

Public Law 87-543

July 25, 1962
[H. R. 10606]

AN ACT

To extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Public Welfare
Amendments of
1962.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Public Welfare Amendments of 1962".

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TITLE I—PUBLIC WELFARE AMENDMENTS

PART A—IMPROVEMENT IN SERVICES TO PREVENT OR REDUCE DEPENDENCY

SERVICES AND OTHER ADMINISTRATIVE COSTS UNDER PUBLIC ASSISTANCE PROGRAMS

Federal Financial Participation in Costs of Services

SEC. 101. (a) (1) Section 3(a) of the Social Security Act is amended by striking out paragraph (4) and inserting in lieu thereof the following:

74 Stat. 989.
 42 USC 303.
Post, p. 179.

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for—

"(i) services which are prescribed pursuant to subsection (c) (1) and are provided (in accordance with the next sentence) to applicants for or recipients of assistance under the plan to help them attain or retain capability for self-care, or

Post, p. 179.

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) any of the services prescribed pursuant to subsection (c) (1), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of assistance under the plan, if such services are requested by such individuals and are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to applicants for or recipients of assistance under the plan, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such assistance; plus

“(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

“(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision: *Provided*, That no funds authorized under this title shall be available for services defined as vocational rehabilitation services under the Vocational Rehabilitation Act (i) which are available to individuals in need of them under programs for their rehabilitation carried on under a State plan approved under such Act, or (ii) which the State agency or agencies administering or supervising the administration of the State plan approved under such Act are able and willing to provide if reimbursed for the cost thereof pursuant to agreement under subparagraph (E), if provided by such staff, and

“(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

except that services described in clause (ii) of subparagraph (D) hereof may be provided only pursuant to agreement with such State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services so approved. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary.”

(2) Section 403(a) of such Act is amended to read as follows:

“(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid and services to needy families with children, for each quarter, beginning with the quarter commencing October 1, 1958—

“(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to families with dependent children under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

“(A) fourteen-seventeenths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$17 multiplied by the total number of recipients of aid to families with dependent children for such month (which total number, for purposes of this subsection, means (i) the number of individuals with respect to whom such aid in the form of money payments is paid for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such

68 Stat. 652.
29 USC 31 note.

72 Stat. 1048;
Post, p. 190.
42 USC 603.

month as aid to families with dependent children in the form of medical or any other type of remedial care); plus

“(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$30 multiplied by the total number of recipients of aid to families with dependent children for such month; and

“(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to families with dependent children under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$18 multiplied by the total number of recipients of such aid for such month; and

“(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

“(A) 75 per centum of so much of such expenditures as are for—

“(i) services which are prescribed pursuant to subsection (c) (1) and are provided (in accordance with the next sentence) to any relative, specified in section 406(a), with whom any dependent child (applying for or receiving aid to families with dependent children) is living in order to help such relative attain or retain capability for self-support or self-care, or services which are so prescribed and so provided in order to maintain and strengthen family life for any such child, or

“(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to any such child or relative, or

“(iii) any of the services prescribed pursuant to subsection (c) (1), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for any relative specified in section 406(a) with whom any child (who, within such period or periods as the Secretary may prescribe, has been or is likely to become an applicant for or recipient of aid to families with dependent children) is living, or as appropriate for such a child, if such services are requested by such relative and are provided to such relative or child in accordance with the next sentence, or

“(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

“(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to any relative, specified in section 406(a), with whom any child (who, within such period or periods as the Secretary may prescribe, has been or is likely to become an applicant for or recipient of aid to families with dependent children) is living, or to such child, if such services are requested by such relative or for services so provided to any child who is an applicant

Post, p. 180.

53 Stat. 1380.

42 USC 606.

53 Stat. 1380.
42 USC 606.

for or recipient of such aid, or to any relative, specified in section 406(a), with whom such a child is living; plus

“(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

68 Stat. 652.
29 USC 31 note.

“(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision: *Provided*, That no funds authorized under this title shall be available for services defined as vocational rehabilitation services under the Vocational Rehabilitation Act (i) which are available to individuals in need of them under programs for their rehabilitation carried on under a State plan approved under such Act, or (ii) which the State agency or agencies administering or supervising the administration of the State plan approved under such Act are able and willing to provide if reimbursed for the cost thereof pursuant to agreement under subparagraph (E), if provided by such staff, and

“(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

except that services described in clause (ii) of subparagraph (D) hereof may be provided only pursuant to agreement with such State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services so approved. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary.”

Post, p. 195.
42 USC 1203.
Post, p. 180.

(3) Section 1003(a) of such Act (as amended by section 132(b) of this Act) is amended by striking out clause (3) and inserting in lieu thereof the following:

“(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

“(A) 75 per centum of so much of such expenditures as are for—

“(i) services which are prescribed pursuant to subsection (c)(1) and are provided (in accordance with the next sentence) to applicants for or recipients of aid to the blind to help them attain or retain capability for self-support or self-care, or

“(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

*Post, p. 181.

“(iii) any of the services prescribed pursuant to subsection (c) (1), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid to the blind, if such services are requested by such individuals and are provided to such individuals in accordance with the next sentence, or

Post, p. 181.

“(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

“(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to applicants for or recipients of aid to the blind, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such aid; plus

“(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

“(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision: *Provided*, That no funds authorized under this title shall be available for services defined as vocational rehabilitation services under the Vocational Rehabilitation Act (i) which are available to individuals in need of them under programs for their rehabilitation carried on under a State plan approved under such Act, or (ii) which the State agency or agencies administering or supervising the administration of the State plan approved under such Act are able and willing to provide if reimbursed for the cost thereof pursuant to agreement under subparagraph (E), if provided by such staff, and

68 Stat. 652.
29 USC 31 note.

“(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

except that services described in clause (ii) of subparagraph (D) hereof may be provided only pursuant to agreement with such State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services so approved. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary.”

Post, p. 195.
42 USC 1353.
Post, p. 181.

(4) Section 1403(a) of such Act (as amended by section 132(c) of this Act) is amended by striking out clause (3) and inserting in lieu thereof the following:

"(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for—

Post, p. 181.

"(i) services which are prescribed pursuant to subsection (c) (1) and are provided (in accordance with the next sentence) to applicants for or recipients of aid to the permanently and totally disabled to help them attain or retain capability for self-support or self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) any of the services prescribed pursuant to subsection (c) (1), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid to the permanently and totally disabled, if such services are requested by such individuals and are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to applicants for or recipients of aid to the permanently and totally disabled, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such aid; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

"(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision: *Provided*, That no funds authorized under this title shall be available for services defined as vocational rehabilitation services under the Vocational Rehabilitation Act (i) which are available to individuals in need of them under programs for their rehabilitation carried on under a State plan approved under such Act, or (ii) which the State agency or agencies administering or supervising the administration of the State plan approved under such Act are able and willing to provide if reimbursed for the cost thereof pursuant to agreement under subparagraph (E), if provided by such staff, and

"(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of such State or local agency and are not otherwise reasonably avail-

68 Stat. 652.
29 USC 31 note.

able to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

68 Stat. 652,
29 USC 31, note.

except that services described in clause (ii) of subparagraph (D) hereof may be provided only pursuant to agreement with such State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services so approved. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary."

Requirements for Full Federal Matching of State Administrative Expenditures

(b) (1) (A) Paragraph (4) of section 3(a) of such Act, as amended by subsection (a) of this section, is further amended by inserting, in the portion thereof which precedes subparagraph (A), "whose State plan approved under section 2 meets the requirements of subsection (c) (1)" after "any State", and by striking out the period at the end of such paragraph and inserting in lieu thereof "; and".

Ante, p. 173.

74 Stat. 987,
42 USC 302.

(B) Such section 3(a) is further amended by inserting at the end thereof the following new paragraph:

"(5) in the case of any State whose State plan approved under section 2 does not meet the requirements of subsection (c) (1), an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, including services referred to in paragraph (4) and provided in accordance with the provisions of such paragraph."

(C) Section 3 of such Act is further amended by adding at the end thereof the following new subsection:

42 USC 303.

"(c) (1) In order for a State to qualify for payments under paragraph (4) of subsection (a), its State plan approved under section 2 must provide that the State agency shall make available to applicants for or recipients of old-age assistance under such State plan at least those services to help them attain or retain capability for self-care which are prescribed by the Secretary.

Ante, p. 173.

"(2) In the case of any State whose State plan included a provision meeting the requirements of paragraph (1), but with respect to which the Secretary finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, that—

"(A) the provision has been so changed that it no longer complies with the requirements of paragraph (1), or

"(B) in the administration of the plan there is a failure to comply substantially with such provision, the Secretary shall notify such State agency that further payments will not be made to the State under paragraph (4) of subsection (a) until he is satisfied that there will no longer be any such failure to comply. Until the Secretary is so satisfied further payments with respect to the administration of such State plan shall not be made under paragraph (4) of subsection (a) but shall instead be made,

subject to the other provisions of this title, under paragraph (5) of such subsection."

Ante, p. 175.

42 USC 602.

(2) (A) Paragraph (3) of section 403(a) of such Act, as amended by subsection (a) of this section, is further amended by inserting, in the portion thereof which precedes subparagraph (A), "whose State plan approved under section 402 meets the requirements of subsection (c) (1)" after "any State", and by striking out the period at the end of such paragraph and inserting in lieu thereof "; and".

