

105TH CONGRESS
1ST SESSION

H. RES. 327

Providing for the consideration of the bill H.R. 867 and the Senate amendment thereto.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 1997

Mr. SHAW submitted the following resolution; which was considered and agreed to

RESOLUTION

Providing for the consideration of the bill H.R. 867 and the Senate amendment thereto.

1 *Resolved*, That, upon the adoption of this resolution,
2 the House shall be considered to have taken from the
3 Speaker's table the bill H.R. 867 and an amendment of
4 the Senate thereto and to have concurred in the amend-
5 ment of the Senate with an amendment as follows: in lieu
6 of the matter proposed to be inserted by the Senate, insert
7 the following:

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

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

1 (b) TABLE OF CONTENTS.—The table of contents of
2 this Act is as follows:

Sec. 1. Short title; table of contents.

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

Sec. 101. Clarification of the reasonable efforts requirement.

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

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

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

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

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

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

TITLE II—INCENTIVES FOR PROVIDING PERMANENT FAMILIES
FOR CHILDREN

Sec. 201. Adoption incentive payments.

Sec. 202. Adoptions across State and county jurisdictions.

Sec. 203. Performance of States in protecting children.

TITLE III—ADDITIONAL IMPROVEMENTS AND REFORMS

Sec. 301. Authority to approve more child protection demonstration projects.

Sec. 302. Permanency hearings.

Sec. 303. Kinship care.

Sec. 304. Clarification of eligible population for independent living services.

Sec. 305. Reauthorization and expansion of family preservation and support services.

Sec. 306. Health insurance coverage for children with special needs.

Sec. 307. Continuation of eligibility for adoption assistance payments on behalf of children with special needs whose initial adoption has been dissolved.

Sec. 308. State standards to ensure quality services for children in foster care.

TITLE IV—MISCELLANEOUS

Sec. 401. Preservation of reasonable parenting.

Sec. 402. Reporting requirements.

Sec. 403. Sense of Congress regarding standby guardianship.

Sec. 404. Temporary adjustment of Contingency Fund for State Welfare Programs.

Sec. 405. Coordination of substance abuse and child protection services.

Sec. 406. Purchase of American-made equipment and products.

TITLE V—EFFECTIVE DATE

Sec. 501. Effective date.

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

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

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

10 “(15) provides that—

11 “(A) in determining reasonable efforts to
12 be made with respect to a child, as described in
13 this paragraph, and in making such reasonable
14 efforts, the child’s health and safety shall be the
15 paramount concern;

16 “(B) except as provided in subparagraph
17 (D), reasonable efforts shall be made to pre-
18 serve and reunify families—

19 “(i) prior to the placement of a child
20 in foster care, to prevent or eliminate the
21 need for removing the child from the
22 child’s home; and

23 “(ii) to make it possible for a child to
24 safely return to the child’s home;

1 “(C) if continuation of reasonable efforts
2 of the type described in subparagraph (B) is de-
3 termined to be inconsistent with the perma-
4 nency plan for the child, reasonable efforts shall
5 be made to place the child in a timely manner
6 in accordance with the permanency plan, and to
7 complete whatever steps are necessary to final-
8 ize the permanent placement of the child;

9 “(D) reasonable efforts of the type de-
10 scribed in subparagraph (B) shall not be re-
11 quired to be made with respect to a parent of
12 a child if a court of competent jurisdiction has
13 determined that—

14 “(i) the parent has subjected the child
15 to aggravated circumstances (as defined in
16 State law, which definition may include but
17 need not be limited to abandonment, tor-
18 ture, chronic abuse, and sexual abuse);

19 “(ii) the parent has—

20 “(I) committed murder (which
21 would have been an offense under sec-
22 tion 1111(a) of title 18, United States
23 Code, if the offense had occurred in
24 the special maritime or territorial ju-

1 jurisdiction of the United States) of an-
2 other child of the parent;

3 “(II) committed voluntary man-
4 slaughter (which would have been an
5 offense under section 1112(a) of title
6 18, United States Code, if the offense
7 had occurred in the special maritime
8 or territorial jurisdiction of the United
9 States) of another child of the parent;

10 “(III) aided or abetted, at-
11 tempted, conspired, or solicited to
12 commit such a murder or such a vol-
13 untary manslaughter; or

14 “(IV) committed a felony assault
15 that results in serious bodily injury to
16 the child or another child of the par-
17 ent; or

18 “(iii) the parental rights of the parent
19 to a sibling have been terminated involun-
20 tarily;

21 “(E) if reasonable efforts of the type de-
22 scribed in subparagraph (B) are not made with
23 respect to a child as a result of a determination
24 made by a court of competent jurisdiction in ac-
25 cordance with subparagraph (D)—

1 “(i) a permanency hearing (as de-
 2 scribed in section 475(5)(C)) shall be held
 3 for the child within 30 days after the de-
 4 termination; and

5 “(ii) reasonable efforts shall be made
 6 to place the child in a timely manner in ac-
 7 cordance with the permanency plan, and to
 8 complete whatever steps are necessary to
 9 finalize the permanent placement of the
 10 child; and

11 “(F) reasonable efforts to place a child for
 12 adoption or with a legal guardian may be made
 13 concurrently with reasonable efforts of the type
 14 described in subparagraph (B);”.

