

PROVIDING FOR THE CONSIDERATION OF H.R. 1802,
FOSTER CARE INDEPENDENCE ACT OF 1999

JUNE 24, 1999.—Referred to the House Calendar and ordered to be printed

Ms. PRYCE of Ohio, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 221]

The Committee on Rules, having had under consideration House Resolution 221, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF RESOLUTION

The resolution provides for the consideration of H.R. 1802, the “Foster Care Independence Act of 1999,” under a structured rule. The rule provides one hour of general debate divided equally between the chairman and ranking minority member of the Committee on Ways and means. The rule further provides 20 minutes of general debate equally divided and controlled by the chairman and ranking member of the Committee on Commerce.

The rule waives clause 401(b) of the Congressional Budget Act of 1974 (prohibiting consideration of legislation providing new entitlement authority which becomes effective during the current fiscal year) against consideration of the bill. The rule makes in order as an original bill for the purpose of amendment the amendment in the nature of a substitute recommended by the Committee on Ways and means. The rule also waives clause 401(b) of the Congressional Budget Act of 1974 against consideration of the amendment in the nature of a substitute.

The rule provides for consideration of only the amendments printed in this report accompanying the resolution. The rule further provides that the amendments will be considered only in the order specified in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject

to amendment and shall not be subject to a demand for division of the question. The rule waives all points of order against the amendments printed in this report.

Additionally, the rule allows the Chairman of the Committee of the whole to postpone votes during consideration of the bill, and to reduce voting time to five minutes on a postponed question if the vote follows a fifteen minute vote. Finally the rule provides one motion to recommit with or without instructions.

The waiver of section 401(b) of the Congressional Budget Act of 1974 against consideration of the bill is due to the fact that Section 121 of the bill, relating to the state option of Medicaid coverage for adolescents leaving foster care, and section 251 of the bill, relating to benefits for Filipino veterans of World War II, provide new entitlement authority. The need for this same waiver against the committee amendment in the nature of a substitute is the same as for consideration of the bill.

The waiver of all points of order against the amendments printed in this report includes a waiver of section 302 of the Congressional Budget Act (prohibiting consideration of legislation providing new budget authority in excess of a subcommittee's 302(b) allocation of such authority) and section 401 of the Congressional Budget Act. The Johnson (CT) amendment provides new budget authority in excess of the Ways and Means Committee's allocation in the budget resolution and provides new entitlement authority by expanding SSI benefits to veterans of World War II.

AMENDMENTS MADE IN ORDER UNDER THE RULE TO H.R. 1802—
FOSTER CARE INDEPENDENCE ACT OF 1999

Johnson (CT): Makes technical and conforming changes; In section 477(b)(3)(A), wording is changed to clarify that eligible children are those who have left foster care because they reached age 18; Changes wording to clarify that eligible children are those who left foster care because they reached age 18; In section 477(c)(1), language is inserted to clarify that states must be provided a payment to operate their Independent Living program that is at least equal to the payment under previous law; In section 477(c), a new section is added to clarify the procedure by which the Secretary should reduce payments to other states to adjust for payments to states that receive a hold harmless payment; In section 477(c), the Secretary's authority to redistribute funds that are not used by states is eliminated; In section 477(d), language is inserted to allow states to spend each year's appropriation over a 2-year period; A new Subtitle D is added that authorizes (but does not appropriate) additional funds to pay adoption incentive payments to states that increased their level of adoptions in FY 1998; In section 206, a conforming amendment to Medicaid law is added to ensure that recipients of Supplemental Security Income who lose their benefits because of assets held in trust will not automatically lose their Medicaid benefits; In section 207, a conforming amendment to Medicaid law is included to clarify a section reference; In Title II, Subtitle B, extensive amendments are made to the Committee provision; the new provision would allow certain veterans of the U.S. armed forces in World War II to be eligible for continued SSI benefits if they move outside the U.S. (The Committee bill had restricted this

new benefit to Filipino veterans of World War II.); In section 301, the provision that eliminates the hold harmless provision in the child support enforcement provision is narrowed slightly so that states that share more of their child support collections with families are allowed to qualify for a partial hold harmless payment. (10 minutes)

Thompson (CA): Requires States to include in their State plan a certification that they adequately train prospective foster parents of the child being placed and that such training is continued, as necessary, after the placement. (20 minutes)

Buyer: Requires the Social Security Administration to study denials to family farmers with resources of under \$100,000 when the family chooses to care for a disabled dependent in the home. (20 minutes)

Text of amendments made in order:

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JOHNSON OF CONNECTICUT, OR A DESIGNEE, DEBATABLE FOR 10 MINUTES

In section 1(b) of the bill, in the table of contents, after the item relating to section 121, insert the following:

Subtitle D—Adoption Incentive Payments

Sec. 131. Increased funding for adoption incentive payments.

In section 1(b) of the bill, in the table of contents, strike the item relating to subtitle B of title II and the item relating to section 251, and insert the following:

Subtitle B—Special Benefits For Certain World War II Veterans

Sec. 251. Establishment of program of special benefits for certain World War II veterans.

In section 1(b) of the bill, in the table of contents, strike the item relating to section 301 and insert the following:

Sec. 301. Narrowing of hold harmless provision for state share of distribution of collected child support.