(B) Such section 403(a) is further amended by inserting after paragraph (3) thereof the following new paragraph:

"(4) in the case of any State whose State plan approved under section 402 does not meet the requirements of subsection (c) (1), an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, including services referred to in paragraph (3) and provided in accordance with the provisions of such paragraph."

42 USC 603.

(C) Section 403 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) (1) In order for a State to qualify for payments under paragraph (3) of subsection (a), its State plan approved under section 402 must provide that the State agency shall make available at least those services to maintain and strengthen family life for children, and to help relatives specified in section 406(a) with whom children (who are applicants for or recipients of aid to families with dependent children) are living to attain or retain capability for self-support or self-care, which are prescribed by the Secretary.

53 Stat. 1380.
42 USC 606.

"(2) In the case of any State whose State plan included a provision meeting the requirements of paragraph (1), but with respect to which the Secretary finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, that—

"(A) the provision has been so changed that it no longer complies with the requirements of paragraph (1), or

"(B) in the administration of the plan there is a failure to comply substantially with such provision,

the Secretary shall notify such State agency that further payments will not be made to the State under paragraph (3) of subsection (a) until he is satisfied that there will no longer be any such failure to comply. Until the Secretary is so satisfied further payments with respect to the administration of such State plan shall not be made under paragraph (3) of subsection (a) but shall instead be made, subject to the other provisions of this title, under paragraph (4) of such subsection."

75 Stat. 76.
42 USC 608.

(D) Section 408(d) of such Act is amended by inserting "and (4)" after "section 403(a) (3)".

Post, p. 187.

(E) Section 409(b) of such Act (added by section 105 of this Act) is amended by inserting "and (4)" after "section 403(a) (3)".

Ante, p. 176.

(3) (A) Paragraph (3) of section 1003(a) of such Act, as amended by subsection (a) of this section, is further amended by inserting, in the portion thereof which precedes subparagraph (A), "whose State plan approved under section 1002 meets the requirements of subsection (c) (1)" after "any State", and by striking out the period at the end of such paragraph and inserting in lieu thereof "; and".

42 USC 1202.

(B) Such section 1003(a) is further amended by inserting at the end thereof the following new paragraph:

"(4) in the case of any State whose State plan approved under section 1002 does not meet the requirements of subsection (c) (1), an amount equal to one-half of the total of the sums expended

during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, including services referred to in paragraph (3) and provided in accordance with the provisions of such paragraph."

(C) Section 1003 of such Act is further amended by adding at the end thereof the following new subsection:

42 USC 1203.

"(c) (1) In order for a State to qualify for payments under paragraph (3) of subsection (a), its State plan approved under section 1002 must provide that the State agency shall make available to applicants for or recipients of aid to the blind at least those services to help them attain or retain capability for self-support or self-care which are prescribed by the Secretary.

Ante, p. 176.

"(2) In the case of any State whose State plan included a provision meeting the requirements of paragraph (1), but with respect to which the Secretary finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, that—

Post, p. 195.

"(A) the provision has been so changed that it no longer complies with the requirements of paragraph (1), or

"(B) in the administration of the plan there is a failure to comply substantially with such provision, the Secretary shall notify such State agency that further payments will not be made to the State under paragraph (3) of subsection (a) until he is satisfied that there will no longer be any such failure to comply. Until the Secretary is so satisfied further payments with respect to the administration of such State plan shall not be made under paragraph (3) of subsection (a) but shall instead be made, subject to the other provisions of this title, under paragraph (4) of such subsection."

(4) (A) Paragraph (3) of section 1403(a) of such Act, as amended by subsection (a) of this section, is further amended by inserting, in the portion thereof which precedes subparagraph (A), "whose State plan approved under section 1402 meets the requirements of subsection (c) (1)" after "any State", and by striking out the period at the end of such paragraph and inserting in lieu thereof "; and".

Ante, p. 178.

42 USC 1352.

(B) Such section 1403(a) is further amended by inserting at the end thereof the following new paragraph:

42 USC 1353.

"(4) in the case of any State whose State plan approved under section 1402 does not meet the requirements of subsection (c) (1), an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, including services referred to in paragraph (3) and provided in accordance with the provisions of such paragraph."

(C) Section 1403 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) (1) In order for a State to qualify for payments under paragraph (3) of subsection (a), its State plan approved under section 1402 must provide that the State agency shall make available to applicants for or recipients of aid to the permanently and totally disabled at least those services to help them attain or retain capability for self-support or self-care which are prescribed by the Secretary.

Post, p. 195.

"(2) In the case of any State whose State plan included a provision meeting the requirements of paragraph (1), but with respect to which the Secretary finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, that—

"(A) the provision has been so changed that it no longer complies with the requirements of paragraph (1), or

“(B) in the administration of the plan there is a failure to comply substantially with such provision, the Secretary shall notify such State agency that further payments will not be made to the State under paragraph (3) of subsection (a) until he is satisfied that there will no longer be any such failure to comply. Until the Secretary is so satisfied further payments with respect to the administration of such State plan shall not be made under paragraph (3) of subsection (a) but shall instead be made, subject to the other provisions of this title, under paragraph (4) of such subsection.”

Ante, p. 178.

Ante, p. 181.

EXPANSION AND IMPROVEMENT OF CHILD WELFARE SERVICES

Increase in Authorization of Appropriations

72 Stat. 1052;
74 Stat. 996.
42 USC 721.

SEC. 102. (a) Section 521 of the Social Security Act is amended by striking out “there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1961, the sum of \$25,000,000” and inserting in lieu thereof “the following sums are hereby authorized to be appropriated: \$25,000,000 each for the fiscal year ending June 30, 1961, and the succeeding fiscal year, \$30,000,000 for the fiscal year ending June 30, 1963, \$35,000,000 for the fiscal year ending June 30, 1964, \$40,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year, \$45,000,000 each for the fiscal year ending June 30, 1967, and the succeeding fiscal year, and \$50,000,000 each for the fiscal year ending June 30, 1969, and succeeding fiscal years”.

Coordination With Dependent Children Program and Extension of Child Welfare Services

72 Stat. 1053.
42 USC 723.

(b) (1) Section 523(a) of such Act is amended by striking out “each State with a plan for child-welfare services developed as provided in this part an amount equal to the Federal share” and inserting in lieu thereof “each State—

“(1) that has a plan for child-welfare services which has been developed as provided in this part and which—

“(A) provides for coordination between the services provided under such plan and the services provided for dependent children under the State plan approved under title IV, with a view to provision of welfare and related services which will best promote the welfare of such children and their families, and

“(B) provides, with respect to day care services (including the provision of such care) provided under the plan—

“(i) for cooperative arrangements with the State health authority and the State agency primarily responsible for State supervision of public schools to assure maximum utilization of such agencies in the provision of necessary health services and education for children receiving day care,

“(ii) for an advisory committee, to advise the State public welfare agency on the general policy involved in the provision of day care services under the State plan, which shall include among its members representatives of other State agencies concerned with day care or services related thereto and persons representative of professional or civic or other public or nonprofit private agencies, organizations, or groups concerned with the provision of day care,

“(iii) for such safeguards as may be necessary to assure provision of day care under the plan only in cases in which it is in the best interest of the child and the mother and only in cases in which it is determined, under criteria established by the State, that a need for such care exists; and, in cases in which the family is able to pay part or all of the costs of such care, for payment of such fees as may be reasonable in the light of such ability, and

“(iv) for giving priority, in determining the existence of need for such day care, to members of low-income or other groups in the population and to geographical areas which have the greatest relative need for extension of such day care, and

“(2) that makes a satisfactory showing that the State is extending the provision of child-welfare services in the State, with priority being given to communities with the greatest need for such services after giving consideration to their relative financial need, and with a view to making available by July 1, 1975, in all political subdivisions of the State, for all children in need thereof, child-welfare services provided by the staff (which shall to the extent feasible be composed of trained child-welfare personnel) of the State public welfare agency or of the local agency participating in the administration of the plan in the political subdivision,

an amount equal to the Federal share”.

(2) Such section 523(a) is further amended by striking out “costs of district, county, or other local child-welfare services” and inserting in lieu thereof “costs of State, district, county, or other local child-welfare services”.

72 Stat. 1053.
42 USC 723.
Ante, p. 182.

Allotments for Day Care

(c) (1) Section 522(a) of such Act is amended—

(A) by striking out “The sums appropriated for each fiscal year under section 521” at the beginning of such section and inserting in lieu thereof “All but \$10,000,000 of the total appropriated for a fiscal year under section 521, or, if such total is less than \$35,000,000, all but the excess (if any) of such total over \$25,000,000.”;

(B) by striking out “He shall allot to each State \$50,000 or, if greater, such portion of \$70,000 as the amount appropriated under section 521 for such year bears to the amount authorized to be so appropriated” and inserting in lieu thereof “He shall allot to each State \$70,000 or, if the amount appropriated under section 521 for such year is less than \$25,000,000, he shall allot to each State \$50,000 or, if greater, such portion of \$70,000 as the amount appropriated under such section bears to \$25,000,000”; and

(C) by striking out “the remainder of the sums so appropriated for such year” and inserting in lieu thereof “the remainder of the sum available for allotment under this subsection for such year”.