15 (b) DEFINITION OF LEGAL GUARDIANSHIP.—Section
 16 475 of such Act (42 U.S.C. 675) is amended by adding
 17 at the end the following:

18 “(7) The term ‘legal guardianship’ means a ju-
 19 dicially created relationship between child and care-
 20 taker which is intended to be permanent and self-
 21 sustaining as evidenced by the transfer to the care-
 22 taker of the following parental rights with respect to
 23 the child: protection, education, care and control of
 24 the person, custody of the person, and decisionmak-

1 ing. The term ‘legal guardian’ means the caretaker
2 in such a relationship.”.

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

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

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

10 “Nothing in this part shall be construed as preclud-
11 ing State courts from exercising their discretion to protect
12 the health and safety of children in individual cases, in-
13 cluding cases other than those described in section
14 471(a)(15)(D).”.

15 **SEC. 102. INCLUDING SAFETY IN CASE PLAN AND CASE RE-**
16 **VIEW SYSTEM REQUIREMENTS.**

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

19 (1) in section 422(b)(10)(B)—

20 (A) in clause (iii)(I), by inserting “safe
21 and” after “where”; and

22 (B) in clause (iv), by inserting “safely”
23 after “remain”; and

24 (2) in section 475—

25 (A) in paragraph (1)—

1 (i) in subparagraph (A), by inserting
 2 “safety and” after “discussion of the”; and

3 (ii) in subparagraph (B)—

4 (I) by inserting “safe and” after
 5 “child receives”; and

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

8 (B) in paragraph (5)—

9 (i) in subparagraph (A), in the matter
 10 preceding clause (i), by inserting “a safe
 11 setting that is” after “placement in”; and

12 (ii) in subparagraph (B)—

13 (I) by inserting “the safety of the
 14 child,” after “determine”; and

15 (II) by inserting “and safely
 16 maintained in” after “returned to”.

17 **SEC. 103. STATES REQUIRED TO INITIATE OR JOIN PRO-**
 18 **CEEDINGS TO TERMINATE PARENTAL**
 19 **RIGHTS FOR CERTAIN CHILDREN IN FOSTER**
 20 **CARE.**

21 (a) REQUIREMENT FOR PROCEEDINGS.—Section
 22 475(5) of the Social Security Act (42 U.S.C. 675(5)) is
 23 amended—

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

1 (2) by striking the period at the end of sub-
2 paragraph (D) and inserting “; and”; and

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

4 “(E) in the case of a child who has been
5 in foster care under the responsibility of the
6 State for 15 of the most recent 22 months, or,
7 if a court of competent jurisdiction has deter-
8 mined a child to be an abandoned infant (as de-
9 fined under State law) or has made a deter-
10 mination that the parent has committed murder
11 of another child of the parent, committed vol-
12 untary manslaughter of another child of the
13 parent, aided or abetted, attempted, conspired,
14 or solicited to commit such a murder or such a
15 voluntary manslaughter, or committed a felony
16 assault that has resulted in serious bodily in-
17 jury to the child or to another child of the par-
18 ent, the State shall file a petition to terminate
19 the parental rights of the child’s parents (or, if
20 such a petition has been filed by another party,
21 seek to be joined as a party to the petition),
22 and, concurrently, to identify, recruit, process,
23 and approve a qualified family for an adoption,
24 unless—

1 “(i) at the option of the State, the
2 child is being cared for by a relative;

3 “(ii) a State agency has documented
4 in the case plan (which shall be available
5 for court review) a compelling reason for
6 determining that filing such a petition
7 would not be in the best interests of the
8 child; or

9 “(iii) the State has not provided to
10 the family of the child, consistent with the
11 time period in the State case plan, such
12 services as the State deems necessary for
13 the safe return of the child to the child’s
14 home, if reasonable efforts of the type de-
15 scribed in section 471(a)(15)(B)(ii) are re-
16 quired to be made with respect to the
17 child.”.

