

105TH CONGRESS
1ST SESSION

H.R. 867

AMENDMENT

TO

SENATE AMENDMENT

In the House of Representatives, U. S.,

November 13, 1997.

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 867) entitled “An Act to promote the adoption of children in foster care.”, with the following

AMENDMENT:

In lieu of the matter proposed to be inserted by the Senate, insert the following:

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
3 *“Adoption and Safe Families Act of 1997”.*

4 (b) *TABLE OF CONTENTS.*—*The table of contents of this*
5 *Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—REASONABLE EFFORTS AND SAFETY REQUIREMENTS FOR FOSTER CARE AND ADOPTION PLACEMENTS

Sec. 101. Clarification of the reasonable efforts requirement.

Sec. 102. Including safety in case plan and case review system requirements.

*Sec. 103. States required to initiate or join proceedings to terminate parental
rights for certain children in foster care.*

Sec. 104. Notice of reviews and hearings; opportunity to be heard.

Sec. 105. Use of the Federal Parent Locator Service for child welfare services.

Sec. 106. Criminal records checks for prospective foster and adoptive parents.

Sec. 107. Documentation of efforts for adoption or location of a permanent home.

TITLE II—INCENTIVES FOR PROVIDING PERMANENT FAMILIES FOR CHILDREN

Sec. 201. Adoption incentive payments.

Sec. 202. Adoptions across State and county jurisdictions.

Sec. 203. Performance of States in protecting children.

TITLE III—ADDITIONAL IMPROVEMENTS AND REFORMS

- Sec. 301. Authority to approve more child protection demonstration projects.*
Sec. 302. Permanency hearings.
Sec. 303. Kinship care.
Sec. 304. Clarification of eligible population for independent living services.
Sec. 305. Reauthorization and expansion of family preservation and support services.
Sec. 306. Health insurance coverage for children with special needs.
Sec. 307. Continuation of eligibility for adoption assistance payments on behalf of children with special needs whose initial adoption has been dissolved.
Sec. 308. State standards to ensure quality services for children in foster care.

TITLE IV—MISCELLANEOUS

- Sec. 401. Preservation of reasonable parenting.*
Sec. 402. Reporting requirements.
Sec. 403. Sense of Congress regarding standby guardianship.
Sec. 404. Temporary adjustment of Contingency Fund for State Welfare Programs.
Sec. 405. Coordination of substance abuse and child protection services.
Sec. 406. Purchase of American-made equipment and products.

TITLE V—EFFECTIVE DATE

- Sec. 501. Effective date.*

1 ***TITLE I—REASONABLE EFFORTS***
 2 ***AND SAFETY REQUIREMENTS***
 3 ***FOR FOSTER CARE AND ADOPT-***
 4 ***ION PLACEMENTS***

5 ***SEC. 101. CLARIFICATION OF THE REASONABLE EFFORTS***
 6 ***REQUIREMENT.***

7 *(a) IN GENERAL.—Section 471(a)(15) of the Social Se-*
 8 *curity Act (42 U.S.C. 671(a)(15)) is amended to read as*
 9 *follows:*

10 *“(15) provides that—*

11 *“(A) in determining reasonable efforts to be*
 12 *made with respect to a child, as described in this*
 13 *paragraph, and in making such reasonable ef-*

1 *forts, the child’s health and safety shall be the*
2 *paramount concern;*

3 *“(B) except as provided in subparagraph*
4 *(D), reasonable efforts shall be made to preserve*
5 *and reunify families—*

6 *“(i) prior to the placement of a child*
7 *in foster care, to prevent or eliminate the*
8 *need for removing the child from the child’s*
9 *home; and*

10 *“(ii) to make it possible for a child to*
11 *safely return to the child’s home;*

12 *“(C) if continuation of reasonable efforts of*
13 *the type described in subparagraph (B) is deter-*
14 *mined to be inconsistent with the permanency*
15 *plan for the child, reasonable efforts shall be*
16 *made to place the child in a timely manner in*
17 *accordance with the permanency plan, and to*
18 *complete whatever steps are necessary to finalize*
19 *the permanent placement of the child;*

20 *“(D) reasonable efforts of the type described*
21 *in subparagraph (B) shall not be required to be*
22 *made with respect to a parent of a child if a*
23 *court of competent jurisdiction has determined*
24 *that—*

1 “(i) the parent has subjected the child
2 to aggravated circumstances (as defined in
3 State law, which definition may include but
4 need not be limited to abandonment, tor-
5 ture, chronic abuse, and sexual abuse);

6 “(ii) the parent has—

7 “(I) committed murder (which
8 would have been an offense under sec-
9 tion 1111(a) of title 18, United States
10 Code, if the offense had occurred in the
11 special maritime or territorial juris-
12 diction of the United States) of another
13 child of the parent;

14 “(II) committed voluntary man-
15 slaughter (which would have been an
16 offense under section 1112(a) of title
17 18, United States Code, if the offense
18 had occurred in the special maritime
19 or territorial jurisdiction of the United
20 States) of another child of the parent;

21 “(III) aided or abetted, attempted,
22 conspired, or solicited to commit such
23 a murder or such a voluntary man-
24 slaughter; or

1 “(IV) committed a felony assault
2 that results in serious bodily injury to
3 the child or another child of the parent;
4 or

5 “(iii) the parental rights of the parent
6 to a sibling have been terminated involun-
7 tarily;

8 “(E) if reasonable efforts of the type de-
9 scribed in subparagraph (B) are not made with
10 respect to a child as a result of a determination
11 made by a court of competent jurisdiction in ac-
12 cordance with subparagraph (D)—

13 “(i) a permanency hearing (as de-
14 scribed in section 475(5)(C)) shall be held
15 for the child within 30 days after the deter-
16 mination; and

17 “(ii) reasonable efforts shall be made to
18 place the child in a timely manner in ac-
19 cordance with the permanency plan, and to
20 complete whatever steps are necessary to fi-
21 nalize the permanent placement of the child;
22 and

23 “(F) reasonable efforts to place a child for
24 adoption or with a legal guardian may be made

1 *concurrently with reasonable efforts of the type*
2 *described in subparagraph (B);”.*

3 **(b) DEFINITION OF LEGAL GUARDIANSHIP.**—Section
4 *475 of such Act (42 U.S.C. 675) is amended by adding at*
5 *the end the following:*

6 “(7) The term ‘legal guardianship’ means a judi-
7 *cially created relationship between child and care-*
8 *taker which is intended to be permanent and self-sus-*
9 *taining as evidenced by the transfer to the caretaker*
10 *of the following parental rights with respect to the*
11 *child: protection, education, care and control of the*
12 *person, custody of the person, and decisionmaking.*
13 *The term ‘legal guardian’ means the caretaker in such*
14 *a relationship.”.*

15 **(c) CONFORMING AMENDMENT.**—Section 472(a)(1) of
16 *such Act (42 U.S.C. 672(a)(1)) is amended by inserting “for*
17 *a child” before “have been made”.*

18 **(d) RULE OF CONSTRUCTION.**—Part E of title IV of
19 *such Act (42 U.S.C. 670–679) is amended by inserting after*
20 *section 477 the following:*

21 **“SEC. 478. RULE OF CONSTRUCTION.**

22 *“Nothing in this part shall be construed as precluding*
23 *State courts from exercising their discretion to protect the*
24 *health and safety of children in individual cases, including*
25 *cases other than those described in section 471(a)(15)(D).”.*

1 **SEC. 102. INCLUDING SAFETY IN CASE PLAN AND CASE RE-**
2 **VIEW SYSTEM REQUIREMENTS.**

3 *Title IV of the Social Security Act (42 U.S.C. 601 et*
4 *seq.) is amended—*

5 *(1) in section 422(b)(10)(B)—*

6 *(A) in clause (iii)(I), by inserting “safe*
7 *and” after “where”; and*

8 *(B) in clause (iv), by inserting “safely”*
9 *after “remain”; and*

10 *(2) in section 475—*

11 *(A) in paragraph (1)—*

12 *(i) in subparagraph (A), by inserting*
13 *“safety and” after “discussion of the”; and*

14 *(ii) in subparagraph (B)—*

15 *(I) by inserting “safe and” after*
16 *“child receives”; and*

17 *(II) by inserting “safe” after “re-*
18 *turn of the child to his own”; and*

19 *(B) in paragraph (5)—*

20 *(i) in subparagraph (A), in the matter*
21 *preceding clause (i), by inserting “a safe*
22 *setting that is” after “placement in”; and*

23 *(ii) in subparagraph (B)—*

24 *(I) by inserting “the safety of the*
25 *child,” after “determine”; and*

1 (II) by inserting “and safely
2 maintained in” after “returned to”.