(2) Part 3 of title V of such Act is further amended by adding at the end thereof the following new section:

72 Stat. 1053;
74 Stat. 996.
42 USC 722.
42 USC 721.

42 USC 721-726.

“DAY CARE

“SEC. 527. (a) In order to assist the States to provide adequately for the care and protection of children whose parents are, for part of the day, working or seeking work, or otherwise absent from the home or unable for other reasons to provide parental supervision, the portion of the appropriation under section 521 for any fiscal year which is not

72 Stat. 1053.
Ante, p. 183.
42 USC 722.

42 USC 724.

allotted under section 522 shall be allotted by the Secretary among the States solely for use, under the State plan developed as provided in this part, for day care services, including the provision of day care in facilities (including private homes) which are licensed by the State, or are approved (as meeting the standards established for such licensing) by the State agency responsible for licensing facilities of this type, as follows: He shall allot to each State an amount which bears the same ratio to such portion of the appropriation as the product of (1) the population of the State under the age of 21 and (2) the allotment percentage of such State (as determined under section 524) bears to the sum of the corresponding products of all the States, except that the allotment of any State as so computed which is less than \$10,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States (as so computed) having an allotment in excess of that amount, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than that amount.

“(b) The amount of any allotment to a State under subsection (a) for any fiscal year which the State certifies to the Secretary will not be required for the purposes for which allotted shall be available for reallocation from time to time, on such dates as the Secretary may fix, to other States which the Secretary determines (1) have need in carrying out such purposes for sums in excess of those previously allotted to them under subsection (a), and (2) will be able to use such excess amounts during such fiscal year. Such reallocations shall be made on the basis of the need for additional funds in carrying out such purposes, after taking into consideration the population under the age of twenty-one, and the per capita income of each such State as compared with the population under the age of twenty-one, and the per capita income of all such States with respect to which such a determination by the Secretary has been made. Any amount so reallocated to a State shall be deemed part of its allotment under subsection (a).”

Definition of Child-Welfare Services

42 USC 721.
Ante, p. 182.

“(d) (1) Section 521 of such Act is further amended by striking out ‘public-welfare services (hereinafter in this title referred to as ‘child-welfare services’) for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent’ and inserting in lieu thereof ‘child-welfare services’.”

Ante, p. 183.

“(2) Part 3 of title V of such Act is further amended by adding after section 527 (added by subsection (c) (2) of this section) the following new section:

“DEFINITION

“SEC. 528. For purposes of this part, the term ‘child-welfare services’ means public social services which supplement, or substitute for, parental care and supervision for the purpose of (1) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation, or delinquency of children, (2) protecting and caring for homeless, dependent, or neglected children, (3) protecting and promoting the welfare of children of working mothers, and (4) otherwise protecting and promoting the welfare of children, including the strengthening of their own homes where possible or, where needed, the provision of adequate care of children away from their homes in foster family homes or day-care or other child-care facilities.”

WELFARE SERVICES FOR EACH CHILD UNDER DEPENDENT CHILDREN PROGRAM

SEC. 103. Section 402(a) of the Social Security Act is amended by striking out "and" after the semicolon at the end of clause (11), and by inserting before the period at the end of clause (12) the following: "; and (13) provide for the development and application of a program for such welfare and related services for each child who receives aid to families with dependent children as may be necessary in the light of the particular home conditions and other needs of such child, and provide for coordination of such programs, and any other services provided for children under the State plan, with the child-welfare services plan developed as provided in part 3 of title V, with a view toward providing welfare and related services which will best promote the welfare of such child and his family".

42 USC 602.

TECHNICAL AMENDMENTS TO REFLECT EMPHASIS ON REHABILITATION AND OTHER SERVICES

SEC. 104. (a) (1) The heading of title IV of the Social Security Act is amended to read as follows:

42 USC 601-608.

**"TITLE IV—GRANTS TO STATES FOR AID AND SERVICES
TO NEEDY FAMILIES WITH CHILDREN"**

(2) The heading of section 402 of such Act is amended to read as follows:

42 USC 602.

"STATE PLANS FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN"

(3) The following provisions of such Act are amended by striking out "aid to dependent children" each time it appears and inserting in lieu thereof "aid to families with dependent children":

- (A) clauses (4), (7), (8), (9), and (10) of section 402(a);
- (B) section 402(b);
- (C) section 403(b)(2)(B);
- (D) section 406(b);
- (E) clause (2)(B) of section 407;
- (F) section 408(b);
- (G) section 408(c);
- (H) section 1002(a)(7); and
- (I) section 1402(a)(7).

42 USC 603.

42 USC 606.

42 USC 607.

42 USC 608.

42 USC 1202.

42 USC 1352.

42 USC 601.

(4) The second sentence of section 401 of such Act is amended by striking out "State plans for aid to dependent children" and inserting in lieu thereof "State plans for aid and services to needy families with children".

(5) The following provisions of title IV of such Act are amended by striking out "plan for aid to dependent children" and inserting in lieu thereof "plan for aid and services to needy families with children":

- (A) the portion of section 402(a) which precedes clause (1);
- and
- (B) the portion of section 404 which precedes clause (1).

42 USC 602.

42 USC 604.

(b) Each State plan approved under title IV of the Social Security Act and in effect on the date of the enactment of this Act shall be deemed for purposes of such title, without the necessity of any change in such plan, to have been conformed with the amendments made by subsection (a) of this section.

(c) (1) The first sentence of section 1 of such Act is amended to read as follows: "For the purpose (a) of enabling each State, as far as practicable under the conditions in such State, to furnish financial

74 Stat. 987.
42 USC 301.

assistance to aged needy individuals, (b) of enabling each State, as far as practicable under the conditions in such State, to furnish medical assistance on behalf of aged individuals who are not recipients of old-age assistance but whose income and resources are insufficient to meet the costs of necessary medical services, and (c) of encouraging each State, as far as practicable under the conditions in such State, to furnish rehabilitation and other services to help individuals referred to in clause (a) or (b) to attain or retain capability for self-care, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title."

42 USC 601.

(2) The first sentence of section 401 of such Act is amended (A) by inserting "and rehabilitation" after "financial assistance", and (B) by inserting "or retain capability for" after "attain".

42 USC 1201.

(3) The first sentence of section 1001 of such Act is amended (A) by inserting "to furnish rehabilitation and other services" before "to help such individuals", and (B) by inserting "or retain capability for" after "attain".

42 USC 1351.

(4) The first sentence of section 1401 of such Act is amended (A) by inserting "to furnish rehabilitation and other services" before "to help such individuals", and (B) by inserting "or retain capability for" after "attain".

COMMUNITY WORK AND TRAINING PROGRAMS

42 USC 601-608.

SEC. 105. (a) Title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"COMMUNITY WORK AND TRAINING PROGRAMS

"SEC. 409. (a) For the purpose of assisting the States in encouraging, through community work and training programs of a constructive nature, the conservation of work skills and the development of new skills for individuals who have attained the age of 18 and are receiving aid to families with dependent children, under conditions which are designed to assure protection of the health and welfare of such individuals and the dependent children involved, expenditures (other than for medical or any other type of remedial care) for any month with respect to a dependent child (including payments to meet the needs of any relative or relatives, specified in section 406(a), with whom he is living) under a State plan approved under section 402 shall not be excluded from aid to families with dependent children because such expenditures are made in the form of payments for work performed in such month by any one or more of the relatives with whom such child is living if such work is performed for the State agency or any other public agency under a program (which need not be in effect in all political subdivisions of the State) administered by or under the supervision of such State agency, if there is State financial participation in such expenditures, and if such State plan includes—

"(1) provisions which, in the judgment of the Secretary, provide reasonable assurance that—

"(A) appropriate standards for health, safety, and other conditions applicable to the performance of such work by such relatives are established and maintained;

"(B) payments for such work are at rates not less than the minimum rate (if any) provided by or under State law for the same type of work and not less than the rates prevailing on similar work in the community;

"(C) such work is performed on projects which serve a useful public purpose, do not result either in displacement

of regular workers or in the performance by such relatives of work that would otherwise be performed by employees of public or private agencies, institutions, or organizations, and (except in cases of projects which involve emergencies or which are generally of a nonrecurring nature) are of a type which has not normally been undertaken in the past by the State or community, as the case may be;

"(D) in determining the needs of any such relative, any additional expenses reasonably attributable to such work will be considered;

"(E) any such relative shall have reasonable opportunities to seek regular employment and to secure any appropriate training or retraining which may be available;

"(F) any such relative will, with respect to the work so performed, be covered under the State workmen's compensation law or be provided comparable protection; and

"(G) aid under the plan will not be denied with respect to any such relative (or the dependent child) for refusal by such relative to perform any such work if he has good cause for such refusal;

"(2) provision for entering into cooperative arrangements with the system of public employment offices in the State looking toward employment or occupational training of any such relatives performing work under such program, including appropriate provision for registration and periodic reregistration of such relatives and for maximum utilization of the job placement services and other services and facilities of such offices;

"(3) provision for entering into cooperative arrangements with the State agency or agencies responsible for administering or supervising the administration of vocational education and adult education in the State, looking toward maximum utilization of available public vocational or adult education services and facilities in the State in order to encourage the training or retraining of any such relatives performing work under such program and otherwise assist them in preparing for regular employment;

"(4) provision for assuring appropriate arrangements for the care and protection of the child during the absence from the home of any such relative performing work under such program in order to assure that such absence and work will not be inimical to the welfare of the child;

"(5) provision that there will be no adjustment or recovery by the State or any political subdivision thereof on account of any payments which are correctly made for such work; and

"(6) such other provisions as the Secretary finds necessary to assure that the operation of such program will not interfere with achievement of the objectives set forth in section 401.