In section 477(a)(1) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike “design programs that”.

In section 477(b)(3)(A) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike “but” and insert “because they have attained 18 years of age, and who”.

In section 477(b)(3)(A) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike “and have attained 18 years of age but not” and insert “because they have attained 18 years of age, and who have not attained”.

In section 477(c)(1) of the Social Security Act, as proposed to be added by section 101(b) of the bill, insert “, as adjusted in accordance with paragraph (2)” before the period.

In section 477(c) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike paragraph (2) and insert the following:

“(2) HOLD HARMLESS PROVISION.—

“(A) IN GENERAL.—The Secretary shall allot to each State whose allotment for a fiscal year under paragraph (1) is less than the amount payable to the State under this

section for fiscal year 1998 an additional amount equal to the difference.”

“(B) RATABLE REDUCTION OF CERTAIN ALLOTMENTS.—In the case of a State not described in subparagraph (A) for a fiscal year, the Secretary shall reduce the amount allotted to the State for the fiscal year under paragraph (1) by the amount that bears the same ratio to the sum of the differences determined under subparagraph (A) for the fiscal year as the amount so allotted bears to the sum of the amounts allotted to all States not so described.

In section 477(c) of the Social Security Act, as proposed to be added by section 101(b) of the bill, strike paragraph (3).

At the end of section 477(d) of the Social Security Act, as proposed to be added by section 101(b) of the bill, add the following:

“(3) 2-YEAR AVAILABILITY OF FUNDS.—Payments made to a State under this section for a fiscal year shall be expended by the State in the fiscal year or in the succeeding fiscal year.”.

At the end of title I of the bill, insert the following:

Subtitle D—Adoption Incentive Payments

SEC. 131. INCREASED FUNDING FOR ADOPTION INCENTIVE PAYMENTS.

(a) SUPPLEMENTAL GRANTS.—Section 473A of the Social Security Act (42 U.S.C. 673b) is amended by adding at the end the following:

“(j) SUPPLEMENTAL GRANTS.—

“(1) IN GENERAL.—Subject to the availability of such amounts as may be provided in advance in appropriations Acts, in addition to any amount otherwise payable under this section to any State that is an incentive-eligible State for fiscal year 1998, the Secretary shall make a grant to the State in an amount equal to the lesser of—

“(A) the amount by which—

“(i) the amount that would have been payable to the State under this section during fiscal year 1999 (on the basis of adoptions in fiscal year 1998) in the absence of subsection (d)(2) if sufficient funds had been available for the payment; exceeds

“(ii) the amount that, before the enactment of this subsection, was payable to the State under this section during fiscal year 1999 (on such basis); or

“(B) the amount that bears the same ratio to the dollar amount specified in paragraph (2) as the amount described by subparagraph (A) for the State bears to the aggregate of the amounts described by subparagraph (A) for all States that are incentive-eligible States for fiscal year 1998.

“(2) FUNDING.—\$23,000,000 of the amounts appropriated under subsection (h)(1) for fiscal year 2000 may be used for grants under paragraph (1) of this subsection.”.

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—Section 473A(h)(1) of the Social Security Act (42 U.S.C. 673b(h)(1)) is amended to read as follows:

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

“(A) \$20,000,000 for fiscal year 1999;

“(B) \$43,000,000 for fiscal year 2000; and

“(C) \$20,000,000 for each of fiscal years 2001 through 2003.”.

In section 206 of the bill, redesignate subsection (c) as subsection (d) and insert after subsection (b) the following:

(c) CONFORMING AMENDMENTS.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended—

(1) by striking “and” at the end of subparagraph (E);

(2) by adding “and” at the end of subparagraph (F); and

(3) by inserting after subparagraph (F) the following:

“(G) that, in applying eligibility criteria of the supplemental security income program under title XVI for purposes of determining eligibility for medical assistance under the State plan of an individual who is not receiving supplemental security income, the State will disregard the provisions of section 1613(e);”.

In section 207 of the bill, redesignate subsection (b) as subsection (c) and insert after subsection (a) the following:

(b) CONFORMING AMENDMENT.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)), as amended by section 206(c) of this Act, is amended by striking “section 1613(e)” and inserting “subsections (c) and (e) of section 1613”.

Strike subtitle B of title II of the bill and insert the following:

Subtitle B—Special Benefits For Certain World War II Veterans

SEC. 251. ESTABLISHMENT OF PROGRAM OF SPECIAL BENEFITS FOR CERTAIN WORLD WAR II VETERANS.

(a) IN GENERAL.—The Social Security Act is amended by inserting after title VII the following:

“TITLE VIII—SPECIAL BENEFITS FOR CERTAIN WORLD WAR II VETERANS

“TABLE OF CONTENTS

“Sec. 801.	Basic entitlement to benefits.
“Sec. 802.	Qualified individuals.
“Sec. 803.	Residence outside the United States.
“Sec. 804.	Disqualifications.
“Sec. 805.	Benefit amount.
“Sec. 806.	Applications and furnishing of information.
“Sec. 807.	Representative payees.
“Sec. 808.	Overpayments and underpayments.
“Sec. 809.	Hearings and review.
“Sec. 810.	Other administrative provisions.
“Sec. 811.	Penalties for fraud.
“Sec. 812.	Definitions.
“Sec. 813.	Appropriations.