18 (b) DETERMINATION OF BEGINNING OF FOSTER
19 CARE.—Section 475(5) of the Social Security Act (42
20 U.S.C. 675(5)), as amended by subsection (a), is amend-
21 ed—

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

24 (2) by striking the period at the end of sub-
25 paragraph (E) and inserting “; and”; and

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

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

4 “(i) the date of the first judicial find-
5 ing that the child has been subjected to
6 child abuse or neglect; or

7 “(ii) the date that is 60 days after the
8 date on which the child is removed from
9 the home.”.

10 (c) TRANSITION RULES.—

11 (1) NEW FOSTER CHILDREN.—In the case of a
12 child who enters foster care (within the meaning of
13 section 475(5)(F) of the Social Security Act) under
14 the responsibility of a State after the date of the en-
15 actment of this Act—

16 (A) if the State comes into compliance
17 with the amendments made by subsection (a) of
18 this section before the child has been in such
19 foster care for 15 of the most recent 22
20 months, the State shall comply with section
21 475(5)(E) of the Social Security Act with re-
22 spect to the child when the child has been in
23 such foster care for 15 of the most recent 22
24 months; and

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

9 (2) CURRENT FOSTER CHILDREN.—In the case
10 of children in foster care under the responsibility of
11 the State on the date of the enactment of this Act,
12 the State shall—

13 (A) not later than 6 months after the end
14 of the first regular session of the State legisla-
15 ture that begins after such date of enactment,
16 comply with section 475(5)(E) of the Social Se-
17 curity Act with respect to not less than $\frac{1}{3}$ of
18 such children as the State shall select, giving
19 priority to children for whom the permanency
20 plan (within the meaning of part E of title IV
21 of the Social Security Act) is adoption and chil-
22 dren who have been in foster care for the great-
23 est length of time;

24 (B) not later than 12 months after the end
25 of such first regular session, comply with such

1 section 475(5)(E) with respect to not less than
 2 $\frac{2}{3}$ of such children as the State shall select;
 3 and

4 (C) not later than 18 months after the end
 5 of such first regular session, comply with such
 6 section 475(5)(E) with respect to all of such
 7 children.

8 (3) TREATMENT OF 2-YEAR LEGISLATIVE SES-
 9 SIONS.—For purposes of this subsection, in the case
 10 of a State that has a 2-year legislative session, each
 11 year of the session is deemed to be a separate regu-
 12 lar session of the State legislature.

13 (4) REQUIREMENTS TREATED AS STATE PLAN
 14 REQUIREMENTS.—For purposes of part E of title IV
 15 of the Social Security Act, the requirements of this
 16 subsection shall be treated as State plan require-
 17 ments imposed by section 471(a) of such Act.

18 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
 19 tion or in part E of title IV of the Social Security Act
 20 (42 U.S.C. 670 et seq.), as amended by this Act, shall
 21 be construed as precluding State courts or State agencies
 22 from initiating the termination of parental rights for rea-
 23 sons other than, or for timelines earlier than, those speci-
 24 fied in part E of title IV of such Act, when such actions
 25 are determined to be in the best interests of the child,

1 including cases where the child has experienced multiple
2 foster care placements of varying durations.

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

5 Section 475(5) of the Social Security Act (42 U.S.C.
6 675(5)), as amended by section 103, is amended—

7 (1) by striking “and” at the end of subpara-
8 graph (E);

9 (2) by striking the period at the end of sub-
10 paragraph (F) and inserting “; and”; and

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

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

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

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

5 (1) in subsection (a)(2)—

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

10 (B) in subparagraph (A)—

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

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

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

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

19 (2) in subsection (c)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 Section 475(1) of the Social Security Act (42 U.S.C.
 20 675(1)) is amended—

21 (1) in the last sentence—

22 (A) by striking “the case plan must also
 23 include”; and

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

(2) by adding at the end the following:

“(E) In the case of a child with respect to whom the permanency plan is adoption or placement in another permanent home, documentation of the steps the agency is taking to find an adoptive family or other permanent living arrangement for the child, to place the child with an adoptive family, a fit and willing relative, a legal guardian, or in another planned permanent living arrangement, and to finalize the adoption or legal guardianship. At a minimum, such documentation shall include child specific recruitment efforts such as the use of State, regional, and national adoption exchanges including electronic exchange systems.”.

TITLE II—INCENTIVES FOR PROVIDING PERMANENT FAMILIES FOR CHILDREN

SEC. 201. ADOPTION INCENTIVE PAYMENTS.