42 USC 601.

"(b) In the case of any State which makes expenditures in the form described in subsection (a) under its State plan approved under section 402, the proper and efficient administration of the State plan, for purposes of section 403(a) (3), may not include the cost of making or acquiring materials or equipment in connection with the work performed under a program referred to in subsection (a) or the cost of supervision of work under such program, and may include only such other costs attributable to such programs as are permitted by the Secretary."

42 USC 602,
603.

(b) The Secretary shall submit to the President, for transmission to the Congress prior to January 1, 1967, a full report of the administration of the provisions of the amendment made by subsection (a), including the experiences of each of the States in paying for work

Report to President and Congress.

under community work and training programs under the provisions of their respective State plans which are in accord with such amendment, together with his recommendations as to continuation of and modifications in such amendment.

(c) Expenditures (other than for medical or any other type of remedial care) made at any time during the period beginning July 1, 1961, and ending with the close of September 30, 1962, which would have been considered aid to dependent children or aid to families with dependent children, as the case may be, under a State plan approved under title IV of the Social Security Act except that they were made in the form of payments for work performed by a relative with whom a dependent child (as defined in section 406 or 407 of such Act) is living, shall be deemed to have been made under a State plan approved under title IV of the Social Security Act and to constitute aid to dependent children or aid to families with dependent children, as the case may be, if (1) such expenditures were made under conditions which meet the requirements set forth in section 409 of such Act (added by subsection (a) of this section), other than subparagraphs (D) and (F) of subsection (a) (1) thereof and other than the requirement that the State agency (administering or supervising the administration of such plan) be administering or supervising the administration of the program under which such work is performed, and (2) at the time such expenditures were made, such State plan met the requirements of paragraphs (1), (2), and (3) of section 407 of the Social Security Act. The costs of administration of any such State plan may include, with respect to expenditures described in the preceding sentence, only such costs as are permitted in accordance with the provisions of subsection (b) of such section 409.

INCENTIVES FOR EMPLOYMENT THROUGH CONSIDERATION OF EXPENSES IN
EARNING INCOME, AND PROVISION FOR FUTURE NEEDS OF DEPENDENT
CHILDREN

SEC. 106. (a) (1) Section 2(a) of the Social Security Act is amended by inserting before the semicolon at the end of subparagraph (A) of paragraph (10) “, as well as any expenses reasonably attributable to the earning of any such income”.

(2) Section 1002(a) (8) of such Act is amended by inserting before the first semicolon “, as well as any expenses reasonably attributable to the earning of any such income”.

(3) Section 1402(a) (8) of such Act is amended by inserting before the semicolon at the end thereof “, as well as any expenses reasonably attributable to the earning of any such income”.

(b) Section 402(a) (7) of such Act is amended to read as follows: “(7) provide that the State agency shall, in determining need, take into consideration any other income and resources of any child or relative claiming aid to families with dependent children, as well as any expenses reasonably attributable to the earning of any such income; except that, in making such determination, the State agency may, subject to limitations prescribed by the Secretary, permit all or any portion of the earned or other income to be set aside for future identifiable needs of a dependent child;”.

USE OF PAYMENTS FOR BENEFIT OF CHILD

SEC. 107. (a) Section 405 of the Social Security Act is amended to read as follows:

“USE OF PAYMENTS FOR BENEFIT OF CHILD

“SEC. 405. Whenever the State agency has reason to believe that any payments of aid to families with dependent children made with respect to a child are not being or may not be used in the best interests of the child, the State agency may provide for such counseling

and guidance services with respect to the use of such payments and the management of other funds by the relative receiving such payments as it deems advisable in order to assure use of such payments in the best interests of such child, and may provide for advising such relative that continued failure to so use such payments will result in substitution therefor of protective payments as provided under section 406(b)(2), or in seeking appointment of a guardian or legal representative as provided in section 1111, or in the imposition of criminal or civil penalties authorized under State law if it is determined by a court of competent jurisdiction that such relative is not using or has not used for the benefit of the child any such payments made for that purpose; and the provision of such services or advice by the State agency (or the taking of the action specified in such advice) shall not serve as a basis for withholding funds from such State under section 404 and shall not prevent such payments with respect to such child from being considered aid to families with dependent children."

(b) Section 404(b) of such Act is amended by inserting before the period at the end thereof the following: "; nor shall any such payment be withheld for any period beginning on or after such date by reason of any action taken pursuant to such a statute if provision is otherwise made pursuant to a State statute for adequate care and assistance with respect to such child".

Infra.

72 Stat. 1052.
42 USC 1311.

42 USC 604.

75 Stat. 77.
42 USC 604.

PROTECTIVE PAYMENTS UNDER DEPENDENT CHILDREN PROGRAM

SEC. 108. (a) Section 406(b) of the Social Security Act is amended by inserting "(1)" after "includes" and by inserting before the semicolon at the end thereof: ", and (2) payments with respect to any dependent child (including payments to meet the needs of the relative, and the relative's spouse, with whom such child is living) which do not meet the preceding requirements of this subsection, but which would meet such requirements except that such payments are made to another individual who (as determined in accordance with standards prescribed by the Secretary) is interested in or concerned with the welfare of such child and relative, but only with respect to a State whose State plan approved under section 402 includes provision for—

42 USC 606.

"(A) determination by the State agency that the relative of the child with respect to whom such payments are made has such inability to manage funds that making payments to him would be contrary to the welfare of the child and, therefore, it is necessary to provide such aid with respect to such child and relative through payments described in this clause (2);

42 USC 602.

"(B) making such payments only in cases in which such payments will, under the rules otherwise applicable under the State plan for determining need and the amount of aid to families with dependent children to be paid (and in conjunction with other income and resources), meet all the need of the individuals with respect to whom such payments are made;

"(C) undertaking and continuing special efforts to develop greater ability on the part of the relative to manage funds in such manner as to protect the welfare of the family;

"(D) periodic review by such State agency of the determination under clause (A) to ascertain whether conditions justifying such determination still exist, with provision for termination of such payments if they do not and for seeking judicial appointment of a guardian or other legal representative, as described in section 1111, if and when it appears that the need for such payments is continuing, or is likely to continue, beyond a period specified by the Secretary;

42 USC 1311.

75 Stat. 76.
42 USC 608.

“(E) aid in the form of foster home care in behalf of children described in section 408(a); and

“(F) opportunity for a fair hearing before the State agency on the determination referred to in clause (A) for any individual with respect to whom it is made”.

Ante, p. 174,
and *Infra*.

(b) Section 403(a) of such Act, as amended by the other provisions of this Act, is further amended by adding at the end thereof (after and below the last paragraph thereof) the following new sentence: “The number of individuals with respect to whom payments described in section 406(b)(2) are made for any month, who may be included as recipients of aid to families with dependent children for purposes of paragraph (1) or (2), may not exceed 5 per centum of the number of other recipients of aid to families with dependent children for such month.”

Ante, p. 189.

Ante, pp. 174,
175.

(c) Paragraph (1)(A) of such section 403(a) (as amended by section 101(a)(2) of this Act) is amended by inserting immediately after “remedial care” the following: “, plus (iii) the number of individuals, not counted under clause (i) or (ii), with respect to whom payments described in section 406(b)(2) are made in such month and included as expenditures for purposes of this paragraph or paragraph (2)”.

Ante, p. 174.

Ante, p. 175.
Report to Presi-
dent and Congress.

(d) The Secretary shall submit to the President, for transmission to the Congress prior to January 1, 1967, a full report of the administration of the provisions of the amendments made by this section, including the experiences of each of the States in making protective payments under the provisions of their respective State plans which are in accord with such amendments, together with his recommendations as to continuation of and modifications in such amendments.

AID FOR BOTH PARENTS OF DEPENDENT CHILD

Ante, p. 189.
42 USC 606.

SEC. 109. Section 406(b) of the Social Security Act, as amended by section 108 of this Act, is amended by inserting “(and the spouse of such relative if living with him and if such relative is the child’s parent and the child is a dependent child by reason of the physical or mental incapacity of a parent or is a dependent child under section 407)” after “relative with whom any dependent child is living” in clause (1) thereof.

75 Stat. 75.
42 USC 607.

PART B—IMPROVEMENT IN ADMINISTRATION THROUGH DEMONSTRATIONS, TRAINING, AND PUBLIC ADVISORY GROUPS

ADVISORY COUNCIL ON PUBLIC WELFARE

42 USC 1301-
1313.

SEC. 121. Title XI of the Social Security Act is amended by adding at the end thereof the following new section:

“APPOINTMENT OF ADVISORY COUNCIL AND OTHER ADVISORY GROUPS

“SEC. 1114. (a) The Secretary shall, during 1964, appoint an Advisory Council on Public Welfare for the purpose of reviewing the administration of the public assistance and child welfare services programs for which funds are appropriated pursuant to this Act and making recommendations for improvement of such administration, and reviewing the status of and making recommendations with respect to the public assistance programs for which funds are so appropriated, especially in relation to the old-age, survivors, and disability insurance program, with respect to the fiscal capacities of the States and the Federal Government, and with respect to any other matters bearing on the amount and proportion of the Federal and State shares in the public assistance and child welfare services programs.

"(b) The Council shall be appointed by the Secretary without regard to the civil-service laws and shall consist of twelve persons who shall, to the extent possible, be representatives of employers and employees in equal numbers, representatives of State or Federal agencies concerned with the administration or financing of the public assistance and child welfare services programs, representatives of nonprofit private organizations concerned with social welfare programs, other persons with special knowledge, experience, or qualifications with respect to such programs, and members of the public.