“SEC. 801. BASIC ENTITLEMENT TO BENEFITS.

“Every individual who is a qualified individual under section 802 shall, in accordance with and subject to the provisions of this title, be entitled to a monthly benefit paid by the Commissioner of Social Security for each month after September 2000 (or such earlier month, if the Commissioner determines is administratively feasible) the individual resides outside the United States.

“SEC. 802. QUALIFIED INDIVIDUALS.

“Except as otherwise provided in this title, an individual—

“(1) who has attained the age of 65 on or before the date of the the enactment of this title;

“(2) who is a World War II veteran;

“(3) who is eligible for a supplemental security income benefit under title XVI for—

“(A) the month in which this title is enacted, and

“(B) the month in which the individual files an application for benefits under this title;

“(4) whose total benefit income is less than 75 percent of the Federal benefit rate under title XVI;

“(5) who has filed an application for benefits under this title; and

“(6) who is in compliance with all requirements imposed by the Commissioner of Social Security under this title, shall be a qualified individual for purposes of this title.

“SEC. 803. RESIDENCE OUTSIDE THE UNITED STATES.

For purposes of section 801, with respect to any month, an individual shall be regarded as residing outside the United States if, on the first day of the month, the individual so resides outside the United States.

“SEC. 804. DISQUALIFICATIONS.

“Notwithstanding section 802, an individual may not be a qualified individual for any month—

“(1) that begins after the month in which the Commissioner of Social Security is notified by the Attorney General that the individual has been removed from the United States pursuant to section 237(a) of the Immigration and Nationality Act and before the month in which the Commissioner of Social Security is notified by the Attorney General that the individual is lawfully admitted to the United States for permanent residence;

“(2) during any part of which the individual is outside the United States due to flight to avoid prosecution, or custody or confinement after conviction, under the laws of the United States or the jurisdiction within the United States from which the person has fled, for a crime, or an attempt to commit a crime, that is a felony under the laws of the place from which the individual has fled, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

“(3) during any part of which which the individual violates a condition of probation or parole imposed under Federal or State law; or

“(4) during any part of which the individual is confined in a jail, prison, or other penal institution or correctional facility pursuant to a conviction of an offense.

“SEC. 805. BENEFIT AMOUNT.

“The benefit under this title payable to a qualified individual for any month shall be in an amount equal to 75 percent of the Federal benefit rate under title XVI for the month, reduced by the amount of the qualified individual’s benefit income for the month.

“SEC. 806. APPLICATIONS AND FURNISHING OF INFORMATION.

“(a) IN GENERAL.—The Commissioner of Social Security shall, subject to subsection (b), prescribe such requirements with respect to the filing of applications, the furnishing of information and other material, and the reporting of events and changes in circumstances, as may be necessary for the effective and efficient administration of this title.

“(b) VERIFICATION REQUIREMENT.—The requirements prescribed by the Commissioner of Social Security under subsection (a) shall preclude any determination of entitlement to benefits under this title solely on the basis of declarations by the individual concerning qualifications or other material facts, and shall provide for verification of material information from independent or collateral sources, and the procurement of additional information as necessary in order to ensure that the benefits are provided only to qualified individuals (or their representative payees) in correct amounts.

“SEC. 807. REPRESENTATIVE PAYEES.

“(a) IN GENERAL.—If the Commissioner of Social Security determines that the interest of any qualified individual under this title would be served thereby, payment of the qualified individual’s benefit under this title may be made, regardless of the legal competency or incompetency of the qualified individual, either directly to the qualified individual, or for his or her benefit, to another person (the meaning of which term, for purposes of this section, includes an organization) with respect to whom the requirements of subsection (b) have been met (in this section referred to as the qualified individual’s ‘representative payee’). If the Commissioner of Social Security determines that a representative payee has misused any benefit paid to the representative payee pursuant to this section, section 205(j), or section 1631(a)(2), the Commissioner of Social Security shall promptly revoke the person’s designation as the qualified individual’s representative payee under this subsection, and shall make payment to an alternative representative payee or, if the interest of the qualified individual under this title would be served thereby, to the qualified individual.

“(b) EXAMINATION OF FITNESS OF PROSPECTIVE REPRESENTATIVE PAYEE.—

“(1) Any determination under subsection (a) to pay the benefits of a qualified individual to a representative payee shall be made on the basis of—

“(A) an investigation by the Commissioner of Social Security of the person to serve as representative payee, which shall be conducted in advance of the determination and shall, to the extent practicable, include a face-to-face

interview with the person (or, in the case of an organization, a representative of the organization); and

“(B) adequate evidence that the arrangement is in the interest of the qualified individual.

“(2) As part of the investigation referred to in paragraph (1), the Commissioner of Social Security shall—

“(A) require the person being investigated to submit documented proof of the identity of the person;

“(B) in the case of a person who has a social security account number issued for purposes of the program under title II or an employer identification number issued for purposes of the Internal Revenue Code of 1986, verify the number;

“(C) determine whether the person has been convicted of a violation of section 208, 811, or 1632; and

“(D) determine whether payment of benefits to the person in the capacity as representative payee has been revoked or terminated pursuant to this section, section 205(j), or section 1631(a)(2)(A)(iii) by reason of misuse of funds paid as benefits under this title, title II, or title XVI, respectively.