3 **SEC. 103. STATES REQUIRED TO INITIATE OR JOIN PRO-**
4 **CEEDINGS TO TERMINATE PARENTAL RIGHTS**
5 **FOR CERTAIN CHILDREN IN FOSTER CARE.**

6 (a) *REQUIREMENT FOR PROCEEDINGS.*—Section
7 475(5) of the Social Security Act (42 U.S.C. 675(5)) is
8 amended—

9 (1) by striking “and” at the end of subpara-
10 graph (C);

11 (2) by striking the period at the end of subpara-
12 graph (D) and inserting “; and”; and

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

14 “(E) in the case of a child who has been in
15 foster care under the responsibility of the State
16 for 15 of the most recent 22 months, or, if a
17 court of competent jurisdiction has determined a
18 child to be an abandoned infant (as defined
19 under State law) or has made a determination
20 that the parent has committed murder of another
21 child of the parent, committed voluntary man-
22 slaughter of another child of the parent, aided or
23 abetted, attempted, conspired, or solicited to com-
24 mit such a murder or such a voluntary man-
25 slaughter, or committed a felony assault that has

1 *resulted in serious bodily injury to the child or*
2 *to another child of the parent, the State shall file*
3 *a petition to terminate the parental rights of the*
4 *child’s parents (or, if such a petition has been*
5 *filed by another party, seek to be joined as a*
6 *party to the petition), and, concurrently, to*
7 *identify, recruit, process, and approve a quali-*
8 *fied family for an adoption, unless—*

9 *“(i) at the option of the State, the child*
10 *is being cared for by a relative;*

11 *“(ii) a State agency has documented in*
12 *the case plan (which shall be available for*
13 *court review) a compelling reason for deter-*
14 *mining that filing such a petition would*
15 *not be in the best interests of the child; or*

16 *“(iii) the State has not provided to the*
17 *family of the child, consistent with the time*
18 *period in the State case plan, such services*
19 *as the State deems necessary for the safe re-*
20 *turn of the child to the child’s home, if rea-*
21 *sonable efforts of the type described in sec-*
22 *tion 471(a)(15)(B)(ii) are required to be*
23 *made with respect to the child.”.*

1 (b) *DETERMINATION OF BEGINNING OF FOSTER*
2 *CARE.*—Section 475(5) of the Social Security Act (42
3 U.S.C. 675(5)), as amended by subsection (a), is amended—

4 (1) by striking “and” at the end of subpara-
5 graph (D);

6 (2) by striking the period at the end of subpara-
7 graph (E) and inserting “; and”; and

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

9 “(F) a child shall be considered to have en-
10 tered foster care on the earlier of—

11 “(i) the date of the first judicial find-
12 ing that the child has been subjected to child
13 abuse or neglect; or

14 “(ii) the date that is 60 days after the
15 date on which the child is removed from the
16 home.”.

17 (c) *TRANSITION RULES.*—

18 (1) *NEW FOSTER CHILDREN.*—In the case of a
19 child who enters foster care (within the meaning of
20 section 475(5)(F) of the Social Security Act) under
21 the responsibility of a State after the date of the en-
22 actment of this Act—

23 (A) if the State comes into compliance with
24 the amendments made by subsection (a) of this
25 section before the child has been in such foster

1 care for 15 of the most recent 22 months, the
2 State shall comply with section 475(5)(E) of the
3 Social Security Act with respect to the child
4 when the child has been in such foster care for
5 15 of the most recent 22 months; and

6 (B) if the State comes into such compliance
7 after the child has been in such foster care for 15
8 of the most recent 22 months, the State shall
9 comply with such section 475(5)(E) with respect
10 to the child not later than 3 months after the end
11 of the first regular session of the State legislature
12 that begins after such date of enactment.

13 (2) *CURRENT FOSTER CHILDREN.*—In the case of
14 children in foster care under the responsibility of the
15 State on the date of the enactment of this Act, the
16 State shall—

17 (A) not later than 6 months after the end
18 of the first regular session of the State legislature
19 that begins after such date of enactment, comply
20 with section 475(5)(E) of the Social Security Act
21 with respect to not less than $\frac{1}{3}$ of such children
22 as the State shall select, giving priority to chil-
23 dren for whom the permanency plan (within the
24 meaning of part E of title IV of the Social Secu-

1 *rity Act) is adoption and children who have been*
2 *in foster care for the greatest length of time;*

3 *(B) not later than 12 months after the end*
4 *of such first regular session, comply with such*
5 *section 475(5)(E) with respect to not less than $\frac{2}{3}$*
6 *of such children as the State shall select; and*

7 *(C) not later than 18 months after the end*
8 *of such first regular session, comply with such*
9 *section 475(5)(E) with respect to all of such chil-*
10 *dren.*

11 *(3) TREATMENT OF 2-YEAR LEGISLATIVE SES-*
12 *SIONS.—For purposes of this subsection, in the case of*
13 *a State that has a 2-year legislative session, each year*
14 *of the session is deemed to be a separate regular ses-*
15 *sion of the State legislature.*

16 *(4) REQUIREMENTS TREATED AS STATE PLAN*
17 *REQUIREMENTS.—For purposes of part E of title IV*
18 *of the Social Security Act, the requirements of this*
19 *subsection shall be treated as State plan requirements*
20 *imposed by section 471(a) of such Act.*

21 *(d) RULE OF CONSTRUCTION.—Nothing in this section*
22 *or in part E of title IV of the Social Security Act (42 U.S.C.*
23 *670 et seq.), as amended by this Act, shall be construed as*
24 *precluding State courts or State agencies from initiating*
25 *the termination of parental rights for reasons other than,*

1 *or for timelines earlier than, those specified in part E of*
2 *title IV of such Act, when such actions are determined to*
3 *be in the best interests of the child, including cases where*
4 *the child has experienced multiple foster care placements*
5 *of varying durations.*

6 **SEC. 104. NOTICE OF REVIEWS AND HEARINGS; OPPOR-**
7 **TUNITY TO BE HEARD.**

8 *Section 475(5) of the Social Security Act (42 U.S.C.*
9 *675(5)), as amended by section 103, is amended—*

10 *(1) by striking “and” at the end of subpara-*
11 *graph (E);*

12 *(2) by striking the period at the end of subpara-*
13 *graph (F) and inserting “; and”; and*

14 *(3) by adding at the end the following:*

15 *“(G) the foster parents (if any) of a child*
16 *and any preadoptive parent or relative provid-*
17 *ing care for the child are provided with notice of,*
18 *and an opportunity to be heard in, any review*
19 *or hearing to be held with respect to the child,*
20 *except that this subparagraph shall not be con-*
21 *strued to require that any foster parent,*
22 *preadoptive parent, or relative providing care for*
23 *the child be made a party to such a review or*
24 *hearing solely on the basis of such notice and op-*
25 *portunity to be heard.”.*

1 **SEC. 105. USE OF THE FEDERAL PARENT LOCATOR SERVICE**
2 **FOR CHILD WELFARE SERVICES.**

3 *Section 453 of the Social Security Act (42 U.S.C. 653)*
4 *is amended—*

5 *(1) in subsection (a)(2)—*

6 *(A) in the matter preceding subparagraph*
7 *(A), by inserting “or making or enforcing child*
8 *custody or visitation orders,” after “obliga-*
9 *tions,”; and*

10 *(B) in subparagraph (A)—*

11 *(i) by striking “or” at the end of clause*

12 *(ii);*

13 *(ii) by striking the comma at the end*
14 *of clause (iii) and inserting “; or”; and*

15 *(iii) by inserting after clause (iii) the*
16 *following:*

17 *“(iv) who has or may have parental*
18 *rights with respect to a child,”; and*

19 *(2) in subsection (c)—*

20 *(A) by striking the period at the end of*
21 *paragraph (3) and inserting “; and”; and*