"(c) The Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

"(d) The Council shall make a report of its findings and recommendations (including recommendations for changes in the provisions of the Social Security Act) to the Secretary, such report to be submitted not later than July 1, 1966, after which date such Council shall cease to exist.

"(e) The Secretary shall also from time to time thereafter appoint an Advisory Council on Public Welfare, with the same functions and constituted in the same manner as prescribed for the Advisory Council in the preceding subsections of this section. Each Council so appointed shall report its findings and recommendations, as prescribed in subsection (d), not later than July 1 of the second year after the year in which it is appointed, after which date such Council shall cease to exist.

"(f) The Secretary may also appoint, without regard to the civil-service laws, such advisory committees as he may deem advisable to advise and consult with him in carrying out any of his functions under this Act. The Secretary shall report to the Congress annually on the number of such committees and on the membership and activities of each such committee.

"(g) Members of the Council or of any advisory committee appointed under this section who are not regular full-time employees of the United States shall, while serving on business of the Council or any such committee, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$75 per day, including travel time; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in Government service employed intermittently.

"(h) (1) Any member of the Council or any advisory committee appointed under this Act, who is not a regular full-time employee of the United States, is hereby exempted, with respect to such appointment, from the operation of sections 281, 283, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99), except as otherwise specified in paragraph (2) of this subsection.

"(2) The exemption granted by paragraph (1) shall not extend—

"(A) to the receipt or payment of salary in connection with the appointee's Government service from any source other than the employer of the appointee at the time of his appointment, or

"(B) during the period of such appointment, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter with which such person, during such period, is or was directly connected by reason of such appointment."

Report.
Termination.

49 Stat. 620.
42 USC 1305.

Appointment.

Report.
Termination.

Advisory com-
mittees.

Report to Con-
gress.

Compensation.

75 Stat. 339, 340.

Conflict of in-
terest.

62 Stat. 697, 793.

WAIVER OF STATE PLAN REQUIREMENTS FOR DEMONSTRATIONS

42 USC 1301-1314.

SEC. 122. Title XI of the Social Security Act is amended by adding after section 1114 (added by section 121 of this Act) the following new section:

“DEMONSTRATION PROJECTS

42 USC 301-306, 601-608, 1201-1206, 1351-1355, *Post*, p. 197.

42 USC 302, 602, 1202, 1352, *Post*, p. 198.

“SEC. 1115. In the case of any experimental, pilot, or demonstration project which, in the judgment of the Secretary, is likely to assist in promoting the objectives of title I, IV, X, XIV, or XVI in a State or States—

“(a) the Secretary may waive compliance with any of the requirements of section 2, 402, 1002, 1402, or 1602, as the case may be, to the extent and for the period he finds necessary to enable such State or States to carry out such project, and

“(b) costs of such project which would not otherwise be included as expenditures under section 3, 403, 1003, 1403, or 1603, as the case may be, and which are not included as part of the costs of projects under section 1110, shall, to the extent and for the period prescribed by the Secretary, be regarded as expenditures under the State plan or plans approved under such title, or for administration of such State plan or plans, as may be appropriate.

70 Stat. 851.
42 USC 1310.

In addition, not to exceed \$2,000,000 of the aggregate amount appropriated for payments to States under such titles for any fiscal year ending prior to July 1, 1967, shall be available, under such terms and conditions as the Secretary may establish, for payments to States to cover so much of the cost of such projects as is not covered by payments under such titles and is not included as part of the cost of projects for purposes of section 1110.”

INCREASE IN ADEQUATELY TRAINED WELFARE PERSONNEL

70 Stat. 851;
75 Stat. 77.
42 USC 906.

SEC. 123. (a) Subsection (a) of section 705 of the Social Security Act is amended by striking out “for the fiscal year ending June 30, 1958, the sum of \$5,000,000, and for each of the five succeeding fiscal years such sums as the Congress may determine” and inserting in lieu thereof the following: “for the fiscal year ending June 30, 1963, the sum of \$3,500,000, and for each fiscal year thereafter the sum of \$5,000,000”.

70 Stat. 851.

(b) Subsection (b) of such section is amended to read as follows:

“(b) Such portion of the sums appropriated pursuant to subsection (a) for any fiscal year as the Secretary may determine, but not in excess of \$1,000,000 in the case of the fiscal year ending June 30, 1963, and \$2,000,000 in the case of any fiscal year thereafter, shall be available for carrying out subsection (f). From the remainder of the sums so appropriated for any fiscal year, the Secretary shall make allotments to the States on the basis of (1) population, (2) relative need for trained public welfare personnel, particularly for personnel to provide self-support and self-care services, and (3) financial need.”

(c) Such section 705 is further amended by adding at the end thereof the following new subsection:

“(f) (1) The portion of the sums appropriated for any fiscal year which is determined by the Secretary under the first sentence of subsection (b) to be available for carrying out this subsection shall be available to enable him to provide (A) directly or through grants to or contracts with public or nonprofit private institutions of higher learning, for training personnel who are employed or preparing for employment in the administration of public assistance programs, (B) directly or through grants to or contracts with public or nonprofit

private agencies or institutions, for special courses of study or seminars of short duration (not in excess of one year) for training of such personnel, and (C) directly or through grants to or contracts with public or nonprofit private institutions of higher learning, for establishing and maintaining fellowships or traineeships for such personnel at such institutions, with such stipends and allowances as may be permitted by the Secretary.

“(2) Payments under paragraph (1) may be made in advance on the basis of estimates by the Secretary, or may be made by way of reimbursement, and adjustments may be made in future payments under this subsection to take account of overpayments or underpayments in amounts previously paid.

“(3) The Secretary may, to the extent he finds such action to be necessary, prescribe requirements to assure that any individual will repay the amount of his fellowship or traineeship received under this subsection to the extent such individual fails to serve, for the period prescribed by the Secretary, with a State or political subdivision thereof, or with the Federal Government, in connection with administration of any State or local public assistance program. The Secretary may relieve any individual of his obligation to so repay, in whole or in part, whenever and to the extent that requirement of such repayment would, in his judgment, be inequitable or would be contrary to the purposes of any of the public welfare programs established by this Act.”

(d) (1) Section 526(a) of such Act is amended by inserting before the period at the end thereof “; and for grants by the Secretary to public or other nonprofit institutions of higher learning for special projects for training personnel for work in the field of child welfare, including traineeships with such stipends and allowances as may be permitted by the Secretary”.

74 Stat. 997.
42 USC 726.

(2) The heading of section 526 of such Act is amended by inserting “, TRAINING,” after “RESEARCH”.

PART C—IMPROVEMENT OF PUBLIC WELFARE PROGRAMS THROUGH EXTENSION OF TEMPORARY PROVISIONS AND INCREASE IN FEDERAL SHARE OF PUBLIC ASSISTANCE PAYMENTS

EXTENSION OF AID WITH RESPECT TO DEPENDENT CHILDREN OF UNEMPLOYED PARENTS OR IN FOSTER FAMILY HOMES

Extension With Respect to Children of Unemployed Parents

SEC. 131. (a) So much of the first sentence of section 407 of the Social Security Act as precedes paragraph (1) thereof is amended by striking out “1962” and inserting in lieu thereof “1967”.

75 Stat. 75.
42 USC 607.

Extension With Respect to Foster Family Home Care

(b) So much of the first sentence of section 408 of such Act as precedes paragraph (a) thereof is amended by striking out “, and ending with the close of June 30, 1962”.

42 USC 608.

INCREASE IN FEDERAL SHARE OF PUBLIC ASSISTANCE PAYMENTS

SEC. 132. (a) Paragraphs (1) and (2) of section 3(a) of the Social Security Act are amended to read as follows:

“(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan (including expenditures

72 Stat. 1047;
75 Stat. 143.
42 USC 303.

for insurance premiums for medical or any other type of remedial care or the cost thereof)—

“(A) $\frac{29}{35}$ of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$35 multiplied by the total number of recipients of old-age assistance for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received old-age assistance in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as old-age assistance in the form of medical or any other type of remedial care); plus

“(B) the Federal percentage (as defined in section 1101 (a) (8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$70 multiplied by the total number of such recipients of old-age assistance for such month; plus

“(C) the larger of the following: (i) the Federal medical percentage (as defined in section 6(c)) of the amount by which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$85 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$70 multiplied by such total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of \$15 multiplied by the total number of such recipients of old-age assistance for such month;

“(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to—

“(A) one-half of the total of the sums expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$37.50 multiplied by the total number of recipients of old-age assistance for such month; plus

“(B) the larger of the following amounts: (i) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$45 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$37.50 multiplied by the total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the

product of \$7.50 multiplied by the total number of such recipients of old-age assistance for such month;”.

(b) So much of section 1003(a) of such Act as precedes clause (3) is amended to read as follows:

72 Stat. 1049;
75 Stat. 143.
42 USC 1203.

“(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1958—

“(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

“(A) $2\frac{2}{3}\%$ of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$35 multiplied by the total number of recipients of aid to the blind for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received aid to the blind in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as aid to the blind in the form of medical or any other type of remedial care); plus

“(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$70 multiplied by the total number of such recipients of aid to the blind for such month; and

“(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$37.50 multiplied by the total number of recipients of aid to the blind for such month; and”.

(c) So much of section 1403(a) of such Act as precedes clause (3) is amended to read as follows: 42 USC 1353.