“(c) REQUIREMENT FOR CENTRALIZED FILE.—The Commissioner of Social Security shall establish and maintain a centralized file, which shall be updated periodically and which shall be in a form that renders it readily retrievable by each servicing office of the Social Security Administration. The file shall consist of—

“(1) a list of the names and social security account numbers or employer identification numbers (if issued) of all persons with respect to whom, in the capacity of representative payee, the payment of benefits has been revoked or terminated under this section, section 205(j), or section 1631(a)(2)(A)(iii) by reason of misuse of funds paid as benefits under this title, title II, or title XVI, respectively; and

“(2) a list of the names and social security account numbers or employer identification numbers (if issued) of all persons who have been convicted of a violation of section 208, 811, or 1632.

“(d) PERSONS INELIGIBLE TO SERVE AS REPRESENTATIVE PAYEES.—

“(1) IN GENERAL.—The benefits of a qualified individual may not be paid to any other person pursuant to this section if—

“(A) the person has been convicted of a violation of section 208, 811, or 1632;

“(B) except as provided in paragraph (2), payment of benefits to the person in the capacity of representative payee has been revoked or terminated under this section, section 205(j), or section 1631(a)(2)(A)(ii) by reason of misuse of funds paid as benefits under this title, title II, or title XVI, respectively; or

“(C) except as provided in paragraph (2)(B), the person is a creditor of the qualified individual and provides the qualified individual with goods or services for consideration.

“(2) EXEMPTIONS.—

“(A) The Commissioner of Social Security may prescribe circumstances under which the Commissioner of Social Security may grant an exemption from paragraph (1) to any person on a case-by-case basis if the exemption is in the best interest of the qualified individual whose benefits would be paid to the person pursuant to this section.

“(B) Paragraph (1)(C) shall not apply with respect to any person who is a creditor referred to in such paragraph if the creditor is—

“(i) a relative of the qualified individual and the relative resides in the same household as the qualified individual;

“(ii) a legal guardian or legal representative of the individual;

“(iii) a facility that is licensed or certified as a care facility under the law of the political jurisdiction in which the qualified individual resides;

“(iv) a person who is an administrator, owner, or employee of a facility referred to in clause (iii), if the qualified individual resides in the facility, and the payment to the facility or the person is made only after the Commissioner of Social Security has made a good faith effort to locate an alternative representative payee to whom payment would serve the best interests of the qualified individual; or

“(v) a person who is determined by the Commissioner of Social Security, on the basis of written findings and pursuant to procedures prescribed by the Commissioner of Social Security, to be acceptable to serve as a representative payee.

“(C) The procedures referred to in subparagraph (B)(v) shall require the person who will serve as representative payee to establish, to the satisfaction of the Commissioner of Social Security, that—

“(i) the person poses no risk to the qualified individual;

“(ii) the financial relationship of the person to the qualified individual poses no substantial conflict of interest; and

“(iii) no other more suitable representative payee can be found.

“(e) DEFERRAL OF PAYMENT PENDING APPOINTMENT OF REPRESENTATIVE PAYEE.—

“(1) IN GENERAL.—Subject to paragraph (2), if the Commissioner of Social Security makes a determination described in the first sentence of subsection (a) with respect to any qualified individual’s benefit and determines that direct payment of the benefit to the qualified individual would cause substantial harm to the qualified individual, the Commissioner of Social Security may defer (in the case of initial entitlement) or suspend (in the case of existing entitlement) direct payment of the benefit to the qualified individual, until such time as the selection of a representative payee is made pursuant to this section.

“(2) TIME LIMITATION.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), any deferral or suspension of direct payment of a benefit pursuant to paragraph (1) shall be for a period of not more than 1 month.

“(B) EXCEPTION IN THE CASE OF INCOMPETENCY.—Subparagraph (A) shall not apply in any case in which the qualified individual is, as of the date of the Commissioner of Social Security’s determination, legally incompetent under the laws of the jurisdiction in which the individual resides.

“(3) PAYMENT OF RETROACTIVE BENEFITS.—Payment of any benefits which are deferred or suspended pending the selection of a representative payee shall be made to the qualified individual or the representative payee as a single sum or over such period of time as the Commissioner of Social Security determines is in the best interest of the qualified individual.

“(f) HEARING.—Any qualified individual who is dissatisfied with a determination by the Commissioner of Social Security to make payment of the qualified individual’s benefit to a representative payee under subsection (a) of this section or with the designation of a particular person to serve as representative payee shall be entitled to a hearing by the Commissioner of Social Security to the same extent as is provided in section 809(a), and to judicial review of the Commissioner of Social Security’s final decision as is provided in section 809(b).

“(g) NOTICE REQUIREMENTS.—

“(1) IN GENERAL.—In advance of the payment of a qualified individual’s benefit to a representative payee under subsection (a), the Commissioner of Social Security shall provide written notice of the Commissioner’s initial determination to so make the payment. The notice shall be provided to the qualified individual, except that, if the qualified individual is legally incompetent, then the notice shall be provided solely to the legal guardian or legal representative of the qualified individual.