22 *(B) by adding at the end the following:*

23 *“(4) a State agency that is administering a pro-*
24 *gram operated under a State plan under subpart 1*
25 *of part B, or a State plan approved under subpart*
26 *2 of part B or under part E.”.*

1 **SEC. 106. CRIMINAL RECORDS CHECKS FOR PROSPECTIVE**
2 **FOSTER AND ADOPTIVE PARENTS.**

3 *Section 471(a) of the Social Security Act (42 U.S.C.*
4 *671(a)) is amended—*

5 *(1) by striking “and” at the end of paragraph*
6 *(18);*

7 *(2) by striking the period at the end of para-*
8 *graph (19) and inserting “; and”; and*

9 *(3) by adding at the end the following:*

10 *“(20)(A) unless an election provided for in sub-*
11 *paragraph (B) is made with respect to the State, pro-*
12 *vides procedures for criminal records checks for any*
13 *prospective foster or adoptive parent before the foster*
14 *or adoptive parent may be finally approved for place-*
15 *ment of a child on whose behalf foster care mainte-*
16 *nance payments or adoption assistance payments are*
17 *to be made under the State plan under this part, in-*
18 *cluding procedures requiring that—*

19 *“(i) in any case in which a record check re-*
20 *veals a felony conviction for child abuse or ne-*
21 *glect, for spousal abuse, for a crime against chil-*
22 *dren (including child pornography), or for a*
23 *crime involving violence, including rape, sexual*
24 *assault, or homicide, but not including other*
25 *physical assault or battery, if a State finds that*
26 *a court of competent jurisdiction has determined*

1 *that the felony was committed at any time, such*
 2 *final approval shall not be granted; and*

3 “(i) *in any case in which a record check*
 4 *reveals a felony conviction for physical assault,*
 5 *battery, or a drug-related offense, if a State finds*
 6 *that a court of competent jurisdiction has deter-*
 7 *mined that the felony was committed within the*
 8 *past 5 years, such final approval shall not be*
 9 *granted; and*

10 “(B) *subparagraph (A) shall not apply to a*
 11 *State plan if the Governor of the State has notified*
 12 *the Secretary in writing that the State has elected to*
 13 *make subparagraph (A) inapplicable to the State, or*
 14 *if the State legislature, by law, has elected to make*
 15 *subparagraph (A) inapplicable to the State.”.*

16 **SEC. 107. DOCUMENTATION OF EFFORTS FOR ADOPTION OR**
 17 **LOCATION OF A PERMANENT HOME.**

18 *Section 475(1) of the Social Security Act (42 U.S.C.*
 19 *675(1)) is amended—*

20 *(1) in the last sentence—*

21 *(A) by striking “the case plan must also in-*
 22 *clude”; and*

23 *(B) by redesignating such sentence as sub-*
 24 *paragraph (D) and indenting appropriately;*
 25 *and*

1 (2) *by adding at the end the following:*

2 “(E) *In the case of a child with respect to*
3 *whom the permanency plan is adoption or place-*
4 *ment in another permanent home, documenta-*
5 *tion of the steps the agency is taking to find an*
6 *adoptive family or other permanent living ar-*
7 *rangement for the child, to place the child with*
8 *an adoptive family, a fit and willing relative, a*
9 *legal guardian, or in another planned perma-*
10 *nent living arrangement, and to finalize the*
11 *adoption or legal guardianship. At a minimum,*
12 *such documentation shall include child specific*
13 *recruitment efforts such as the use of State, re-*
14 *gional, and national adoption exchanges includ-*
15 *ing electronic exchange systems.”.*

16 **TITLE II—INCENTIVES FOR PRO-**
17 **VIDING PERMANENT FAMI-**
18 **LIES FOR CHILDREN**

19 **SEC. 201. ADOPTION INCENTIVE PAYMENTS.**

20 (a) *IN GENERAL.*—*Part E of title IV of the Social Se-*
21 *curity Act (42 U.S.C. 670–679) is amended by inserting*
22 *after section 473 the following:*

23 **“SEC. 473A. ADOPTION INCENTIVE PAYMENTS.**

24 “(a) *GRANT AUTHORITY.*—*Subject to the availability*
25 *of such amounts as may be provided in advance in appro-*

1 *priations Acts for this purpose, the Secretary shall make*
2 *a grant to each State that is an incentive-eligible State for*
3 *a fiscal year in an amount equal to the adoption incentive*
4 *payment payable to the State under this section for the fis-*
5 *cal year, which shall be payable in the immediately succeed-*
6 *ing fiscal year.*

7 “(b) *INCENTIVE-ELIGIBLE STATE.*—*A State is an in-*
8 *centive-eligible State for a fiscal year if—*

9 “(1) *the State has a plan approved under this*
10 *part for the fiscal year;*

11 “(2) *the number of foster child adoptions in the*
12 *State during the fiscal year exceeds the base number*
13 *of foster child adoptions for the State for the fiscal*
14 *year;*

15 “(3) *the State is in compliance with subsection*
16 *(c) for the fiscal year;*

17 “(4) *in the case of fiscal years 2001 and 2002,*
18 *the State provides health insurance coverage to any*
19 *child with special needs (as determined under section*
20 *473(c)) for whom there is in effect an adoption assist-*
21 *ance agreement between a State and an adoptive par-*
22 *ent or parents; and*

23 “(5) *the fiscal year is any of fiscal years 1998*
24 *through 2002.*

25 “(c) *DATA REQUIREMENTS.*—

1 “(1) *IN GENERAL.*—*A State is in compliance*
2 *with this subsection for a fiscal year if the State has*
3 *provided to the Secretary the data described in para-*
4 *graph (2)—*

5 “(A) *for fiscal years 1995 through 1997 (or,*
6 *if the 1st fiscal year for which the State seeks a*
7 *grant under this section is after fiscal year 1998,*
8 *the fiscal year that precedes such 1st fiscal year);*
9 *and*

10 “(B) *for each succeeding fiscal year that*
11 *precedes the fiscal year.*

12 “(2) *DETERMINATION OF NUMBERS OF ADOPT-*
13 *TIONS.—*

14 “(A) *DETERMINATIONS BASED ON AFCARS*
15 *DATA.—Except as provided in subparagraph*
16 *(B), the Secretary shall determine the numbers of*
17 *foster child adoptions and of special needs adop-*
18 *tions in a State during each of fiscal years 1995*
19 *through 2002, for purposes of this section, on the*
20 *basis of data meeting the requirements of the sys-*
21 *tem established pursuant to section 479, as re-*
22 *ported by the State and approved by the Sec-*
23 *retary by August 1 of the succeeding fiscal year.*

24 “(B) *ALTERNATIVE DATA SOURCES PER-*
25 *MITTED FOR FISCAL YEARS 1995 THROUGH*

1 1997.—For purposes of the determination de-
2 scribed in subparagraph (A) for fiscal years
3 1995 through 1997, the Secretary may use data
4 from a source or sources other than that specified
5 in subparagraph (A) that the Secretary finds to
6 be of equivalent completeness and reliability, as
7 reported by a State by November 30, 1997, and
8 approved by the Secretary by March 1, 1998.

9 “(3) NO WAIVER OF AFCARS REQUIREMENTS.—

10 This section shall not be construed to alter or affect
11 any requirement of section 479 or of any regulation
12 prescribed under such section with respect to report-
13 ing of data by States, or to waive any penalty for
14 failure to comply with such a requirement.

15 “(d) ADOPTION INCENTIVE PAYMENT.—

16 “(1) IN GENERAL.—Except as provided in para-
17 graph (2), the adoption incentive payment payable to
18 a State for a fiscal year under this section shall be
19 equal to the sum of—

20 “(A) \$4,000, multiplied by the amount (if
21 any) by which the number of foster child adop-
22 tions in the State during the fiscal year exceeds
23 the base number of foster child adoptions for the
24 State for the fiscal year; and

1 “(B) \$2,000, multiplied by the amount (if
2 any) by which the number of special needs adop-
3 tions in the State during the fiscal year exceeds
4 the base number of special needs adoptions for
5 the State for the fiscal year.