“(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1958—

“(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

“(A) $2\frac{2}{3}\%$ of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$35 multiplied by the total number of recipients of aid to the permanently and totally disabled for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received aid to the permanently and totally disabled in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month

as aid to the permanently and totally disabled in the form of medical or any other type of remedial care); plus

“(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$70 multiplied by the total number of such recipients of aid to the permanently and totally disabled for such month; and

“(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$37.50 multiplied by the total number of recipients of aid to the permanently and totally disabled for such month; and”.

Repeal.

75 Stat. 143, 78.

42 USC 1308 and notes.

(d) Section 303(d) of the Social Security Amendments of 1961 (Public Law 87-64), and section 6 of the Act of May 8, 1961 (Public Law 87-31), are repealed.

42 USC 303 note.

(e) Section 303(e) of the Social Security Amendments of 1961 (Public Law 87-64) is amended by striking out “July 1, 1962” and inserting in lieu thereof “October 1, 1962”.

EXTENSION OF ASSISTANCE TO REPATRIATED AMERICAN CITIZENS

42 USC 1313.

SEC. 133. Subsection (d) of section 1113 of the Social Security Act is amended by striking out “1962” and inserting in lieu thereof “1964”.

REFUSAL OF UNEMPLOYED PARENT TO ACCEPT RETRAINING

42 USC 607.

SEC. 134. Paragraph (3) of section 407 of the Social Security Act is amended by inserting “(A)” after “provision” and by inserting before the period at the end thereof “, and (B) for denying aid to families with dependent children to any such child or relative if, and for as long as, the unemployed parent refuses without good cause to undergo any such retraining”.

FEDERAL PAYMENTS FOR FOSTER CARE IN CHILD-CARE INSTITUTIONS

42 USC 608.

SEC. 135. (a) Clause (3) of paragraph (a) of section 408 of the Social Security Act is amended by inserting “or child-care institution” after “foster family home”.

(b) Paragraph (b) of such section is amended by striking out “of this section in the foster family home of any individual” and inserting in lieu thereof the following: “of this section—

“(1) in the foster family home of any individual, whether the payment therefor is made to such individual or to a public or nonprofit private child-placement or child-care agency, or

“(2) in a child-care institution, whether the payment therefor is made to such institution or to a public or nonprofit private child-placement or child-care agency, but subject to limitations prescribed by the Secretary with a view to including as ‘aid to families with dependent children’ in the case of such foster care in such institutions only those items which are included in such term in the case of foster care in the foster family home of an individual”.

(c) Clauses (1) and (2) of paragraph (f) of such section are each amended by inserting “or child-care institution” after “foster family home”.

(d) The last sentence of such section is amended by inserting before the period at the end thereof the following: “; and the term ‘child-care institution’ means a nonprofit private child-care institution which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing”.

(e) The amendments made by the preceding provisions of this section shall be effective only in the case of expenditures under a State plan approved under title IV of the Social Security Act made during the period beginning October 1, 1962, and ending with the close of September 30, 1964.

42 USC 601-608.

CERTAIN STATE PLANS NOT MEETING INCOME AND RESOURCES REQUIREMENTS FOR THE BLIND

SEC. 136. (a) Section 1002(b) of the Social Security Act is amended by adding at the end thereof (after and below paragraph (2)) the following new sentence:

49 Stat. 645.
42 USC 1202.

“In the case of any State (other than Puerto Rico and the Virgin Islands) which did not have on January 1, 1949, a State plan for aid to the blind approved under this title, the Secretary shall approve a plan of such State for aid to the blind for purposes of this title, even though it does not meet the requirements of clause (8) of subsection (a) of this section, if it meets all other requirements of this title for an approved plan for aid to the blind; but payments under section 1003 shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of section 1003 under a plan approved under this section without regard to the provisions of this sentence.”

74 Stat. 997.
42 USC 1202.

42 USC 1203.

(b) Section 344 of the Social Security Act Amendments of 1950 is repealed.

64 Stat. 554;
74 Stat. 995.
42 USC 1202a
and note.

PART D—SIMPLIFICATION OF CATEGORIES

OPTIONAL COMBINED STATE PLAN FOR AGED, BLIND, AND DISABLED

SEC. 141. (a) The Social Security Act is amended by adding after title XV the following new title:

68 Stat. 1130.
42 USC 1361-
1371.

“TITLE XVI—GRANTS TO STATES FOR AID TO THE AGED, BLIND, OR DISABLED, OR FOR SUCH AID AND MEDICAL ASSISTANCE FOR THE AGED

“APPROPRIATION

“SEC. 1601. For the purpose (a) of enabling each State, as far as practicable under the conditions in such State, to furnish financial assistance to needy individuals who are 65 years of age or over, are blind, or are 18 years of age or over and permanently and totally disabled, (b) of enabling each State, as far as practicable under the conditions in such State, to furnish medical assistance on behalf of individuals who are 65 years of age or over and who are not recipients of aid to the aged, blind, or disabled but whose income and resources are insufficient to meet the costs of necessary medical services, and (c) of encouraging each State, as far as practicable under the conditions in such State, to furnish rehabilitation and other services to help individuals referred to in clause (a) or (b) to attain or retain capability for self-support or self-care, there is hereby authorized to be

appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for aid to the aged, blind, or disabled, or for aid to the aged, blind, or disabled and medical assistance for the aged.

"STATE PLANS FOR AID TO THE AGED, BLIND, OR DISABLED, OR FOR SUCH AID AND MEDICAL ASSISTANCE FOR THE AGED

"SEC. 1602. (a) A State plan for aid to the aged, blind, or disabled, or for aid to the aged, blind, or disabled and medical assistance for the aged, must—

"(1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

"(2) provide for financial participation by the State;

"(3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan;

"(4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid or assistance under the plan is denied or is not acted upon with reasonable promptness;

"(5) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

"(6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of the plan;

"(8) provide that all individuals wishing to make application for aid or assistance under the plan shall have opportunity to do so, and that such aid or assistance shall be furnished with reasonable promptness to all eligible individuals;

"(9) provide, if the plan includes aid or assistance to or on behalf of individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions;

"(10) provide a description of the services (if any) which the State agency makes available to applicants for or recipients of aid or assistance under the plan to help them attain self-support or self-care, including a description of the steps taken to assure, in the provision of such services, maximum utilization of other agencies providing similar or related services;

"(11) provide that no aid or assistance will be furnished any individual under the plan with respect to any period with respect to which he is receiving assistance under the State plan approved under title I or aid under the State plan approved under title IV, X, or XIV;

"(12) provide that, in determining whether an individual is blind, there shall be an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select;

"(13) include reasonable standards, consistent with the objectives of this title, for determining eligibility for and the extent of aid or assistance under the plan;

"(14) provide that the State agency shall, in determining need for aid to the aged, blind, or disabled, take into consideration any other income and resources of an individual claiming such aid, as well as any expenses reasonably attributable to the earning of any such income; except that, in making such determination with respect to any individual who is blind, the State agency shall disregard (A) the first \$85 per month of earned income plus one-half of earned income in excess of \$85 per month and (B) for a period not in excess of twelve months, such additional amounts of other income and resources, in the case of an individual who has a plan for achieving self-support approved by the State agency, as may be necessary for the fulfillment of such plan, and in making such determination with respect to any other individual who has attained age 65 and is claiming aid to the aged, blind, or disabled, of the first \$50 per month of earned income the State agency may, after December 31, 1962, disregard not more than the first \$10 thereof plus one-half of the remainder; and

"(15) if the State plan includes medical assistance for the aged—

"(A) provide for inclusion of some institutional and some noninstitutional care and services;

"(B) provide that no enrollment fee, premium, or similar charge will be imposed as a condition of any individual's eligibility for medical assistance for the aged under the plan;

"(C) provide for inclusion, to the extent required by regulations prescribed by the Secretary, of provisions (conforming to such regulations) with respect to the furnishing of such assistance to individuals who are residents of the State but are absent therefrom; and

"(D) provide that no lien may be imposed against the property of any individual prior to his death on account of medical assistance for the aged paid or to be paid on his behalf under the plan (except pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual), and that there shall be no adjustment or recovery (except, after the death of such individual and his surviving spouse, if any, from such individual's estate) of any medical assistance for the aged correctly paid on behalf of such individual under the plan.

Notwithstanding paragraph (3), if on January 1, 1962, and on the date on which a State submits its plan for approval under this title, the State agency which administered or supervised the administration of the plan of such State approved under title X was different from the State agency which administered or supervised the administration of the plan of such State approved under title I and the State agency which administered or supervised the administration of the plan of such State approved under title XIV, the State agency which administered or supervised the administration of such plan approved under title X may be designated to administer or supervise the administration of the portion of the State plan for aid to the aged, blind, or disabled (or for aid to the aged, blind, or disabled and medical assistance for the aged) which relates to blind individuals and a separate

42 USC 1201-1206.

42 USC 301-306.

42 USC 1351-1355.

State agency may be established or designated to administer or supervise the administration of the rest of such plan; and in such case the part of the plan which each such agency administers, or the administration of which each such agency supervises, shall be regarded as a separate plan for purposes of this title.

"(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for aid or assistance under the plan—

"(1) an age requirement of more than sixty-five years; or

"(2) any residence requirement which (A) in the case of applicants for aid to the aged, blind, or disabled excludes any resident of the State who has resided therein five years during the nine years immediately preceding the application for such aid and has resided therein continuously for one year immediately preceding the application, and (B) in the case of applicants for medical assistance for the aged, excludes any individual who resides in the State; or

"(3) any citizenship requirement which excludes any citizen of the United States.