“(2) SPECIFIC REQUIREMENTS.—Any notice required by paragraph (1) shall be clearly written in language that is easily understandable to the reader, shall identify the person to be designated as the qualified individual’s representative payee, and shall explain to the reader the right under subsection (f) of the qualified individual or of the qualified individual’s legal guardian or legal representative—

“(A) to appeal a determination that a representative payee is necessary for the qualified individual;

“(B) to appeal the designation of a particular person to serve as the representative payee of qualified individual; and

“(C) to review the evidence upon which the designation is based and to submit additional evidence.

“(h) ACCOUNTABILITY MONITORING.—

“(1) In any case where payment under this title is made to a person other than the qualified individual entitled to the payment, the Commissioner of Social Security shall establish a system of accountability monitoring under which the person shall report not less often than annually with respect to the

use of the payments. The Commissioner of Social Security shall establish and implement statistically valid procedures for reviewing the reports in order to identify instances in which persons are not properly using the payments.

“(2) SPECIAL REPORTS.—Notwithstanding paragraph (1), the Commissioner of Social Security may require a report at any time from any person receiving payments on behalf of a qualified individual, if the Commissioner of Social Security has reason to believe that the person receiving the payments is misusing the payments.

“(3) CENTRALIZED FILE.—The Commissioner of Social Security shall maintain a centralized file, which shall be updated periodically and which shall be in a form that is readily retrievable, of—

“(A) the name, address, and (if issued) the social security account number or employer identification number of each representative payee who is receiving benefit payments pursuant to this section, section 205(j), or section 1631(a)(2); and

“(B) the name, address, and social security account number of each individual for whom each representative payee is reported to be providing services as representative payee pursuant to this section, section 205(j), or section 1631(a)(2).

“(4) The Commissioner of Social Security shall maintain a list, which shall be updated periodically, of public agencies and community-based nonprofit social service agencies which are qualified to serve as representative payees pursuant to this section and which are located in the jurisdiction in which any qualified individual resides.

“(i) RESTITUTION.—In any case where the negligent failure of the Commissioner of Social Security to investigate or monitor a representative payee results in misuse of benefits by the representative payee, the Commissioner of Social Security shall make payment to the qualified individual or the individual’s alternative representative payee of an amount equal to the misused benefits. The Commissioner of Social Security shall make a good faith effort to obtain restitution from the terminated representative payee.

“SEC. 808. OVERPAYMENTS AND UNDERPAYMENTS.

“(a) IN GENERAL.—Whenever the Commissioner of Social Security finds that more or less than the correct amount of payment has been made to any person under this title, proper adjustment or recovery shall be made, as follows:

“(1) With respect to payment to a person of more than the correct amount, the Commissioner of Social Security shall decrease any payment under this title to which the overpaid person (if a qualified individual) is entitled, or shall require the overpaid person or his or her estate to refund the amount in excess of the correct amount, or, if recovery is not obtained under these two methods, shall seek or pursue recovery by means of reduction in tax refunds based on notice to the Secretary of the Treasury, as authorized under section 3720A of title 31, United States Code.

“(2) With respect to payment of less than the correct amount to a qualified individual who, at the time the Commissioner of Social Security is prepared to take action with respect to the underpayment—

“(A) is living, the Commissioner of Social Security shall make payment to the qualified individual (or the qualified individual’s representative payee designated under section 807) of the balance of the amount due the underpaid qualified individual; or

“(B) is deceased, the balance of the amount due shall revert to the general fund of the Treasury.

“(b) **WAIVER OF RECOVERY OF OVERPAYMENT.**—In any case in which more than the correct amount of payment has been made, there shall be no adjustment of payments to, or recovery by the United States from, any person who is without fault if the Commissioner of Social Security determines that the adjustment or recovery would defeat the purpose of this title or would be against equity and good conscience.

“(c) **LIMITED IMMUNITY FOR DISBURSING OFFICERS.**—A disbursing officer may not be held liable for any amount paid by the officer if the adjustment or recovery of the amount is waived under subsection (b), or adjustment under subsection (a) is not completed before the death of the qualified individual against whose benefits deductions are authorized.

“(d) **AUTHORIZED COLLECTION PRACTICES.**—

“(1) **IN GENERAL.**—With respect to any delinquent amount, the Commissioner of Social Security may use the collection practices described in sections 3711(e), 3716, and 3718 of title 31, United States Code, as in effect on October 1, 1994.

“(2) **DEFINITION.**—For purposes of paragraph (1), the term ‘delinquent amount’ means an amount—

“(A) in excess of the correct amount of the payment under this title; and

“(B) determined by the Commissioner of Social Security to be otherwise unrecoverable under this section from a person who is not a qualified individual under this title.

“SEC. 809. HEARINGS AND REVIEW.

