

104TH CONGRESS
1ST SESSION

S. 845

To replace the supplemental security income program for the disabled and blind 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 supplemental security income program for the disabled and blind 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 “Supplemental Social
5 Security Income Flexibility Act of 1995”.

1 **SEC. 2. BLOCK GRANTS TO THE STATES FOR SUPPLE-**
2 **MENTAL SECURITY INCOME FOR THE DIS-**
3 **ABLED AND BLIND.**

4 (a) IN GENERAL.—Title XVI of the Social Security
5 Act (42 U.S.C. 1381–1383d) is amended by adding at the
6 end the following new part:

7 “PART C—BLOCK GRANTS TO STATES FOR SUPPLE-
8 MENTAL SECURITY INCOME FOR THE DISABLED
9 AND BLIND

10 “PURPOSE; IMPLEMENTATION

11 “SEC. 1651. (a) PURPOSE.—The purpose of this part
12 is to consolidate Federal assistance to the States for sup-
13 plemental income for individuals who are disabled or blind
14 (other than individuals who have attained age 65) into a
15 single grant for such purpose, thereby giving States maxi-
16 mum flexibility to—

17 “(1) require beneficiaries who are parents to
18 ensure that their school-age children attend school;

19 “(2) require minors who are beneficiaries to at-
20 tend school;

21 “(3) require parent beneficiaries to ensure that
22 their children receive the full complement of child-
23 hood immunizations;

24 “(4) require beneficiaries not to use illegal
25 drugs or abuse other drugs;

1 “(5) deny assistance to children solely on the
2 basis that a child is unable to perform age-appro-
3 priate activities;

4 “(6) deny assistance to individuals whose dis-
5 abilities are primarily the result of their abuse of il-
6 legal or legal drugs, or alcohol;

7 “(7) deny assistance to illegal aliens;

8 “(8) require individuals who sponsor the resi-
9 dency of legal aliens to support those they sponsor;

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

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

21 “PAYMENTS TO STATES

22 “SEC. 1652. (a) AMOUNT.—

23 “(1) IN GENERAL.—Each State shall, subject to
24 the requirements of this part, be entitled to receive
25 quarterly payments for fiscal years 1997, 1998,
26 1999, and 2000 in an amount equal to 25 percent

1 of the annual amount determined under paragraph
2 (2) for such fiscal year for carrying out the purpose
3 described in section 1651.

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

6 “(A) in fiscal year 1997, 100 percent of
7 the amounts received by the State in fiscal year
8 1994, or 100 percent of the average of amounts
9 received by the State in fiscal years 1992,
10 1993, and 1994, whichever is greater, under
11 part A of this title with respect to persons who
12 are disabled or blind individuals, other than in-
13 dividuals who have attained age 65 (as in effect
14 in fiscal year 1994, or if applicable, in fiscal
15 years 1992, 1993, 1994), and

16 “(B) in each fiscal year thereafter, 100 percent
17 of the amount received by the State in the preceding
18 fiscal year under this part (as in effect in such pre-
19 ceding fiscal year).

20 “(b) FUNDING REQUIREMENTS.—The Secretary of
21 the Treasury shall make quarterly payments described in
22 subsection (a)(1) directly to each State in accordance with
23 section 6503 of title 31, United States Code.

24 “(c) EXPENDITURE OF FUNDS; RAINY DAY FUND.—
25 Amounts received by a State under this part for any fiscal

1 year shall be expended by the State in such fiscal year
2 or in the succeeding fiscal year; except for such amounts
3 as the State deems necessary to set aside in a separate
4 account to provide, without fiscal limitation, for unex-
5 pected levels of assistance as a result of events which
6 cause an unexpected increase in the need for providing
7 supplemental income for individuals who are disabled or
8 blind (other than individuals who have attained the age
9 65). Any amounts remaining in such segregated account
10 after fiscal year 2000 shall be expended by a State for
11 the purpose described in section 1651 of this part as in
12 effect in fiscal year 2000.

13 “(d) PROHIBITION ON USE OF FUNDS.—Except as
14 provided in subsection (e), a State to which a payment
15 is made under this part may not use any part of such
16 payment to provide medical services.

17 “(e) AUTHORITY TO USE PORTION OF GRANT FOR
18 OTHER PURPOSES.—

19 “(1) IN GENERAL.—A State may use not more
20 than 30 percent of the annual amount paid to the
21 State under this part for a fiscal year to carry out
22 a State program pursuant to any or all of the follow-
23 ing provisions of law:

24 “(A) Part A of title IV of this Act.

25 “(B) Title XIX of this Act.

1 “(C) The Food Stamp Act.