6 “(2) *PRO RATA ADJUSTMENT IF INSUFFICIENT*
7 *FUNDS AVAILABLE.*—For any fiscal year, if the total
8 amount of adoption incentive payments otherwise
9 payable under this section for a fiscal year exceeds the
10 amount appropriated pursuant to subsection (h) for
11 the fiscal year, the amount of the adoption incentive
12 payment payable to each State under this section for
13 the fiscal year shall be—

14 “(A) the amount of the adoption incentive
15 payment that would otherwise be payable to the
16 State under this section for the fiscal year; mul-
17 tiplied by

18 “(B) the percentage represented by the
19 amount so appropriated for the fiscal year, di-
20 vided by the total amount of adoption incentive
21 payments otherwise payable under this section
22 for the fiscal year.

23 “(e) *2-YEAR AVAILABILITY OF INCENTIVE PAY-*
24 *MENTS.*—Payments to a State under this section in a fiscal

1 *year shall remain available for use by the State through*
2 *the end of the succeeding fiscal year.*

3 “(f) *LIMITATIONS ON USE OF INCENTIVE PAYMENTS.—*

4 *A State shall not expend an amount paid to the State under*
5 *this section except to provide to children or families any*
6 *service (including post-adoption services) that may be pro-*
7 *vided under part B or E. Amounts expended by a State*
8 *in accordance with the preceding sentence shall be dis-*
9 *regarded in determining State expenditures for purposes of*
10 *Federal matching payments under sections 423, 434, and*
11 *474.*

12 “(g) *DEFINITIONS.—As used in this section:*

13 “(1) *FOSTER CHILD ADOPTION.—The term ‘foster*
14 *child adoption’ means the final adoption of a child*
15 *who, at the time of adoptive placement, was in foster*
16 *care under the supervision of the State.*

17 “(2) *SPECIAL NEEDS ADOPTION.—The term ‘spe-*
18 *cial needs adoption’ means the final adoption of a*
19 *child for whom an adoption assistance agreement is*
20 *in effect under section 473.*

21 “(3) *BASE NUMBER OF FOSTER CHILD ADOP-*
22 *TIONS.—The term ‘base number of foster child adop-*
23 *tions for a State’ means—*

1 “(A) with respect to fiscal year 1998, the
2 average number of foster child adoptions in the
3 State in fiscal years 1995, 1996, and 1997; and

4 “(B) with respect to any subsequent fiscal
5 year, the number of foster child adoptions in the
6 State in the fiscal year for which the number is
7 the greatest in the period that begins with fiscal
8 year 1997 and ends with the fiscal year preced-
9 ing such subsequent fiscal year.

10 “(4) *BASE NUMBER OF SPECIAL NEEDS ADOPTI-*
11 *ONS.—The term ‘base number of special needs adop-*
12 *tions for a State’ means—*

13 “(A) with respect to fiscal year 1998, the
14 average number of special needs adoptions in the
15 State in fiscal years 1995, 1996, and 1997; and

16 “(B) with respect to any subsequent fiscal
17 year, the number of special needs adoptions in
18 the State in the fiscal year for which the number
19 is the greatest in the period that begins with fis-
20 cal year 1997 and ends with the fiscal year pre-
21 ceding such subsequent fiscal year.

22 “(h) *LIMITATIONS ON AUTHORIZATION OF APPROPRIA-*
23 *TIONS.—*

24 “(1) *IN GENERAL.—For grants under subsection*
25 *(a), there are authorized to be appropriated to the*

1 *Secretary \$20,000,000 for each of fiscal years 1999*
2 *through 2003.*

3 “(2) *AVAILABILITY.—Amounts appropriated*
4 *under paragraph (1) are authorized to remain avail-*
5 *able until expended, but not after fiscal year 2003.*

6 “(i) *TECHNICAL ASSISTANCE.—*

7 “(1) *IN GENERAL.—The Secretary may, directly*
8 *or through grants or contracts, provide technical as-*
9 *sistance to assist States and local communities to*
10 *reach their targets for increased numbers of adoptions*
11 *and, to the extent that adoption is not possible, alter-*
12 *native permanent placements, for children in foster*
13 *care.*

14 “(2) *DESCRIPTION OF THE CHARACTER OF THE*
15 *TECHNICAL ASSISTANCE.—The technical assistance*
16 *provided under paragraph (1) may support the goal*
17 *of encouraging more adoptions out of the foster care*
18 *system, when adoptions promote the best interests of*
19 *children, and may include the following:*

20 “(A) *The development of best practice guide-*
21 *lines for expediting termination of parental*
22 *rights.*

23 “(B) *Models to encourage the use of concur-*
24 *rent planning.*

1 “(C) *The development of specialized units*
2 *and expertise in moving children toward adop-*
3 *tion as a permanency goal.*

4 “(D) *The development of risk assessment*
5 *tools to facilitate early identification of the chil-*
6 *dren who will be at risk of harm if returned*
7 *home.*

8 “(E) *Models to encourage the fast tracking*
9 *of children who have not attained 1 year of age*
10 *into pre-adoptive placements.*

11 “(F) *Development of programs that place*
12 *children into pre-adoptive families without wait-*
13 *ing for termination of parental rights.*

14 “(3) *TARGETING OF TECHNICAL ASSISTANCE TO*
15 *THE COURTS.—Not less than 50 percent of any*
16 *amount appropriated pursuant to paragraph (4)*
17 *shall be used to provide technical assistance to the*
18 *courts.*

19 “(4) *LIMITATIONS ON AUTHORIZATION OF AP-*
20 *PROPRIATIONS.—To carry out this subsection, there*
21 *are authorized to be appropriated to the Secretary of*
22 *Health and Human Services not to exceed*
23 *\$10,000,000 for each of fiscal years 1998 through*
24 *2000.”.*

1 **(b) DISCRETIONARY CAP ADJUSTMENT FOR ADOPTION**
2 *INCENTIVE PAYMENTS.*—

3 **(1) SECTION 251 AMENDMENT.**—*Section*
4 *251(b)(2) of the Balanced Budget and Emergency*
5 *Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)), as*
6 *amended by section 10203(a)(4) of the Balanced*
7 *Budget Act of 1997, is amended by adding at the end*
8 *the following new subparagraph:*

9 **“(G) ADOPTION INCENTIVE PAYMENTS.**—
10 *Whenever a bill or joint resolution making ap-*
11 *propriations for fiscal year 1999, 2000, 2001,*
12 *2002, or 2003 is enacted that specifies an*
13 *amount for adoption incentive payments pursu-*
14 *ant to this part for the Department of Health*
15 *and Human Services—*

16 *“(i) the adjustments for new budget*
17 *authority shall be the amounts of new budg-*
18 *et authority provided in that measure for*
19 *adoption incentive payments, but not to ex-*
20 *ceed \$20,000,000; and*

21 *“(ii) the adjustment for outlays shall*
22 *be the additional outlays flowing from such*
23 *amount.”.*

24 **(2) SECTION 314 AMENDMENT.**—*Section 314(b) of*
25 *the Congressional Budget Act of 1974, as amended by*

1 *section 10114(a) of the Balanced Budget Act of 1997,*
2 *is amended—*

3 *(A) by striking “or” at the end of para-*
4 *graph (4);*

5 *(B) by striking the period at the end of*
6 *paragraph (5) and inserting “; or”; and*

7 *(C) by adding at the end the following:*

8 *“(6) in the case of an amount for adoption in-*
9 *centive payments (as defined in section 251(b)(2)(G)*
10 *of the Balanced Budget and Emergency Deficit Con-*
11 *trol Act of 1985) for fiscal year 1999, 2000, 2001,*
12 *2002, or 2003 for the Department of Health and*
13 *Human Services, an amount not to exceed*
14 *\$20,000,000.”.*

15 **SEC. 202. ADOPTIONS ACROSS STATE AND COUNTY JURIS-**
16 **DICTIONS.**

17 *(a) STATE PLAN FOR CHILD WELFARE SERVICES RE-*
18 *QUIREMENT.—Section 422(b) of the Social Security Act (42*
19 *U.S.C. 622(b)) is amended—*

20 *(1) in paragraph (10), by striking “and” at the*
21 *end;*

22 *(2) in paragraph (11), by striking the period*
23 *and inserting “; and”; and*

24 *(3) by adding at the end the following:*

1 “(12) contain assurances that the State shall de-
2 velop plans for the effective use of cross-jurisdictional
3 resources to facilitate timely adoptive or permanent
4 placements for waiting children.”.