“(a) **HEARINGS.**—

“(1) **IN GENERAL.**—The Commissioner of Social Security shall make findings of fact and decisions as to the rights of any individual applying for payment under this title. The Commissioner of Social Security shall provide reasonable notice and opportunity for a hearing to any individual who is or claims to be a qualified individual and is in disagreement with any determination under this title with respect to entitlement to, or the amount of, benefits under this title, if the individual requests a hearing on the matter in disagreement within 60 days after notice of the determination is received, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing affirm, modify, or reverse the Commissioner of Social Security’s findings of fact and the decision. The Commissioner of Social Security may, on the Commissioner of Social Security’s own motion, hold such hearings and to conduct such investigations and other proceedings as the Commissioner of Social Security

deems necessary or proper for the administration of this title. In the course of any hearing, investigation, or other proceeding, the Commissioner may administer oaths and affirmations, examine witnesses, and receive evidence. Evidence may be received at any hearing before the Commissioner of Social Security even though inadmissible under the rules of evidence applicable to court procedure. The Commissioner of Social Security shall specifically take into account any physical, mental, educational, or linguistic limitation of the individual (including any lack of facility with the English language) in determining, with respect to the entitlement of the individual for benefits under this title, whether the individual acted in good faith or was at fault, and in determining fraud, deception, or intent.

“(2) EFFECT OF FAILURE TO TIMELY REQUEST REVIEW.—A failure to timely request review of an initial adverse determination with respect to an application for any payment under this title or an adverse determination on reconsideration of such an initial determination shall not serve as a basis for denial of a subsequent application for any payment under this title if the applicant demonstrates that the applicant failed to so request such a review acting in good faith reliance upon incorrect, incomplete, or misleading information, relating to the consequences of reapplying for payments in lieu of seeking review of an adverse determination, provided by any officer or employee of the Social Security Administration.

“(3) NOTICE REQUIREMENTS.—In any notice of an adverse determination with respect to which a review may be requested under paragraph (1), the Commissioner of Social Security shall describe in clear and specific language the effect on possible entitlement to benefits under this title of choosing to reapply in lieu of requesting review of the determination.

“(b) JUDICIAL REVIEW.—The final determination of the Commissioner of Social Security after a hearing under subsection (a)(1) shall be subject to judicial review as provided in section 205(g) to the same extent as the Commissioner of Social Security’s final determinations under section 205.

“SEC. 810. OTHER ADMINISTRATIVE PROVISIONS.

“(a) REGULATIONS AND ADMINISTRATIVE ARRANGEMENTS.—The Commissioner of Social Security may prescribe such regulations, and make such administrative and other arrangements, as may be necessary or appropriate to carry out this title.

“(b) PAYMENT OF BENEFITS.—Benefits under this title shall be paid at such time or times and in such installments as the Commissioner of Social Security determines are in the interests of economy and efficiency.

“(c) ENTITLEMENT REDETERMINATIONS.—An individual’s entitlement to benefits under this title, and the amount of the benefits, may be redetermined at such time or times as the Commissioner of Social Security determines to be appropriate.

“(d) SUSPENSION OF BENEFITS.—Regulations prescribed by the Commissioner of Social Security under subsection (a) may provide for the temporary suspension of entitlement to benefits under this title as the Commissioner determines is appropriate.

“SEC. 811. PENALTIES FOR FRAUD.

“(a) IN GENERAL.—Whoever—

“(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in an application for benefits under this title;

“(2) at any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining any right to the benefits;

“(3) having knowledge of the occurrence of any event affecting—

“(A) his or her initial or continued right to the benefits;

or

“(B) the initial or continued right to the benefits of any other individual in whose behalf he or she has applied for or is receiving the benefit,

conceals or fails to disclose the event with an intent fraudulently to secure the benefit either in a greater amount or quantity than is due or when no such benefit is authorized; or

“(4) having made application to receive any such benefit for the use and benefit of another and having received it, knowingly and willfully converts the benefit or any part thereof to a use other than for the use and benefit of the other individual, shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

“(b) RESTITUTION BY REPRESENTATIVE PAYEE.—If a person or organization violates subsection (a) in the person’s or organization’s role as, or in applying to become, a representative payee under section 807 on behalf of a qualified individual, and the violation includes a willful misuse of funds by the person or entity, the court may also require that full or partial restitution of funds be made to the qualified individual.

“SEC. 812. DEFINITIONS.

“In this title:

“(1) WORLD WAR II VETERAN.—The term ‘World War II veteran’ means a person who served during World War II—

“(A) in the active military, naval, or air service of the United States during World War II, and who was discharged or released therefrom under conditions other than dishonorable after service of 90 days or more; or

“(B) in the organized military forces of the Government of the Commonwealth of the Philippines, while the forces were in the service of the Armed Forces of the United States pursuant to the military order of the President dated July 26, 1941, including among the military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States, in any case in which the service was rendered before December 31, 1946.

“(2) WORLD WAR II.—The term ‘World War II’ means the period beginning on September 16, 1940, and ending on July 24, 1947.

“(3) SUPPLEMENTAL SECURITY INCOME BENEFIT UNDER TITLE XVI.—The term ‘supplemental security income benefit under

title XVI, except as otherwise provided, includes State supplementary payments which are paid by the Commissioner of Social Security pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93-66.

“(4) FEDERAL BENEFIT RATE UNDER TITLE XVI.—The term ‘Federal benefit rate under title XVI’ means, with respect to any month, the amount of the supplemental security income cash benefit (not including any State supplementary payment which is paid by the Commissioner of Social Security pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93-66) payable under title XVI for the month to an eligible individual with no income.