(a) IN GENERAL.—Part E of title IV of the Social Security Act (42 U.S.C. 670–679) is amended by inserting after section 473 the following:

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

2 “(a) GRANT AUTHORITY.—Subject to the availability
3 of such amounts as may be provided in advance in appro-
4 priations Acts for this purpose, the Secretary shall make
5 a grant to each State that is an incentive-eligible State
6 for a fiscal year in an amount equal to the adoption incen-
7 tive payment payable to the State under this section for
8 the fiscal year, which shall be payable in the immediately
9 succeeding fiscal year.

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

12 “(1) the State has a plan approved under this
13 part for the fiscal year;

14 “(2) the number of foster child adoptions in the
15 State during the fiscal year exceeds the base number
16 of foster child adoptions for the State for the fiscal
17 year;

18 “(3) the State is in compliance with subsection
19 (c) for the fiscal year;

20 “(4) in the case of fiscal years 2001 and 2002,
21 the State provides health insurance coverage to any
22 child with special needs (as determined under sec-
23 tion 473(c)) for whom there is in effect an adoption
24 assistance agreement between a State and an adop-
25 tive parent or parents; and

1 “(5) the fiscal year is any of fiscal years 1998
2 through 2002.

3 “(c) DATA REQUIREMENTS.—

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

8 “(A) for fiscal years 1995 through 1997
9 (or, if the 1st fiscal year for which the State
10 seeks a grant under this section is after fiscal
11 year 1998, the fiscal year that precedes such
12 1st fiscal year); and

13 “(B) for each succeeding fiscal year that
14 precedes the fiscal year.

15 “(2) DETERMINATION OF NUMBERS OF ADOPT-
16 TIONS.—

17 “(A) DETERMINATIONS BASED ON AFCARS
18 DATA.—Except as provided in subparagraph
19 (B), the Secretary shall determine the numbers
20 of foster child adoptions and of special needs
21 adoptions in a State during each of fiscal years
22 1995 through 2002, for purposes of this sec-
23 tion, on the basis of data meeting the require-
24 ments of the system established pursuant to
25 section 479, as reported by the State and ap-

proved by the Secretary by August 1 of the succeeding fiscal year.

“(B) ALTERNATIVE DATA SOURCES PERMITTED FOR FISCAL YEARS 1995 THROUGH 1997.—For purposes of the determination described in subparagraph (A) for fiscal years 1995 through 1997, the Secretary may use data from a source or sources other than that specified in subparagraph (A) that the Secretary finds to be of equivalent completeness and reliability, as reported by a State by November 30, 1997, and approved by the Secretary by March 1, 1998.

“(3) NO WAIVER OF AFCARS REQUIREMENTS.—

This section shall not be construed to alter or affect any requirement of section 479 or of any regulation prescribed under such section with respect to reporting of data by States, or to waive any penalty for failure to comply with such a requirement.

“(d) ADOPTION INCENTIVE PAYMENT.—

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

1 “(A) \$4,000, multiplied by the amount (if
2 any) by which the number of foster child adop-
3 tions in the State during the fiscal year exceeds
4 the base number of foster child adoptions for
5 the State for the fiscal year; and

6 “(B) \$2,000, multiplied by the amount (if
7 any) by which the number of special needs
8 adoptions in the State during the fiscal year ex-
9 ceeds the base number of special needs adop-
10 tions for the State for the fiscal year.

11 “(2) PRO RATA ADJUSTMENT IF INSUFFICIENT
12 FUNDS AVAILABLE.—For any fiscal year, if the total
13 amount of adoption incentive payments otherwise
14 payable under this section for a fiscal year exceeds
15 the amount appropriated pursuant to subsection (h)
16 for the fiscal year, the amount of the adoption incen-
17 tive payment payable to each State under this sec-
18 tion for the fiscal year shall be—

19 “(A) the amount of the adoption incentive
20 payment that would otherwise be payable to the
21 State under this section for the fiscal year; mul-
22 tiplied by

23 “(B) the percentage represented by the
24 amount so appropriated for the fiscal year, di-
25 vided by the total amount of adoption incentive

1 payments otherwise payable under this section
2 for the fiscal year.

3 “(e) 2-YEAR AVAILABILITY OF INCENTIVE PAY-
4 MENTS.—Payments to a State under this section in a fis-
5 cal year shall remain available for use by the State
6 through the end of the succeeding fiscal year.

7 “(f) LIMITATIONS ON USE OF INCENTIVE PAY-
8 MENTS.—A State shall not expend an amount paid to the
9 State under this section except to provide to children or
10 families any service (including post-adoption services) that
11 may be provided under part B or E. Amounts expended
12 by a State in accordance with the preceding sentence shall
13 be disregarded in determining State expenditures for pur-
14 poses of Federal matching payments under sections 423,
15 434, and 474.

