Deficit Control
18 Act of 1985 (2 U.S.C. 900 et seq.) is amended—

19 (1) in section 255(h) (2 U.S.C. 905(h), by
20 striking “Aid to families with dependent children
21 (75-0412-0-1-609);” and inserting “Block grants
22 to States for aid to needy families with children;”;
23 and

24 (2) in section 256 (2 U.S.C. 906), by striking
25 subsections (c) and (k).

1 **SEC. 4. CONSOLIDATION OF FEDERAL SPENDING.**

2 Part F of title IV of the Social Security Act (42
3 U.S.C. 681–687) is repealed.

4 **SEC. 5. EFFECTIVE DATE.**

5 The amendments and repeals made by this Act shall
6 take effect on October 1, 1995.