“(5) UNITED STATES.—The term ‘United States’ means, notwithstanding section 1101(a)(1), only the 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

“(6) BENEFIT INCOME.—The term ‘benefit income’ means any recurring payment received by a qualified individual as an annuity, pension, retirement, or disability benefit (including any veterans’ compensation or pension, workmen’s compensation payment, old-age, survivors, or disability insurance benefit, railroad retirement annuity or pension, and unemployment insurance benefit), but only if a similar payment was received by the individual from the same (or a related) source during the 12-month period preceding the month in which the individual files an application for benefits under this title.

“SEC. 813. APPROPRIATIONS.

“There are hereby appropriated for fiscal year 2001 and subsequent fiscal years such sums as may be necessary to carry out this title.”.

(b) CONFORMING AMENDMENTS.—

(1) SOCIAL SECURITY TRUST FUNDS LAE ACCOUNT.—Section 201(g) of such Act (42 U.S.C. 401(g)) is amended—

(A) in the 4th sentence of paragraph (1)(A), by inserting after “this title,” the following: “title VIII,”;

(B) in paragraph (1)(B)(i)(I), by inserting after “this title,” the following: “title VIII,”; and

(C) in paragraph (1)(C)(i), by inserting after “this title,” the following: “title VIII,”.

(2) REPRESENTATIVE PAYEE PROVISIONS OF TITLE II.—Section 205(j) of such Act (42 U.S.C. 405(j)) is amended—

(A) in paragraph (1)(A), by inserting “807 or” before “1631(a)(2)”;

(B) in paragraph (2)(B)(i)(I), by inserting “, title VIII,” before “or title XVI”;

(C) in paragraph (2)(B)(i)(III), by inserting “, 811,” before “or 1632”;

(D) in paragraph (2)(B)(i)(IV)—

(i) by inserting “, the designation of such person as a representative payee has been revoked pursuant to section 807(a),” before “or payment of benefits”; and

(ii) by inserting “, title VIII,” before “or title XVI”;

(E) in paragraph (2)(B)(ii)(I)—

(i) by inserting “whose designation as a representative payee has been revoked pursuant to section 807(a),” before “or with respect to whom”; and

(ii) by inserting “, title VIII,” before “or title XVI”;
 (F) in paragraph (2)(B)(i)(II), by inserting “, 811,” before “or 1632”;

(G) in paragraph (2)(C)(i)(II) by inserting “, the designation of such person as a representative payee has been revoked pursuant to section 807(a),” before “or payment of benefits”;

(H) in each of clauses (i) and (ii) of paragraph (3)(E), by inserting “, section 807,” before “or section 1631(a)(2)”;

(I) in paragraph (3)(F), by inserting “807 or” before “1631(a)(2)”;

(J) in paragraph (4)(B)(i), by inserting “807 or” before “1631(a)(2)”.

(3) WITHHOLDING FOR CHILD SUPPORT AND ALIMONY OBLIGATIONS.—Section 459(h)(1)(A) of such Act (42 U.S.C. 659(h)(1)(A)) is amended—

(A) at the end of clause (iii), by striking “and”;

(B) at the end of clause (iv), by striking “but” and inserting “and”; and

(C) by adding at the end a new clause as follows:

“(v) special benefits for certain World War II veterans payable under title VIII; but”.

(4) SOCIAL SECURITY ADVISORY BOARD.—Section 703(b) of such Act (42 U.S.C. 903(b)) is amended by striking “title II” and inserting “title II, the program of special benefits for certain World War II veterans under title VIII,”.

(5) DELIVERY OF CHECKS.—Section 708 of such Act (42 U.S.C. 908) is amended—

(A) in subsection (a), by striking “title II” and inserting “title II, title VIII,”; and

(B) in subsection (b), by striking “title II” and inserting “title II, title VIII,”.

(6) CIVIL MONETARY PENALTIES.—Section 1129 of such Act (42 U.S.C. 1320a-8) is amended—

(A) in the title, by striking “II” and inserting “II, VIII”;

(B) in subsection (a)(1)—

(i) by striking “or” at the end of subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (C); and

(iii) by inserting after subparagraph (A) the following:

“(B) benefits or payments under title VIII, or”;

(C) in subsection (a)(2), by inserting “or title VIII,” after “title II”;

(D) in subsection (e)(1)(C)—

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

(ii) by redesignating clause (ii) as clause (iii); and

(iii) by inserting after clause (i) the following:

“(ii) by decrease of any payment under title VIII to which the person is entitled, or”;