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

17 “(1) FOSTER CHILD ADOPTION.—The term
18 ‘foster child adoption’ means the final adoption of a
19 child who, at the time of adoptive placement, was in
20 foster care under the supervision of the State.

21 “(2) SPECIAL NEEDS ADOPTION.—The term
22 ‘special needs adoption’ means the final adoption of
23 a child for whom an adoption assistance agreement
24 is in effect under section 473.

1 “(3) BASE NUMBER OF FOSTER CHILD ADOP-
2 TIONS.—The term ‘base number of foster child
3 adoptions for a State’ means—

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

7 “(B) with respect to any subsequent fiscal
8 year, the number of foster child adoptions in
9 the State in the fiscal year for which the num-
10 ber is the greatest in the period that begins
11 with fiscal year 1997 and ends with the fiscal
12 year preceding such subsequent fiscal year.

13 “(4) BASE NUMBER OF SPECIAL NEEDS ADOP-
14 TIONS.—The term ‘base number of special needs
15 adoptions for a State’ means—

16 “(A) with respect to fiscal year 1998, the
17 average number of special needs adoptions in
18 the State in fiscal years 1995, 1996, and 1997;
19 and

20 “(B) with respect to any subsequent fiscal
21 year, the number of special needs adoptions in
22 the State in the fiscal year for which the num-
23 ber is the greatest in the period that begins
24 with fiscal year 1997 and ends with the fiscal
25 year preceding such subsequent fiscal year.

1 “(h) LIMITATIONS ON AUTHORIZATION OF APPRO-
2 PRIATIONS.—

3 “(1) IN GENERAL.—For grants under sub-
4 section (a), there are authorized to be appropriated
5 to the Secretary \$20,000,000 for each of fiscal years
6 1999 through 2003.

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

10 “(i) TECHNICAL ASSISTANCE.—

11 “(1) IN GENERAL.—The Secretary may, di-
12 rectly or through grants or contracts, provide tech-
13 nical assistance to assist States and local commu-
14 nities to reach their targets for increased numbers of
15 adoptions and, to the extent that adoption is not
16 possible, alternative permanent placements, for chil-
17 dren in foster care.

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

1 “(A) The development of best practice
2 guidelines for expediting termination of paren-
3 tal rights.

4 “(B) Models to encourage the use of con-
5 current planning.

6 “(C) The development of specialized units
7 and expertise in moving children toward adop-
8 tion as a permanency goal.

9 “(D) The development of risk assessment
10 tools to facilitate early identification of the chil-
11 dren who will be at risk of harm if returned
12 home.

13 “(E) Models to encourage the fast tracking
14 of children who have not attained 1 year of age
15 into pre-adoptive placements.

16 “(F) Development of programs that place
17 children into pre-adoptive families without wait-
18 ing for termination of parental rights.

19 “(3) TARGETING OF TECHNICAL ASSISTANCE
20 TO THE COURTS.—Not less than 50 percent of any
21 amount appropriated pursuant to paragraph (4)
22 shall be used to provide technical assistance to the
23 courts.

24 “(4) LIMITATIONS ON AUTHORIZATION OF AP-
25 PROPRIATIONS.—To carry out this subsection, there

1 are authorized to be appropriated to the Secretary
 2 of Health and Human Services not to exceed
 3 \$10,000,000 for each of fiscal years 1998 through
 4 2000.”.

5 (b) DISCRETIONARY CAP ADJUSTMENT FOR ADOPT-
 6 ION INCENTIVE PAYMENTS.—

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

13 “(G) ADOPTION INCENTIVE PAYMENTS.—
 14 Whenever a bill or joint resolution making ap-
 15 propriations for fiscal year 1999, 2000, 2001,
 16 2002, or 2003 is enacted that specifies an
 17 amount for adoption incentive payments pursu-
 18 ant to this part for the Department of Health
 19 and Human Services—

20 “(i) the adjustments for new budget
 21 authority shall be the amounts of new
 22 budget authority provided in that measure
 23 for adoption incentive payments, but not to
 24 exceed \$20,000,000; and

1 “(ii) the adjustment for outlays shall
 2 be the additional outlays flowing from such
 3 amount.”.

4 (2) SECTION 314 AMENDMENT.—Section 314(b)
 5 of the Congressional Budget Act of 1974, as amend-
 6 ed by section 10114(a) of the Balanced Budget Act
 7 of 1997, is amended—

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

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

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

13 “(6) in the case of an amount for adoption in-
 14 centive payments (as defined in section 251(b)(2)(G)
 15 of the Balanced Budget and Emergency Deficit Con-
 16 trol Act of 1985) for fiscal year 1999, 2000, 2001,
 17 2002, or 2003 for the Department of Health and
 18 Human Services, an amount not to exceed
 19 \$20,000,000.”.