2 “(2) APPLICABLE RULES.—Any amount paid to
3 the State under this part that is used to carry out
4 a State program pursuant to a provision of law spec-
5 ified in paragraph (1) shall not be subject to the re-
6 quirements of this part, but shall be subject to the
7 requirements that apply to Federal funds provided
8 directly under the provision of law to carry out the
9 program.

10 “ADMINISTRATIVE AND FISCAL ACCOUNTABILITY

11 “SEC. 1653. (a) AUDITS; REIMBURSEMENTS.—

12 “(1) AUDITS.—

13 “(A) IN GENERAL.—A State shall, not less
14 than annually, audit the State expenditures
15 from amounts received under this part. Such
16 audit shall—

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

20 “(ii) be conducted by an approved en-
21 tity (as defined in subparagraph (B)) in
22 accordance with generally accepted audit-
23 ing principles.

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

1 “(i) approved by the Secretary of the
2 Treasury;

3 “(ii) approved by the chief executive
4 officer of the State; and

5 “(iii) independent of any agency ad-
6 ministering activities funded under this
7 part.

8 “(2) REIMBURSEMENT.—

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

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

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

4 “(c) REPORTING REQUIREMENTS; FORM, CON-
5 TENTS.—

6 “(1) ANNUAL REPORTS.—A State shall prepare
7 comprehensive annual reports on the activities car-
8 ried out with amounts received by a State under this
9 part.

10 “(2) CONTENT.—Reports prepared under this
11 section—

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

14 “(B) shall be in accordance with generally
15 accepted accounting principles, including the
16 provisions of chapter 75 of title 31, United
17 States Code;

18 “(C) shall include the results of the most
19 recent audit conducted in accordance with the
20 requirements of subsection (a) of this section;
21 and

22 “(D) shall be in such form and contain
23 such other information as the State deems nec-
24 essary—

1 “(i) to provide an accurate description
2 of such activities; and

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

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

12 “(d) ADMINISTRATIVE SUPERVISION—

13 “(1) ROLE OF THE SECRETARY OF THE TREAS-
14 URY.—

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

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

22 “(i) making quarterly payments to the
23 States in accordance with section 1652(b);

24 “(ii) approving the entities referred to
25 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 1654, 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 1654 of this part, no Fed-
14 eral department or agency may promulgate regulations or
15 issue rules regarding the purpose of this part.

16 “NONDISCRIMINATION PROVISIONS

17 “SEC. 1654. (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 1655
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 pating as a provider of assistance funded under this
2 part shall retain its independence from Federal,
3 State, and local governments, including such organi-
4 zation's control over the definition, development,
5 practice, and expression of its religious beliefs. Such
6 an organization may select, employ, promote, dis-
7 cipline, and dismiss its clerics and other
8 ecclesiastics, directors, officers, employees, and vol-
9 unteers on the basis of religion, a religious belief, or
10 a religious practice. However, a religious organiza-
11 tion shall not deny disabled or blind individuals the
12 benefits of any assistance funded under this part on
13 the basis of religion, a religious belief, or refusal to
14 participate in a religious practice.

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

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

22 “(B) alter real estate or facilities used to
23 provide such assistance, including but not lim-
24 ited to the removal of religious art, icons, scrip-
25 ture, or other symbols;

1 in order to be eligible to be a provider of assistance
2 under this part.

3 “(3) FISCAL ACCOUNTABILITY.—

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

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

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

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

23 “(1) IN GENERAL.—If a beneficiary has a bona
24 fide objection to the religious character of the orga-
25 nization or institution from which the beneficiary is

1 receiving assistance funded under this part, each
2 State shall provide such beneficiary a certificate, re-
3 deemable with any other provider of assistance fund-
4 ed under this part, for services the value of which
5 is no less than the value of the funding received by
6 the religious provider from a State to provide assist-
7 ance funded under this part for such individual.

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

13 (b) CONFORMING AMENDMENT.—Section 1602 of the
14 Social Security Act (42 U.S.C. 1381a) is amended by
15 striking “Every” and inserting “(a) Every” and by adding
16 at the end the following new subsection:

17 “(b) No person who is a disabled or blind individual
18 (other than a person who has attained age 65) shall be
19 an eligible individual or eligible spouse for purposes of this
20 part with respect to any month beginning after September
21 30, 1996, but shall be eligible for services to the disabled
22 or blind funded under part C of this title.”.

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

24 The Balanced Budget and Emergency Deficit Control
25 Act of 1985 (2 U.S.C. 900 et seq.) is amended in section

1 255(h) (2 U.S.C. 905(h), by striking “Supplemental Secu-
2 rity Income Program (75–0406–0–1–609); and” and in-
3 serting “Supplemental Security Income Program and
4 block grants to States for supplemental security income
5 for disabled individuals; and”.

6 **SEC. 4. EFFECTIVE DATE.**

7 The amendments and repeals made by this Act shall
8 take effect on October 1, 1996.

○