In the case of any State to which the provisions of section 344 of the Social Security Act Amendments of 1950 were applicable on January 1, 1962, and to which the sentence of section 1002(b) following paragraph (2) thereof is applicable on the date on which its State plan for aid to the aged, blind, or disabled (or for aid to the aged, blind, or disabled and medical assistance for the aged) was submitted for approval under this title, the Secretary shall approve the plan of such State for aid to the aged, blind, or disabled (or for aid to the aged, blind, or disabled and medical assistance for the aged) for purposes of this title, even though it does not meet the requirements of paragraph (14) of subsection (a), if it meets all other requirements of this title for an approved plan for aid to the aged, blind, or disabled (or for aid to the aged, blind, or disabled and medical assistance for the aged); but payments under section 1603 shall be made, in the case of any such plan, only with respect to expenditures thereunder which would be included as expenditures for the purposes of section 1603 under a plan approved under this section without regard to the provisions of this sentence.

"(c) Subject to the last sentence of subsection (a), nothing in this title shall be construed to permit a State to have in effect with respect to any period more than one State plan approved under this title.

"PAYMENTS TO STATES

"SEC. 1603. (a) From the sums appropriated therefor, the Secretary shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing October 1, 1962—

"(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the aged, blind, or disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

"(A) $\frac{29}{35}$ of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$35 multiplied by the total number of recipients of such aid for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received such aid in the form of money payments for such

month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as aid to the aged, blind, or disabled in the form of medical or any other type of remedial care; plus

“(B) the Federal percentage (as defined in section 1101 (a)(8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$70 multiplied by the total number of recipients of aid to the aged, blind, or disabled for such month; plus

72 Stat. 1050.
42 USC 1301.

“(C) the larger of the following: (i) the Federal medical percentage (as defined in section 6(c)) of the amount by which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$85 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month, or (II) if smaller, the total expended as aid to the aged, blind, or disabled in the form of medical or any other type of remedial care with respect to such month plus the product of \$70 multiplied by such total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as aid to the aged, blind, or disabled under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of \$15 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month;

74 Stat. 991.
42 USC 306.

“(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to—

“(A) one-half of the total of the sums expended during such quarter as aid to the aged, blind, or disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$37.50 multiplied by the total number of recipients of aid to the aged, blind, or disabled for such month; plus

“(B) the larger of the following amounts: (i) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$45 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month, or (II) if smaller, the total expended as aid to the aged, blind, or disabled in the form of medical or any other type of remedial care with respect to such month plus the product of \$37.50 multiplied by the total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as aid to the aged, blind, or disabled under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of \$7.50 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month;

“(3) in the case of any State, an amount equal to the Federal medical percentage (as defined in section 6(c)) of the total amounts expended during such quarter as medical assistance for

the aged under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof); and

"(4) in the case of any State whose State plan approved under section 1602 meets the requirements of subsection (c)(1), an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for—

"(i) services which are prescribed pursuant to subsection (c)(1) and are provided (in accordance with the next sentence) to applicants for or recipients of aid or assistance under the plan to help them attain or retain capability for self-support or self-care, or

"(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to such applicants or recipients, or

"(iii) any of the services prescribed pursuant to subsection (c)(1), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for individuals who, within such period or periods as the Secretary may prescribe, have been or are likely to become applicants for or recipients of aid or assistance under the plan, if such services are requested by such individuals and are provided to such individuals in accordance with the next sentence, or

"(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to applicants for or recipients of aid or assistance under the plan, and to individuals requesting such services who (within such period or periods as the Secretary may prescribe) have been or are likely to become applicants for or recipients of such aid or assistance; plus

"(C) one-half of the remainder of such expenditures.

The services referred to in subparagraphs (A) and (B) shall include only—

"(D) services provided by the staff of the State agency, or of the local agency administering the State plan in the political subdivision: *Provided*, That no funds authorized under this title shall be available for services defined as vocational rehabilitation services under the Vocational Rehabilitation Act (i) which are available to individuals in need of them under programs for their rehabilitation carried on under a State plan approved under such Act, or (ii) which the State agency or agencies administering or supervising the administration of the State plan approved under such Act are able and willing to provide if reimbursed for the cost thereof pursuant to agreement under subparagraph (E), if provided by such staff, and

"(E) subject to limitations prescribed by the Secretary, services which in the judgment of the State agency cannot be as economically or as effectively provided by the staff of

Post, p. 203.

such State or local agency and are not otherwise reasonably available to individuals in need of them, and which are provided, pursuant to agreement with the State agency, by the State health authority or the State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act or by any other State agency which the Secretary may determine to be appropriate (whether provided by its staff or by contract with public (local) or nonprofit private agencies);

68 Stat. 652.
29 USC 31 note.

except that services described in clause (ii) of subparagraph (D) hereof may be provided only pursuant to agreement with such State agency or agencies administering or supervising the administration of the State plan for vocational rehabilitation services so approved. The portion of the amount expended for administration of the State plan to which subparagraph (A) applies and the portion thereof to which subparagraphs (B) and (C) apply shall be determined in accordance with such methods and procedures as may be permitted by the Secretary; and

“(5) in the case of any State whose State plan approved under section 1602 does not meet the requirements of subsection (c) (1), an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, including services referred to in paragraph (4) and provided in accordance with the provisions of such paragraph.

Ante, p. 198.

“(b) (1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter, such estimates to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigation as the Secretary may find necessary.

“(2) The Secretary shall then pay, in such installments as he may determine, to the State the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

“(3) The pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered during any quarter by the State or any political subdivision thereof with respect to aid or assistance furnished under the State plan, but excluding any amount of such aid or assistance recovered from the estate of a deceased recipient which is not in excess of the amount expended by the State or any political subdivision thereof for the funeral expenses of the deceased, shall be considered an overpayment to be adjusted under this subsection.

“(4) Upon the making of any estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.

“(c) (1) In order for a State to qualify for payments under paragraph (4) of subsection (a), its State plan approved under section 1602 must provide that the State agency shall make available to applicants for or recipients of aid to the aged, blind, or disabled under

such State plan at least those services to help them attain or retain capability for self-support or self-care which are prescribed by the Secretary.

“(2) In the case of any State whose State plan included a provision meeting the requirements of paragraph (1), but with respect to which the Secretary finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, that—

“(A) the provision has been so changed that it no longer complies with the requirements of paragraph (1), or

“(B) in the administration of the plan there is a failure to comply substantially with such provision, the Secretary shall notify such State agency that further payments will not be made to the State under paragraph (4) of subsection (a) until he is satisfied that there will no longer be any such failure to comply. Until the Secretary is so satisfied further payments with respect to the administration of such State plan shall not be made under paragraph (4) of subsection (a) but shall instead be made, subject to the other provisions of this title, under paragraph (5) of such subsection.

“OPERATION OF STATE PLANS

“SEC. 1604. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this title, finds—

“(1) that the plan has been so changed that it no longer complies with the provisions of section 1602; or

“(2) that in the administration of the plan there is a failure to comply substantially with any such provision;

the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be any such failure to comply. Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

“DEFINITIONS

“SEC. 1605. (a) For the purposes of this title, the term ‘aid to the aged, blind, or disabled’ means money payments to, or (if provided in or after the third month before the month in which the recipient makes application for aid) medical care in behalf of or any type of remedial care recognized under State law in behalf of, needy individuals who are 65 years of age or older, are blind, or are 18 years of age or over and permanently and totally disabled, but does not include—

“(1) any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases, or

“(2) any such payments to any individual who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof, or

“(3) any such care in behalf of any individual, who is a patient in a medical institution as a result of a diagnosis that he has tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days.

“(b) For purposes of this title, the term ‘medical assistance for the aged’ means payment of part or all of the cost of the following care and services (if provided in or after the third month before the month in which the recipient makes application for assistance) for individuals who are sixty-five years of age or older and who are not recipients of aid to the aged, blind, or disabled but whose income and resources are insufficient to meet all of such cost—

- “(1) inpatient hospital services;
- “(2) skilled nursing-home services;
- “(3) physicians’ services;
- “(4) outpatient hospital or clinic services;
- “(5) home health care services;
- “(6) private duty nursing services;
- “(7) physical therapy and related services;
- “(8) dental services;
- “(9) laboratory and X-ray services;
- “(10) prescribed drugs, eyeglasses, dentures, and prosthetic devices;
- “(11) diagnostic, screening, and preventive services; and
- “(12) any other medical care or remedial care recognized under State law;

except that such term does not include any such payments with respect to—

“(A) care or services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases; or

“(B) care or services for any individual, who is a patient in a medical institution as a result of a diagnosis of tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution, as a result of such diagnosis, for forty-two days.”

(b) No payment may be made to a State under title I, X, or XIV of the Social Security Act for any period for which such State receives any payments under title XVI of such Act or any period thereafter.

(c) Section 1109 of such Act is amended by striking out “sections 2(a)(7), 402(a)(7), 1002(a)(8), and 1402(a)(8)” and inserting in lieu thereof “sections 2(a)(10)(A), 402(a)(7), 1002(a)(8), 1402(a)(8), and 1602(a)(14)” and by striking out “a State plan approved under title I, IV, X, or XIV” wherever it appears and inserting in lieu thereof “a State plan approved under title I, IV, X, XIV, or XVI”.

(d) Section 1111 of such Act is amended by striking out “and XIV” and inserting in lieu thereof “XIV, and XVI”.