20 **SEC. 202. ADOPTIONS ACROSS STATE AND COUNTY JURIS-**
 21 **DICTIONS.**

22 (a) STATE PLAN FOR CHILD WELFARE SERVICES
 23 REQUIREMENT.—Section 422(b) of the Social Security
 24 Act (42 U.S.C. 622(b)) is amended—

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

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

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

6 “(12) contain assurances that the State shall
7 develop plans for the effective use of cross-jurisdic-
8 tional resources to facilitate timely adoptive or per-
9 manent placements for waiting children.”.

10 (b) CONDITION OF ASSISTANCE.—Section 474 of
11 such Act (42 U.S.C. 674) is amended by adding at the
12 end the following:

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

17 “(1) denied or delayed the placement of a child
18 for adoption when an approved family is available
19 outside of the jurisdiction with responsibility for
20 handling the case of the child; or

21 “(2) failed to grant an opportunity for a fair
22 hearing, as described in section 471(a)(12), to an in-
23 dividual whose allegation of a violation of paragraph
24 (1) of this subsection is denied by the State or not

1 acted upon by the State with reasonable prompt-
2 ness.”.

3 (c) STUDY OF INTERJURISDICTIONAL ADOPTION IS-
4 SUES.—

5 (1) IN GENERAL.—The Comptroller General of
6 the United States shall—

7 (A) study and consider how to improve
8 procedures and policies to facilitate the timely
9 and permanent adoptions of children across
10 State and county jurisdictions; and

11 (B) examine, at a minimum, interjurisdic-
12 tional adoption issues—

13 (i) concerning the recruitment of pro-
14 spective adoptive families from other
15 States and counties;

16 (ii) concerning the procedures to
17 grant reciprocity to prospective adoptive
18 family home studies from other States and
19 counties;

20 (iii) arising from a review of the com-
21 ity and full faith and credit provided to
22 adoption decrees and termination of paren-
23 tal rights orders from other States; and

24 (iv) concerning the procedures related
25 to the administration and implementation

1 of the Interstate Compact on the Place-
2 ment of Children.

3 (2) REPORT TO THE CONGRESS.—Not later
4 than 1 year after the date of the enactment of this
5 Act, the Comptroller General shall submit to the ap-
6 propriate committees of the Congress a report that
7 includes—

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

10 (B) recommendations on how to improve
11 procedures to facilitate the interjurisdictional
12 adoption of children, including interstate and
13 intercounty adoptions, so that children will be
14 assured timely and permanent placements.

15 **SEC. 203. PERFORMANCE OF STATES IN PROTECTING CHIL-**
16 **DREN.**

17 (a) ANNUAL REPORT ON STATE PERFORMANCE.—
18 Part E of title IV of the Social Security Act (42 U.S.C.
19 670 et seq.) is amended by adding at the end the follow-
20 ing:

21 **“SEC. 479A. ANNUAL REPORT.**

22 “The Secretary, in consultation with Governors,
23 State legislatures, State and local public officials respon-
24 sible for administering child welfare programs, and child
25 welfare advocates, shall—

1 “(1) develop a set of outcome measures (includ-
2 ing length of stay in foster care, number of foster
3 care placements, and number of adoptions) that can
4 be used to assess the performance of States in oper-
5 ating child protection and child welfare programs
6 pursuant to parts B and E to ensure the safety of
7 children;

8 “(2) to the maximum extent possible, the out-
9 come measures should be developed from data avail-
10 able from the Adoption and Foster Care Analysis
11 and Reporting System;

12 “(3) develop a system for rating the perform-
13 ance of States with respect to the outcome meas-
14 ures, and provide to the States an explanation of the
15 rating system and how scores are determined under
16 the rating system;

17 “(4) prescribe such regulations as may be nec-
18 essary to ensure that States provide to the Secretary
19 the data necessary to determine State performance
20 with respect to each outcome measure, as a condi-
21 tion of the State receiving funds under this part;
22 and

23 “(5) on May 1, 1999, and annually thereafter,
24 prepare and submit to the Congress a report on the
25 performance of each State on each outcome meas-

1 ure, which shall examine the reasons for high per-
2 formance and low performance and, where possible,
3 make recommendations as to how State performance
4 could be improved.”.