5 (b) *CONDITION OF ASSISTANCE.*—Section 474 of such
6 Act (42 U.S.C. 674) is amended by adding at the end the
7 following:

8 “(e) Notwithstanding subsection (a), a State shall not
9 be eligible for any payment under this section if the Sec-
10 retary finds that, after the date of the enactment of this
11 subsection, the State has—

12 “(1) denied or delayed the placement of a child
13 for adoption when an approved family is available
14 outside of the jurisdiction with responsibility for han-
15 dling the case of the child; or

16 “(2) failed to grant an opportunity for a fair
17 hearing, as described in section 471(a)(12), to an in-
18 dividual whose allegation of a violation of paragraph
19 (1) of this subsection is denied by the State or not
20 acted upon by the State with reasonable prompt-
21 ness.”.

22 (c) *STUDY OF INTERJURISDICTIONAL ADOPTION IS-*
23 *SUES.*—

24 (1) *IN GENERAL.*—The Comptroller General of
25 the United States shall—

1 (A) study and consider how to improve pro-
2 cedures and policies to facilitate the timely and
3 permanent adoptions of children across State
4 and county jurisdictions; and

5 (B) examine, at a minimum, interjurisdic-
6 tional adoption issues—

7 (i) concerning the recruitment of pro-
8 spective adoptive families from other States
9 and counties;

10 (ii) concerning the procedures to grant
11 reciprocity to prospective adoptive family
12 home studies from other States and coun-
13 ties;

14 (iii) arising from a review of the com-
15 ity and full faith and credit provided to
16 adoption decrees and termination of paren-
17 tal rights orders from other States; and

18 (iv) concerning the procedures related
19 to the administration and implementation
20 of the Interstate Compact on the Placement
21 of Children.

22 (2) REPORT TO THE CONGRESS.—Not later than
23 1 year after the date of the enactment of this Act, the
24 Comptroller General shall submit to the appropriate
25 committees of the Congress a report that includes—

1 (A) the results of the study conducted under
2 paragraph (1); and

3 (B) recommendations on how to improve
4 procedures to facilitate the interjurisdictional
5 adoption of children, including interstate and
6 intercounty adoptions, so that children will be
7 assured timely and permanent placements.

8 **SEC. 203. PERFORMANCE OF STATES IN PROTECTING CHIL-**
9 **DREN.**

10 (a) *ANNUAL REPORT ON STATE PERFORMANCE.*—Part
11 *E* of title IV of the Social Security Act (42 U.S.C. 670 *et*
12 *seq.*) is amended by adding at the end the following:

13 **“SEC. 479A. ANNUAL REPORT.**

14 *“The Secretary, in consultation with Governors, State*
15 *legislatures, State and local public officials responsible for*
16 *administering child welfare programs, and child welfare*
17 *advocates, shall—*

18 *“(1) develop a set of outcome measures (includ-*
19 *ing length of stay in foster care, number of foster care*
20 *placements, and number of adoptions) that can be*
21 *used to assess the performance of States in operating*
22 *child protection and child welfare programs pursuant*
23 *to parts B and E to ensure the safety of children;*

24 *“(2) to the maximum extent possible, the out-*
25 *come measures should be developed from data avail-*

1 *able from the Adoption and Foster Care Analysis and*
2 *Reporting System;*

3 *“(3) develop a system for rating the performance*
4 *of States with respect to the outcome measures, and*
5 *provide to the States an explanation of the rating sys-*
6 *tem and how scores are determined under the rating*
7 *system;*

8 *“(4) prescribe such regulations as may be nec-*
9 *essary to ensure that States provide to the Secretary*
10 *the data necessary to determine State performance*
11 *with respect to each outcome measure, as a condition*
12 *of the State receiving funds under this part; and*

13 *“(5) on May 1, 1999, and annually thereafter,*
14 *prepare and submit to the Congress a report on the*
15 *performance of each State on each outcome measure,*
16 *which shall examine the reasons for high performance*
17 *and low performance and, where possible, make rec-*
18 *ommendations as to how State performance could be*
19 *improved.”.*

20 *(b) DEVELOPMENT OF PERFORMANCE-BASED INCEN-*
21 *TIVE SYSTEM.—The Secretary of Health and Human Serv-*
22 *ices, in consultation with State and local public officials*
23 *responsible for administering child welfare programs and*
24 *child welfare advocates, shall study, develop, and rec-*
25 *ommend to Congress an incentive system to provide pay-*

1 *ments under parts B and E of title IV of the Social Security*
2 *Act (42 U.S.C. 620 et seq., 670 et seq.) to any State based*
3 *on the State's performance under such a system. Such a*
4 *system shall, to the extent the Secretary determines feasible*
5 *and appropriate, be based on the annual report required*
6 *by section 479A of the Social Security Act (as added by*
7 *subsection (a) of this section) or on any proposed modifica-*
8 *tions of the annual report. Not later than 6 months after*
9 *the date of the enactment of this Act, the Secretary shall*
10 *submit to the Committee on Ways and Means of the House*
11 *of Representatives and the Committee on Finance of the*
12 *Senate a progress report on the feasibility, timetable, and*
13 *consultation process for conducting such a study. Not later*
14 *than 15 months after such date of enactment, the Secretary*
15 *shall submit to the Committee on Ways and Means of the*
16 *House of Representatives and the Committee on Finance*
17 *of the Senate the final report on a performance-based incen-*
18 *tive system. The report may include other recommendations*
19 *for restructuring the program and payments under parts*
20 *B and E of title IV of the Social Security Act.*

1 **TITLE III—ADDITIONAL**
2 **IMPROVEMENTS AND REFORMS**

3 **SEC. 301. EXPANSION OF CHILD WELFARE DEMONSTRATION**
4 **PROJECTS.**

5 (a) *IN GENERAL.*—Section 1130(a) of the Social Security Act (42 U.S.C. 1320a–9) is amended to read as follows:

7 “(a) *AUTHORITY TO APPROVE DEMONSTRATION*
8 *PROJECTS.*—

9 “(1) *IN GENERAL.*—The Secretary may authorize
10 States to conduct demonstration projects pursuant to
11 this section which the Secretary finds are likely to
12 promote the objectives of part B or E of title IV.

13 “(2) *LIMITATION.*—The Secretary may authorize
14 not more than 10 demonstration projects under paragraph (1) in each of fiscal years 1998 through 2002.

16 “(3) *CERTAIN TYPES OF PROPOSALS REQUIRED*
17 *TO BE CONSIDERED.*—

18 “(A) *If an appropriate application therefor*
19 *is submitted, the Secretary shall consider author-*
20 *izing a demonstration project which is designed*
21 *to identify and address barriers that result in*
22 *delays to adoptive placements for children in foster*
23 *care.*

24 “(B) *If an appropriate application therefor*
25 *is submitted, the Secretary shall consider author-*

1 *izing a demonstration project which is designed*
2 *to identify and address parental substance abuse*
3 *problems that endanger children and result in*
4 *the placement of children in foster care, includ-*
5 *ing through the placement of children with their*
6 *parents in residential treatment facilities (in-*
7 *cluding residential treatment facilities for post-*
8 *partum depression) that are specifically designed*
9 *to serve parents and children together in order to*
10 *promote family reunification and that can en-*
11 *sure the health and safety of the children in such*
12 *placements.*

13 *“(C) If an appropriate application therefor*
14 *is submitted, the Secretary shall consider author-*
15 *izing a demonstration project which is designed*
16 *to address kinship care.*

17 *“(4) LIMITATION ON ELIGIBILITY.—The Sec-*
18 *retary may not authorize a State to conduct a dem-*
19 *onstration project under this section if the State fails*
20 *to provide health insurance coverage to any child*
21 *with special needs (as determined under section*
22 *473(c)) for whom there is in effect an adoption assist-*
23 *ance agreement between a State and an adoptive par-*
24 *ent or parents.*

1 “(5) *REQUIREMENT TO CONSIDER EFFECT OF*
2 *PROJECT ON TERMS AND CONDITIONS OF CERTAIN*
3 *COURT ORDERS.—In considering an application to*
4 *conduct a demonstration project under this section*
5 *that has been submitted by a State in which there is*
6 *in effect a court order determining that the State’s*
7 *child welfare program has failed to comply with the*
8 *provisions of part B or E of title IV, or with the Con-*
9 *stitution of the United States, the Secretary shall take*
10 *into consideration the effect of approving the proposed*
11 *project on the terms and conditions of the court order*
12 *related to the failure to comply.”.*