(e) Section 618 of the Revenue Act of 1951 is amended by striking out “or XIV” and inserting in lieu thereof “XIV, or XVI (other than section 1603(a)(3) thereof)”.

(f) In the case of any State which has a State plan approved under title XVI of the Social Security Act, any overpayment or underpayment which the Secretary determines was made to such State under section 3, 1003, or 1403 of such Act with respect to a period before the approval of the plan under such title XVI, and with respect to which adjustment has not been already made under subsection (b) of such section 3, 1003, or 1403, shall, for purposes of section 1603(b) of such Act, be considered an overpayment or underpayment (as the case may be) made under section 1603 of such Act.

42 USC 301-306,
1201-1206, 1351-
1355.

Ante, p. 197.
42 USC 1309.
42 USC 302,
602, 1202, 1352.

Ante, p. 199.
42 USC 601-608;
Ante, p. 186.

42 USC 1311.

65 Stat. 569.
42 USC 302
note,
Ante, p. 201.

42 USC 303,
1203, 1353.

Ante, p. 203.

PART E—MISCELLANEOUS AND TECHNICAL AMENDMENTS

INCREASE IN LIMITATION ON TOTAL PUBLIC ASSISTANCE PAYMENTS TO
PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

42 USC 1308. SEC. 151. Effective for fiscal years ending after June 30, 1962, section 1108 of the Social Security Act is amended to read as follows:

“LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND
GUAM

42 USC 301-306.
42 USC 601-608,
1201-1206, 1351-
1355.
Ante, p. 197.

“SEC. 1108. The total amount certified by the Secretary of Health, Education, and Welfare under title I (other than section 3(a)(3) thereof), IV, X, XIV, and XVI (other than section 1603(a)(3) thereof) for payment to Puerto Rico with respect to any fiscal year shall not exceed \$9,800,000, of which \$625,000 may be used only for payments certified with respect to section 3(a)(2)(B) or 1603(a)(2)(B); the total amount certified by the Secretary under such titles for payments to the Virgin Islands with respect to any fiscal year shall not exceed \$330,000, of which \$18,750 may be used only for payments certified with respect to section 3(a)(2)(B) or 1603(a)(2)(B); and the total amount certified by the Secretary under such titles for payment to Guam with respect to any fiscal year shall not exceed \$450,000, of which \$25,000 may be used only for payments certified with respect to section 3(a)(2)(B) or 1603(a)(2)(B). Notwithstanding the provisions of sections 502(a)(2), 512(a)(2), 522(a), and 527(a), and until such time as the Congress may by appropriation or other law otherwise provide, the Secretary shall, in lieu of the initial (or, in the case of section 527(a), the minimum) allotment specified in such sections, allot such smaller amounts to Guam as he may deem appropriate.”

42 USC 702, 712,
722; Ante, p. 183.

PAYMENTS TO RELATIVE OF CHILD WHEN CHILD IS DEPENDENT

Ante, pp. 189,
190.
42 USC 606.

SEC. 152. Section 406(b) of the Social Security Act is amended by striking out “for any month” and by striking out “if money payments have been made under the State plan with respect to such child for such month”.

DEFINITIONS OF “STATE” AND “UNITED STATES”

42 USC 1301.
42 USC 1301-
1313.

SEC. 153. (a) Paragraph (1) of section 1101(a) of the Social Security Act is amended by striking out “X, and XIV” and inserting in lieu thereof “X, XI, XIV, and XVI”.

(b) Paragraph (2) of such section is amended by striking out “, the District of Columbia, and the Commonwealth of Puerto Rico”.

INCOME AND RESOURCES TO BE DISREGARDED IN DETERMINING NEED OF
INDIVIDUAL FOR AID TO THE BLIND

42 USC 1202.

SEC. 154. Effective July 1, 1963, so much of section 1002(a)(8) of the Social Security Act as follows the first semicolon therein is amended to read as follows: “except that, in making such determination, the State agency shall disregard (A) the first \$85 per month of earned income, plus one-half of earned income in excess of \$85 per month, and (B) for a period not in excess of twelve months, such additional amounts of other income and resources, in the case of an individual who has a plan for achieving self-support approved by the State agency, as may be necessary for the fulfillment of such plan;”.

RESPONSIBILITY FOR PLACEMENT AND FOSTER CARE OF DEPENDENT
CHILDREN

SEC. 155. (a) Clause (2) of section 408(a) of the Social Security Act is amended to read: "(2) whose placement and care are the responsibility of (A) the State or local agency administering the State plan approved under section 402, or (B) any other public agency with whom the State agency administering or supervising the administration of such State plan has made an agreement which is still in effect and which includes provision for assuring development of a plan, satisfactory to such State agency, for such child as provided in paragraph (f) (1) and such other provisions as may be necessary to assure accomplishment of the objectives of the State plan approved under section 402,".

42 USC 608.

42 USC 602.

(b) The amendment made by subsection (a) shall apply only for the period beginning October 1, 1962, and ending with the close of June 30, 1963. The Secretary shall submit to the President, for transmission to the Congress prior to March 1, 1963, a full report of the administration of the provisions of the amendment made by subsection (a), including the experiences of each of the States in arranging for foster care under the provisions of their respective State plans which are in accord with such amendment, together with his recommendations as to continuation of, and modifications in, such amendment.

Report to President and Congress.

STARTING DATE FOR PUBLIC ASSISTANCE IN FORM OF MEDICAL OR REMEDIAL
CARE

SEC. 156. (a) (1) So much of section 6(a) of the Social Security Act as precedes paragraph (1) thereof is amended by inserting "(if provided in or after the third month before the month in which the recipient makes application for assistance)" before "medical care".

42 USC 306.

(2) So much of section 6(b) of such Act as precedes paragraph (1) thereof is amended by inserting "(if provided in or after the third month before the month in which the recipient makes application for assistance)" after "care and services".

(b) So much of section 406(b) of such Act as precedes clause (1) thereof is amended by inserting "(if provided in or after the third month before the month in which the recipient makes application for aid)" before "medical care".

Ante, pp. 189, 190.

(c) Section 1006 of such Act is amended by inserting "(if provided in or after the third month before the month in which the recipient makes application for aid)" before "medical care".

42 USC 1206.

(d) Section 1405 of such Act is amended by inserting "(if provided in or after the third month before the month in which the recipient makes application for aid)" before "medical care".

42 USC 1355.

(e) The amendments made by this section shall apply in the case of applications made after September 30, 1962, under a State plan approved under title I, IV, X, or XIV of the Social Security Act.

42 USC 301-306, 601-608, 1201-1206, 1351-1355.

CERTAIN EARNED INCOME MAY BE DISREGARDED IN DETERMINING NEED FOR
OLD-AGE ASSISTANCE

SEC. 157. Section 2(a)(10)(A) of the Social Security Act (as amended by section 106(a)(1) of this Act) is further amended by inserting before the semicolon at the end thereof "; except that, in making such determination, of the first \$50 per month of earned income the State agency may disregard, after December 31, 1962, not more than the first \$10 thereof plus one-half of the remainder".

42 USC 302.

Ante, p. 188.

TITLE II—GENERAL

MEANING OF TERM "SECRETARY"

SEC. 201. As used in this Act and in the provisions of the Social Security Act amended by this Act, the term "Secretary", unless the context otherwise requires, means the Secretary of Health, Education, and Welfare.

EFFECTIVE DATES

SEC. 202. (a) The amendments made by sections 102(b) (1), 103, 106, and 134 shall become effective July 1, 1963.

(b) The amendments made by sections 102(c), 123, and 132(d) shall be applicable in the case of fiscal years beginning after June 30, 1962.

(c) The amendments made by sections 102 (b) (2) and (d), and 152 shall be applicable in the case of expenditures, under a State plan approved under title I, IV, X, or XIV of the Social Security Act or developed as provided in part 3 of title V of such Act, as the case may be, made after June 30, 1962.

(d) The amendments made by sections 109 and 132 (other than subsections (d) and (e) thereof) shall be applicable in the case of expenditures, under a State plan approved under title I, IV, X, or XIV of the Social Security Act, as the case may be, made after September 30, 1962.

(e) The amendments made by sections 105 (other than subsection (c)) and 108 shall be applicable in the case of expenditures under a State plan approved under title IV of the Social Security Act, made during the period beginning October 1, 1962, and ending with the close of June 30, 1967.

(f) The amendments made by section 101(a) shall be applicable in the case of expenditures, under a State plan approved under title I, IV, X, or XIV of the Social Security Act, as the case may be, made after August 31, 1962. The amendments made by section 101(b) shall be applicable in the case of expenditures, under a State plan approved under title I, IV, X, or XIV of the Social Security Act, as the case may be, made after June 30, 1963.

Approved July 25, 1962.

Public Law 87-544

AN ACT

To change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3203 (a) (2) (A), title 38, United States Code, is amended by striking out the words "third, if no spouse or child" and all that follows down through "brothers and sisters in equal parts" and inserting in lieu thereof the following: "third, if no spouse or child, then to the dependent parents in equal parts".

SEC. 2. The amendment made by this Act shall also apply to cases in which pension eligibility is subject to the provisions of section 9(b) of the Veterans' Pension Act of 1959.

Approved July 25, 1962.

42 USC 301-306,
601-608, 1201-
1206, 1351-1355.

42 USC 721.

July 25, 1962
[H. R. 8415]

Deceased vet-
erans.
Beneficiaries,
payments.
72 Stat. 1234.

73 Stat. 436.
38 USC 521
note.