5 (b) DEVELOPMENT OF PERFORMANCE-BASED IN-
6 CENTIVE SYSTEM.—The Secretary of Health and Human
7 Services, in consultation with State and local public offi-
8 cials responsible for administering child welfare programs
9 and child welfare advocates, shall study, develop, and rec-
10 ommend to Congress an incentive system to provide pay-
11 ments under parts B and E of title IV of the Social Secu-
12 rity Act (42 U.S.C. 620 et seq., 670 et seq.) to any State
13 based on the State’s performance under such a system.
14 Such a system shall, to the extent the Secretary deter-
15 mines feasible and appropriate, be based on the annual
16 report required by section 479A of the Social Security Act
17 (as added by subsection (a) of this section) or on any pro-
18 posed modifications of the annual report. Not later than
19 6 months after the date of the enactment of this Act, the
20 Secretary shall submit to the Committee on Ways and
21 Means of the House of Representatives and the Committee
22 on Finance of the Senate a progress report on the feasibil-
23 ity, timetable, and consultation process for conducting
24 such a study. Not later than 15 months after such date
25 of enactment, the Secretary shall submit to the Committee

1 on Ways and Means of the House of Representatives and
 2 the Committee on Finance of the Senate the final report
 3 on a performance-based incentive system. The report may
 4 include other recommendations for restructuring the pro-
 5 gram and payments under parts B and E of title IV of
 6 the Social Security Act.

7 **TITLE III—ADDITIONAL** 8 **IMPROVEMENTS AND REFORMS**

9 **SEC. 301. EXPANSION OF CHILD WELFARE DEMONSTRA-** 10 **TION PROJECTS.**

11 (a) IN GENERAL.—Section 1130(a) of the Social Se-
 12 curity Act (42 U.S.C. 1320a–9) is amended to read as
 13 follows:

14 “(a) AUTHORITY TO APPROVE DEMONSTRATION
 15 PROJECTS.—

16 “(1) IN GENERAL.—The Secretary may author-
 17 ize States to conduct demonstration projects pursu-
 18 ant to this section which the Secretary finds are
 19 likely to promote the objectives of part B or E of
 20 title IV.

21 “(2) LIMITATION.—The Secretary may author-
 22 ize not more than 10 demonstration projects under
 23 paragraph (1) in each of fiscal years 1998 through
 24 2002.

1 “(3) CERTAIN TYPES OF PROPOSALS REQUIRED
2 TO BE CONSIDERED.—

3 “(A) If an appropriate application therefor
4 is submitted, the Secretary shall consider au-
5 thorizing a demonstration project which is de-
6 signed to identify and address barriers that re-
7 sult in delays to adoptive placements for chil-
8 dren in foster care.

9 “(B) If an appropriate application therefor
10 is submitted, the Secretary shall consider au-
11 thorizing a demonstration project which is de-
12 signed to identify and address parental sub-
13 stance abuse problems that endanger children
14 and result in the placement of children in foster
15 care, including through the placement of chil-
16 dren with their parents in residential treatment
17 facilities (including residential treatment facili-
18 ties for post-partum depression) that are spe-
19 cifically designed to serve parents and children
20 together in order to promote family reunifica-
21 tion and that can ensure the health and safety
22 of the children in such placements.

23 “(C) If an appropriate application therefor
24 is submitted, the Secretary shall consider au-

1 thorizing a demonstration project which is de-
2 signed to address kinship care.

3 “(4) LIMITATION ON ELIGIBILITY.—The Sec-
4 retary may not authorize a State to conduct a dem-
5 onstration project under this section if the State
6 fails to provide health insurance coverage to any
7 child with special needs (as determined under sec-
8 tion 473(c)) for whom there is in effect an adoption
9 assistance agreement between a State and an adop-
10 tive parent or parents.

11 “(5) REQUIREMENT TO CONSIDER EFFECT OF
12 PROJECT ON TERMS AND CONDITIONS OF CERTAIN
13 COURT ORDERS.—In considering an application to
14 conduct a demonstration project under this section
15 that has been submitted by a State in which there
16 is in effect a court order determining that the
17 State’s child welfare program has failed to comply
18 with the provisions of part B or E of title IV, or
19 with the Constitution of the United States, the Sec-
20 retary shall take into consideration the effect of ap-
21 proving the proposed project on the terms and con-
22 ditions of the court order related to the failure to
23 comply.”.

24 (b) RULE OF CONSTRUCTION.—Nothing in the
25 amendment made by subsection (a) shall be construed as

1 affecting the terms and conditions of any demonstration
 2 project approved under section 1130 of the Social Security
 3 Act (42 U.S.C. 1320a–9) before the date of the enactment
 4 of this Act.

5 (c) AUTHORITY TO EXTEND DURATION OF DEM-
 6 ONSTRATIONS.—Section 1130(d) of such Act (42 U.S.C.
 7 1320a–9(d)) is amended by inserting “, unless in the judg-
 8 ment of the Secretary, the demonstration project should
 9 be allowed to continue” before the period.