13 **(b) *RULE OF CONSTRUCTION.***—*Nothing in the amend-*
14 *ment made by subsection (a) shall be construed as affecting*
15 *the terms and conditions of any demonstration project ap-*
16 *proved under section 1130 of the Social Security Act (42*
17 *U.S.C. 1320a–9) before the date of the enactment of this*
18 *Act.*

19 **(c) *AUTHORITY TO EXTEND DURATION OF DEM-***
20 ***ONSTRATIONS.***—*Section 1130(d) of such Act (42 U.S.C.*
21 *1320a–9(d)) is amended by inserting “, unless in the judg-*
22 *ment of the Secretary, the demonstration project should be*
23 *allowed to continue” before the period.*

1 **SEC. 302. PERMANENCY HEARINGS.**

2 *Section 475(5)(C) of the Social Security Act (42*
3 *U.S.C. 675(5)(C)) is amended—*

4 *(1) by striking “dispositional” and inserting*
5 *“permanency”;*

6 *(2) by striking “eighteen” and inserting “12”;*

7 *(3) by striking “original placement” and insert-*
8 *ing “date the child is considered to have entered foster*
9 *care (as determined under subparagraph (F))”;* and

10 *(4) by striking “future status of” and all that*
11 *follows through “long term basis)” and inserting*
12 *“permanency plan for the child that includes whether,*
13 *and if applicable when, the child will be returned to*
14 *the parent, placed for adoption and the State will file*
15 *a petition for termination of parental rights, or re-*
16 *ferred for legal guardianship, or (in cases where the*
17 *State agency has documented to the State court a*
18 *compelling reason for determining that it would not*
19 *be in the best interests of the child to return home, be*
20 *referred for termination of parental rights, or be*
21 *placed for adoption, with a fit and willing relative,*
22 *or with a legal guardian) placed in another planned*
23 *permanent living arrangement”.*

24 **SEC. 303. KINSHIP CARE.**

25 *(a) REPORT.—*

1 (1) *IN GENERAL.*—*The Secretary of Health and*
2 *Human Services shall—*

3 (A) *not later than June 1, 1998, convene the*
4 *advisory panel provided for in subsection (b)(1)*
5 *and prepare and submit to the advisory panel*
6 *an initial report on the extent to which children*
7 *in foster care are placed in the care of a relative*
8 *(in this section referred to as “kinship care”);*
9 *and*

10 (B) *not later than June 1, 1999, submit to*
11 *the Committee on Ways and Means of the House*
12 *of Representatives and the Committee on Fi-*
13 *nance of the Senate a final report on the matter*
14 *described in subparagraph (A), which shall—*

15 (i) *be based on the comments submitted*
16 *by the advisory panel pursuant to sub-*
17 *section (b)(2) and other information and*
18 *considerations; and*

19 (ii) *include the policy recommenda-*
20 *tions of the Secretary with respect to the*
21 *matter.*

22 (2) *REQUIRED CONTENTS.*—*Each report required*
23 *by paragraph (1) shall—*

24 (A) *include, to the extent available for each*
25 *State, information on—*

1 (i) *the policy of the State regarding*
2 *kinship care;*

3 (ii) *the characteristics of the kinship*
4 *care providers (including age, income, eth-*
5 *nicity, and race, and the relationship of the*
6 *kinship care providers to the children);*

7 (iii) *the characteristics of the household*
8 *of such providers (such as number of other*
9 *persons in the household and family com-*
10 *position);*

11 (iv) *how much access to the child is af-*
12 *forded to the parent from whom the child*
13 *has been removed;*

14 (v) *the cost of, and source of funds for,*
15 *kinship care (including any subsidies such*
16 *as medicaid and cash assistance);*

17 (vi) *the permanency plan for the child*
18 *and the actions being taken by the State to*
19 *achieve the plan;*

20 (vii) *the services being provided to the*
21 *parent from whom the child has been re-*
22 *moved; and*

23 (viii) *the services being provided to the*
24 *kinship care provider; and*

1 (B) specifically note the circumstances or
2 conditions under which children enter kinship
3 care.

4 (b) *ADVISORY PANEL.*—

5 (1) *ESTABLISHMENT.*—*The Secretary of Health*
6 *and Human Services, in consultation with the Chair-*
7 *man of the Committee on Ways and Means of the*
8 *House of Representatives and the Chairman of the*
9 *Committee on Finance of the Senate, shall convene an*
10 *advisory panel which shall include parents, foster*
11 *parents, relative caregivers, former foster children,*
12 *State and local public officials responsible for admin-*
13 *istering child welfare programs, private persons in-*
14 *volved in the delivery of child welfare services, rep-*
15 *resentatives of tribal governments and tribal courts,*
16 *judges, and academic experts.*

17 (2) *DUTIES.*—*The advisory panel convened pur-*
18 *suant to paragraph (1) shall review the report pre-*
19 *pared pursuant to subsection (a), and, not later than*
20 *October 1, 1998, submit to the Secretary comments on*
21 *the report.*

22 **SEC. 304. CLARIFICATION OF ELIGIBLE POPULATION FOR**
23 **INDEPENDENT LIVING SERVICES.**

24 Section 477(a)(2)(A) of the Social Security Act (42
25 U.S.C. 677(a)(2)(A)) is amended by inserting “(including

1 *children with respect to whom such payments are no longer*
 2 *being made because the child has accumulated assets, not*
 3 *to exceed \$5,000, which are otherwise regarded as resources*
 4 *for purposes of determining eligibility for benefits under*
 5 *this part)” before the comma.*

6 **SEC. 305. REAUTHORIZATION AND EXPANSION OF FAMILY**
 7 **PRESERVATION AND SUPPORT SERVICES.**

8 *(a) REAUTHORIZATION OF FAMILY PRESERVATION*
 9 *AND SUPPORT SERVICES.—*

10 *(1) IN GENERAL.—Section 430(b) of the Social*
 11 *Security Act (42 U.S.C. 629(b)) is amended—*

12 *(A) in paragraph (4), by striking “or” at*
 13 *the end;*

14 *(B) in paragraph (5), by striking the period*
 15 *and inserting a semicolon; and*

16 *(C) by adding at the end the following:*

17 *“(6) for fiscal year 1999, \$275,000,000;*

18 *“(7) for fiscal year 2000, \$295,000,000; and*

19 *“(8) for fiscal year 2001, \$305,000,000.”.*

20 *(2) CONTINUATION OF RESERVATION OF CERTAIN*
 21 *AMOUNTS.—Paragraphs (1) and (2) of section 430(d)*
 22 *of the Social Security Act (42 U.S.C. 629(d)(1) and*
 23 *(2)) are each amended by striking “and 1998” and*
 24 *inserting “1998, 1999, 2000, and 2001”.*

1 (3) *CONFORMING AMENDMENTS.—Section 13712*
2 *of the Omnibus Budget Reconciliation Act of 1993 (42*
3 *U.S.C. 670 note) is amended—*

4 (A) *in subsection (c), by striking “1998”*
5 *each place it appears and inserting “2001”; and*

6 (B) *in subsection (d)(2), by striking “and*
7 *1998” and inserting “1998, 1999, 2000, and*
8 *2001”.*

9 (b) *EXPANSION FOR TIME-LIMITED FAMILY REUNIFI-*
10 *CATION SERVICES AND ADOPTION PROMOTION AND SUP-*
11 *PORT SERVICES.—*

12 (1) *ADDITIONS TO STATE PLAN.—Section 432 of*
13 *the Social Security Act (42 U.S.C. 629b) is amend-*
14 *ed—*

15 (A) *in subsection (a)—*

16 (i) *in paragraph (4), by striking “and*
17 *community-based family support services”*
18 *and inserting “, community-based family*
19 *support services, time-limited family reuni-*
20 *fication services, and adoption promotion*
21 *and support services,”; and*

22 (ii) *in paragraph (5)(A), by striking*
23 *“and community-based family support serv-*
24 *ices” and inserting “, community-based*
25 *family support services, time-limited family*

1 *reunification services, and adoption pro-*
2 *motion and support services”;* and

3 *(B) in subsection (b)(1), by striking “and*
4 *family support” and inserting “, family support,*
5 *time-limited family reunification, and adoption*
6 *promotion and support”.*