- (E) in subsection (e)(2)(B), by striking “title XVI” and inserting “title VIII or XVI”; and
- (F) in subsection (l), by striking “title XVI” and inserting “title VIII or XVI”.
- (7) RECOVERY OF SSI OVERPAYMENTS.—Section 1147 of such Act (42 U.S.C. 1320b–17) is amended—
- (A) in subsection (a)(1)—
- (i) by inserting “or VIII” after “title II” the first place it appears; and
- (ii) by striking “title II” the second place it appears and inserting “such title”; and
- (B) in the title, by striking “SOCIAL SECURITY” and inserting “OTHER”.
- (8) REPRESENTATIVE PAYEE PROVISIONS OF TITLE XVI.—Section 1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) is amended—
- (A) in subparagraph (A)(iii), by inserting “or 807” after “205(j)(1)”;
- (B) in subparagraph (B)(ii)(I), by inserting “, title VIII,” before “or this title”;
- (C) in subparagraph (B)(ii)(III), by inserting “, 811,” before “or 1632”;
- (D) in subparagraph (B)(ii)(IV)—
- (i) by inserting “whether the designation of such person as a representative payee has been revoked pursuant to section 807(a),” before “and whether certification”; and
- (ii) by inserting “, title VIII,” before “or this title”;
- (E) in subparagraph (B)(iii)(II), by inserting “the designation of such person as a representative payee has been revoked pursuant to section 807(a),” before “or certification”; and
- (F) in subparagraph (D)(ii)(II)(aa), by inserting “or 807” after “205(j)(4)”.
- (9) ADMINISTRATIVE OFFSET.—Section 3716(c)(3)(C) of title 31, United States Code, is amended—
- (A) by striking “sections 205(b)(1)” and inserting “sections 205(b)(1), 809(a)(1),”; and
- (B) by striking “either title II” and inserting “title II, VIII,”.

Strike section 301 of the bill and insert the following:

SEC. 301. NARROWING OF HOLD HARMLESS PROVISION FOR STATE SHARE OF DISTRIBUTION OF COLLECTED CHILD SUPPORT.

(a) IN GENERAL.—Section 457(d) of the Social Security Act (42 U.S.C. 657(d)) is amended to read as follows:

“(d) HOLD HARMLESS PROVISION.—If—

“(1) the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); and

“(2)(A)(i) the State has not retained any of the current support so collected during the preceding fiscal year on behalf of any family that is a recipient of assistance under the State program funded under part A (except any such family in a control group required by a waiver granted to the State under section 1115); and

“(ii) at least the lesser of \$150 or the total amount of current support paid to such a family in any month is disregarded in determining the amount or type of assistance to be provided to the family for the month under the State program funded under part A; or

“(B) the State has distributed to families not less than $\frac{1}{2}$ of the child support arrearages collected pursuant to section 464 during the preceding fiscal year, that accrued after the families ceased to receive assistance from the State (as defined in subsection (c)(1)),

then the State share otherwise determined for the fiscal year shall be increased by an amount equal to $\frac{1}{2}$ of the amount (if any) by which the State share in fiscal year 1995 exceeds the State share for the fiscal year (determined without regard to this subsection).”.

(b) **AUTHORITY OF STATE TO PASS THROUGH PORTION OF CHILD SUPPORT ARREARAGES COLLECTED THROUGH TAX INTERCEPT.**—Section 457(a)(2)(B)(iv) of such Act (42 U.S.C. 657(a)(2)(B)(iv)) is amended in the first sentence by inserting after the 2nd sentence the following: “After making such payment, the State may distribute to the family not more than $\frac{1}{2}$ of the remaining amount so retained.”.

(c) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall be effective with respect to calendar quarters beginning on or after October 1, 1998.

(d) **REPEALER.**—Effective October 1, 2001, section 457 of the Social Security Act (42 U.S.C. 657) is amended by striking subsection (d).

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE THOMPSON OF CALIFORNIA, OR A DESIGNEE, DEBATABLE FOR 20 MINUTES

In section 1(b) of the bill, in the table of contents, after the item relating to section 111, insert the following:

Sec. 112. Preparation of foster parents to provide for the needs of children in State care.

At the end of subtitle B of title I, insert the following:

SEC. 112. PREPARATION OF FOSTER PARENTS TO PROVIDE FOR THE NEEDS OF CHILDREN IN STATE CARE.

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

(1) by striking “and” at the end of paragraph (22);

(2) by striking the period at the end of paragraph (23) and inserting “; and”; and

(3) by adding at the end the following:

“(24) include a certification that, before a child in foster care under the responsibility of the State is placed with prospective foster parents, the prospective foster parents will be prepared

adequately with the appropriate knowledge and skills to provide for the needs of the child, and that such preparation will be continued, as necessary, after the placement of the child.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999.

3. AN AMENDMENT TO BE CONSIDERED BY REPRESENTATIVE BUYER OF INDIANA, OR A DESIGNEE, DEBATABLE FOR 20 MINUTES

In section 1(b), in the table of contents, after the item relating to section 251, insert the following:

Subtitle C—Study

Sec. 261. Study of denial of SSI benefits for family farmers.

At the end of title II, insert the following:

Subtitle C—Study

SEC. 261. STUDY OF DENIAL OF SSI BENEFITS FOR FAMILY FARMERS.

(a) IN GENERAL.—The Commissioner of Social Security shall conduct a study of the reasons why family farmers with resources of less than \$100,000 are denied supplemental security income benefits under title XVI of the Social Security Act, including whether the deeming process unduly burdens and discriminates against family farmers who do not institutionalize a disabled dependent, and shall determine the number of such farmers who have been denied such benefits during each of the preceding 10 years.

(b) REPORT TO THE CONGRESS.—Within 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report that contains the results of the study, and the determination, required by subsection (a).