7 (2) *DEFINITIONS OF TIME-LIMITED FAMILY RE-*
8 *UNIFICATION SERVICES AND ADOPTION PROMOTION*
9 *AND SUPPORT SERVICES.—Section 431(a) of the So-*
10 *cial Security Act (42 U.S.C. 629a(a)) is amended by*
11 *adding at the end the following:*

12 “(7) *TIME-LIMITED FAMILY REUNIFICATION*
13 *SERVICES.—*

14 “(A) *IN GENERAL.—The term ‘time-limited*
15 *family reunification services’ means the services*
16 *and activities described in subparagraph (B)*
17 *that are provided to a child that is removed from*
18 *the child’s home and placed in a foster family*
19 *home or a child care institution and to the par-*
20 *ents or primary caregiver of such a child, in*
21 *order to facilitate the reunification of the child*
22 *safely and appropriately within a timely fash-*
23 *ion, but only during the 15-month period that*
24 *begins on the date that the child, pursuant to*

1 *section 475(5)(F), is considered to have entered*
2 *foster care.*

3 “(B) *SERVICES AND ACTIVITIES DE-*
4 *SCRIBED.—The services and activities described*
5 *in this subparagraph are the following:*

6 “(i) *Individual, group, and family*
7 *counseling.*

8 “(ii) *Inpatient, residential, or out-*
9 *patient substance abuse treatment services.*

10 “(iii) *Mental health services.*

11 “(iv) *Assistance to address domestic vi-*
12 *olence.*

13 “(v) *Services designed to provide tem-*
14 *porary child care and therapeutic services*
15 *for families, including crisis nurseries.*

16 “(vi) *Transportation to or from any of*
17 *the services and activities described in this*
18 *subparagraph.*

19 “(8) *ADOPTION PROMOTION AND SUPPORT SERV-*
20 *ICES.—The term ‘adoption promotion and support*
21 *services’ means services and activities designed to en-*
22 *courage more adoptions out of the foster care system,*
23 *when adoptions promote the best interests of children,*
24 *including such activities as pre-and post-adoptive*

1 *services and activities designed to expedite the adop-*
2 *tion process and support adoptive families.”.*

3 (3) *ADDITIONAL CONFORMING AMENDMENTS.—*

4 (A) *PURPOSES.—Section 430(a) of the So-*
5 *cial Security Act (42 U.S.C. 629(a)) is amended*
6 *by striking “and community-based family sup-*
7 *port services” and inserting “, community-based*
8 *family support services, time-limited family re-*
9 *unification services, and adoption promotion*
10 *and support services”.*

11 (B) *PROGRAM TITLE.—The heading of sub-*
12 *part 2 of part B of title IV of the Social Security*
13 *Act (42 U.S.C. 629 et seq.) is amended to read*
14 *as follows:*

15 **“Subpart 2—Promoting Safe and Stable Families”.**

16 (c) *EMPHASIZING THE SAFETY OF THE CHILD.—*

17 (1) *REQUIRING ASSURANCES THAT THE SAFETY*
18 *OF CHILDREN SHALL BE OF PARAMOUNT CONCERN.—*
19 *Section 432(a) of the Social Security Act (42 U.S.C.*
20 *629b(a)) is amended—*

21 (A) *by striking “and” at the end of para-*
22 *graph (7);*

23 (B) *by striking the period at the end of*
24 *paragraph (8); and*

25 (C) *by adding at the end the following:*

1 “(9) contains assurances that in administering
2 and conducting service programs under the plan, the
3 safety of the children to be served shall be of para-
4 mount concern.”.

5 (2) *DEFINITIONS OF FAMILY PRESERVATION AND*
6 *FAMILY SUPPORT SERVICES.*—Section 431(a) of the
7 *Social Security Act (42 U.S.C. 629a(a)) is amend-*
8 *ed—*

9 (A) in paragraph (1)—

10 (i) in subparagraph (A), by inserting
11 “safe and” before “appropriate” each place
12 it appears; and

13 (ii) in subparagraph (B), by inserting
14 “safely” after “remain”; and

15 (B) in paragraph (2)—

16 (i) by inserting “safety and” before
17 “well-being”; and

18 (ii) by striking “stable” and inserting
19 “safe, stable,”.

20 (d) *CLARIFICATION OF MAINTENANCE OF EFFORT RE-*
21 *QUIREMENT.*—

22 (1) *DEFINITION OF NON-FEDERAL FUNDS.*—Sec-
23 tion 431(a) of the *Social Security Act (42 U.S.C.*
24 *629a(a))*, as amended by subsection (b)(2), is amend-
25 ed by adding at the end the following:

1 “(9) *NON-FEDERAL FUNDS.*—*The term ‘non-Federal funds’ means State funds, or at the option of a*
2 *State, State and local funds.’*”

3
4 (2) *EFFECTIVE DATE.*—*The amendment made by*
5 *paragraph (1) takes effect as if included in the enact-*
6 *ment of section 13711 of the Omnibus Budget Rec-*
7 *onciliation Act of 1993 (Public Law 103–33; 107*
8 *Stat. 649).*

9 **SEC. 306. HEALTH INSURANCE COVERAGE FOR CHILDREN**
10 **WITH SPECIAL NEEDS.**

11 *Section 471(a) of the Social Security Act (42 U.S.C.*
12 *671(a)), as amended by section 106, is amended—*

13 (1) *in paragraph (19), by striking “and” at the*
14 *end;*

15 (2) *in paragraph (20), by striking the period*
16 *and inserting “; and”; and*

17 (3) *by adding at the end the following:*

18 “(21) *provides for health insurance coverage (in-*
19 *cluding, at State option, through the program under*
20 *the State plan approved under title XIX) for any*
21 *child who has been determined to be a child with spe-*
22 *cial needs, for whom there is in effect an adoption as-*
23 *sistance agreement (other than an agreement under*
24 *this part) between the State and an adoptive parent*
25 *or parents, and who the State has determined cannot*

1 *be placed with an adoptive parent or parents without*
2 *medical assistance because such child has special*
3 *needs for medical, mental health, or rehabilitative*
4 *care, and that with respect to the provision of such*
5 *health insurance coverage—*

6 *“(A) such coverage may be provided through*
7 *1 or more State medical assistance programs;*

8 *“(B) the State, in providing such coverage,*
9 *shall ensure that the medical benefits, including*
10 *mental health benefits, provided are of the same*
11 *type and kind as those that would be provided*
12 *for children by the State under title XIX;*

13 *“(C) in the event that the State provides*
14 *such coverage through a State medical assistance*
15 *program other than the program under title*
16 *XIX, and the State exceeds its funding for serv-*
17 *ices under such other program, any such child*
18 *shall be deemed to be receiving aid or assistance*
19 *under the State plan under this part for pur-*
20 *poses of section 1902(a)(10)(A)(i)(I); and*

21 *“(D) in determining cost-sharing require-*
22 *ments, the State shall take into consideration the*
23 *circumstances of the adopting parent or parents*
24 *and the needs of the child being adopted consist-*
25 *ent, to the extent coverage is provided through a*

1 *State medical assistance program, with the rules*
2 *under such program.”.*

3 **SEC. 307. CONTINUATION OF ELIGIBILITY FOR ADOPTION**
4 **ASSISTANCE PAYMENTS ON BEHALF OF CHIL-**
5 **DREN WITH SPECIAL NEEDS WHOSE INITIAL**
6 **ADOPTION HAS BEEN DISSOLVED.**

7 (a) *CONTINUATION OF ELIGIBILITY.—Section*
8 *473(a)(2) of the Social Security Act (42 U.S.C. 673(a)(2))*
9 *is amended by adding at the end the following: “Any child*
10 *who meets the requirements of subparagraph (C), who was*
11 *determined eligible for adoption assistance payments under*
12 *this part with respect to a prior adoption, who is available*
13 *for adoption because the prior adoption has been dissolved*
14 *and the parental rights of the adoptive parents have been*
15 *terminated or because the child’s adoptive parents have*
16 *died, and who fails to meet the requirements of subpara-*
17 *graphs (A) and (B) but would meet such requirements if*
18 *the child were treated as if the child were in the same finan-*
19 *cial and other circumstances the child was in the last time*
20 *the child was determined eligible for adoption assistance*
21 *payments under this part and the prior adoption were*
22 *treated as never having occurred, shall be treated as meeting*
23 *the requirements of this paragraph for purposes of para-*
24 *graph (1)(B)(ii).”.*

1 (b) *APPLICABILITY.*—*The amendment made by sub-*
 2 *section (a) shall only apply to children who are adopted*
 3 *on or after October 1, 1997.*

4 **SEC. 308. STATE STANDARDS TO ENSURE QUALITY SERV-**
 5 **ICES FOR CHILDREN IN FOSTER CARE.**

6 Section 471(a) of the Social Security Act (42 U.S.C.
 7 671(a)), as amended by sections 106 and 306, is amended—

8 (1) in paragraph (20), by striking “and” at the
 9 end;

10 (2) in paragraph (21), by striking the period
 11 and inserting “; and”; and

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

13 “(22) provides that, not later than January 1,
 14 1999, the State shall develop and implement stand-
 15 ards to ensure that children in foster care placements
 16 in public or private agencies are provided quality
 17 services that protect the safety and health of the chil-
 18 dren.”.

19 **TITLE IV—MISCELLANEOUS**

20 **SEC. 401. PRESERVATION OF REASONABLE PARENTING.**

21 Nothing in this Act is intended to disrupt the family
 22 unnecessarily or to intrude inappropriately into family life,
 23 to prohibit the use of reasonable methods of parental dis-
 24 cipline, or to prescribe a particular method of parenting.

1 **SEC. 402. REPORTING REQUIREMENTS.**

2 *Any information required to be reported under this Act*
3 *shall be supplied to the Secretary of Health and Human*
4 *Services through data meeting the requirements of the Adop-*
5 *tion and Foster Care Analysis and Reporting System estab-*
6 *lished pursuant to section 479 of the Social Security Act*
7 *(42 U.S.C. 679), to the extent such data is available under*
8 *that system. The Secretary shall make such modifications*
9 *to regulations issued under section 479 of such Act with*
10 *respect to the Adoption and Foster Care Analysis and Re-*
11 *porting System as may be necessary to allow States to ob-*
12 *tain data that meets the requirements of such system in*
13 *order to satisfy the reporting requirements of this Act.*

14 **SEC. 403. SENSE OF CONGRESS REGARDING STANDBY**
15 **GUARDIANSHIP.**

16 *It is the sense of Congress that the States should have*
17 *in effect laws and procedures that permit any parent who*
18 *is chronically ill or near death, without surrendering pa-*
19 *rental rights, to designate a standby guardian for the par-*
20 *ent's minor children, whose authority would take effect*
21 *upon—*

22 *(1) the death of the parent;*

23 *(2) the mental incapacity of the parent; or*

24 *(3) the physical debilitation and consent of the*
25 *parent.*

1 **SEC. 404. TEMPORARY ADJUSTMENT OF CONTINGENCY**
 2 **FUND FOR STATE WELFARE PROGRAMS.**

3 (a) *REDUCTION OF APPROPRIATION.*—Section
 4 403(b)(2) of the Social Security Act (42 U.S.C. 603(b)(2))
 5 is amended by inserting “, reduced by the sum of the dollar
 6 amounts specified in paragraph (6)(C)(ii)” before the pe-
 7 riod.

8 (b) *INCREASE IN STATE REMITTANCES.*—Section
 9 403(b)(6) of such Act (42 U.S.C. 603(b)(6)) is amended by
 10 adding at the end the following:

11 “(C) *ADJUSTMENT OF STATE REMIT-*
 12 *TANCES.*—

13 “(i) *IN GENERAL.*—The amount other-
 14 wise required by subparagraph (A) to be re-
 15 mitted by a State for a fiscal year shall be
 16 increased by the lesser of—

17 “(I) the total adjustment for the
 18 fiscal year, multiplied by the adjust-
 19 ment percentage for the State for the
 20 fiscal year; or

21 “(II) the unadjusted net payment
 22 to the State for the fiscal year.

23 “(ii) *TOTAL ADJUSTMENT.*—As used in
 24 clause (i), the term ‘total adjustment’
 25 means—

1 “(I) in the case of fiscal year
2 1998, \$2,000,000;

3 “(II) in the case of fiscal year
4 1999, \$9,000,000;

5 “(III) in the case of fiscal year
6 2000, \$16,000,000; and

7 “(IV) in the case of fiscal year
8 2001, \$13,000,000.

9 “(iii) *ADJUSTMENT PERCENTAGE.*—As
10 used in clause (i), the term ‘adjustment per-
11 centage’ means, with respect to a State and
12 a fiscal year—

13 “(I) the unadjusted net payment
14 to the State for the fiscal year; divided
15 by

16 “(II) the sum of the unadjusted
17 net payments to all States for the fiscal
18 year.

19 “(iv) *UNADJUSTED NET PAYMENT.*—As
20 used in this subparagraph, the term,
21 ‘unadjusted net payment’ means with re-
22 spect to a State and a fiscal year—

23 “(I) the total amount paid to the
24 State under paragraph (3) in the fiscal
25 year; minus

1 “(II) the amount that, in the ab-
2 sence of this subparagraph, would be
3 required by subparagraph (A) or by
4 section 409(a)(10) to be remitted by the
5 State in respect of the payment.”.

6 (c) *RECOMMENDATIONS FOR IMPROVING THE OPER-*
7 *ATION OF THE CONTINGENCY FUND.*—Not later than March
8 1, 1998, the Secretary of Health and Human Services shall
9 make recommendations to the Congress for improving the
10 operation of the Contingency Fund for State Welfare Pro-
11 grams.

12 **SEC. 405. COORDINATION OF SUBSTANCE ABUSE AND**
13 **CHILD PROTECTION SERVICES.**

14 *Within 1 year after the date of the enactment of this*
15 *Act, the Secretary of Health and Human Services, based*
16 *on information from the Substance Abuse and Mental*
17 *Health Services Administration and the Administration for*
18 *Children and Families in the Department of Health of*
19 *Human Services, shall prepare and submit to the Commit-*
20 *tee on Ways and Means of the House of Representatives and*
21 *the Committee on Finance of the Senate a report which de-*
22 *scribes the extent and scope of the problem of substance*
23 *abuse in the child welfare population, the types of services*
24 *provided to such population, and the outcomes resulting*
25 *from the provision of such services to such population. The*

1 *report shall include recommendations for any legislation*
2 *that may be needed to improve coordination in providing*
3 *such services to such population.*

4 **SEC. 406. PURCHASE OF AMERICAN-MADE EQUIPMENT AND**
5 **PRODUCTS.**

6 (a) *IN GENERAL.*—*It is the sense of the Congress that,*
7 *to the greatest extent practicable, all equipment and prod-*
8 *ucts purchased with funds made available under this Act*
9 *should be American-made.*

10 (b) *NOTICE REQUIREMENT.*—*In providing financial*
11 *assistance to, or entering into any contract with, any entity*
12 *using funds made available under this Act, the head of each*
13 *Federal agency, to the greatest extent practicable, shall pro-*
14 *vide to such entity a notice describing the statement made*
15 *in subsection (a) by the Congress.*

16 **TITLE V—EFFECTIVE DATE**

17 **SEC. 501. EFFECTIVE DATE.**

18 (a) *IN GENERAL.*—*Except as otherwise provided in*
19 *this Act, the amendments made by this Act take effect on*
20 *the date of enactment of this Act.*

21 (b) *DELAY PERMITTED IF STATE LEGISLATION RE-*
22 *QUIRED.*—*In the case of a State plan under part B or E*
23 *of title IV of the Social Security Act which the Secretary*
24 *of Health and Human Services determines requires State*
25 *legislation (other than legislation appropriating funds) in*

1 *order for the plan to meet the additional requirements im-*
2 *posed by the amendments made by this Act, the State plan*
3 *shall not be regarded as failing to comply with the require-*
4 *ments of such part solely on the basis of the failure of the*
5 *plan to meet such additional requirements before the first*
6 *day of the first calendar quarter beginning after the close*
7 *of the first regular session of the State legislature that be-*
8 *gins after the date of enactment of this Act. For purposes*
9 *of the previous sentence, in the case of a State that has a*
10 *2-year legislative session, each year of such session shall be*
11 *deemed to be a separate regular session of the State legisla-*
12 *ture.*

Attest:

Clerk.