10 **SEC. 302. PERMANENCY HEARINGS.**

11 Section 475(5)(C) of the Social Security Act (42
 12 U.S.C. 675(5)(C)) is amended—

13 (1) by striking “dispositional” and inserting
 14 “permanency”;

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

16 (3) by striking “original placement” and insert-
 17 ing “date the child is considered to have entered fos-
 18 ter care (as determined under subparagraph (F))”;
 19 and

20 (4) by striking “future status of” and all that
 21 follows through “(long term basis)” and inserting
 22 “permanency plan for the child that includes wheth-
 23 er, and if applicable when, the child will be returned
 24 to the parent, placed for adoption and the State will
 25 file a petition for termination of parental rights, or

1 referred for legal guardianship, or (in cases where
 2 the State agency has documented to the State court
 3 a compelling reason for determining that it would
 4 not be in the best interests of the child to return
 5 home, be referred for termination of parental rights,
 6 or be placed for adoption, with a fit and willing rel-
 7 ative, or with a legal guardian) placed in another
 8 planned permanent living arrangement”.

9 **SEC. 303. KINSHIP CARE.**

10 (a) REPORT.—

11 (1) IN GENERAL.—The Secretary of Health and
 12 Human Services shall—

13 (A) not later than June 1, 1998, convene
 14 the advisory panel provided for in subsection
 15 (b)(1) and prepare and submit to the advisory
 16 panel an initial report on the extent to which
 17 children in foster care are placed in the care of
 18 a relative (in this section referred to as “kin-
 19 ship care”); and

20 (B) not later than June 1, 1999, submit to
 21 the Committee on Ways and Means of the
 22 House of Representatives and the Committee
 23 on Finance of the Senate a final report on the
 24 matter described in subparagraph (A), which
 25 shall—

1 (i) be based on the comments submit-
2 ted by the advisory panel pursuant to sub-
3 section (b)(2) and other information and
4 considerations; and

5 (ii) include the policy recommenda-
6 tions of the Secretary with respect to the
7 matter.

8 (2) REQUIRED CONTENTS.—Each report re-
9 quired by paragraph (1) shall—

10 (A) include, to the extent available for each
11 State, information on—

12 (i) the policy of the State regarding
13 kinship care;

14 (ii) the characteristics of the kinship
15 care providers (including age, income, eth-
16 nicity, and race, and the relationship of the
17 kinship care providers to the children);

18 (iii) the characteristics of the house-
19 hold of such providers (such as number of
20 other persons in the household and family
21 composition);

22 (iv) how much access to the child is
23 afforded to the parent from whom the
24 child has been removed;

1 (v) the cost of, and source of funds
2 for, kinship care (including any subsidies
3 such as medicaid and cash assistance);

4 (vi) the permanency plan for the child
5 and the actions being taken by the State to
6 achieve the plan;

7 (vii) the services being provided to the
8 parent from whom the child has been re-
9 moved; and

10 (viii) the services being provided to
11 the kinship care provider; and

12 (B) specifically note the circumstances or
13 conditions under which children enter kinship
14 care.

15 (b) ADVISORY PANEL.—

16 (1) ESTABLISHMENT.—The Secretary of Health
17 and Human Services, in consultation with the Chair-
18 man of the Committee on Ways and Means of the
19 House of Representatives and the Chairman of the
20 Committee on Finance of the Senate, shall convene
21 an advisory panel which shall include parents, foster
22 parents, relative caregivers, former foster children,
23 State and local public officials responsible for admin-
24 istering child welfare programs, private persons in-
25 volved in the delivery of child welfare services, rep-

1 representatives of tribal governments and tribal courts,
 2 judges, and academic experts.

3 (2) DUTIES.—The advisory panel convened pur-
 4 suant to paragraph (1) shall review the report pre-
 5 pared pursuant to subsection (a), and, not later than
 6 October 1, 1998, submit to the Secretary comments
 7 on the report.

8 **SEC. 304. CLARIFICATION OF ELIGIBLE POPULATION FOR**
 9 **INDEPENDENT LIVING SERVICES.**

10 Section 477(a)(2)(A) of the Social Security Act (42
 11 U.S.C. 677(a)(2)(A)) is amended by inserting “(including
 12 children with respect to whom such payments are no
 13 longer being made because the child has accumulated as-
 14 sets, not to exceed \$5,000, which are otherwise regarded
 15 as resources for purposes of determining eligibility for
 16 benefits under this part)” before the comma.

17 **SEC. 305. REAUTHORIZATION AND EXPANSION OF FAMILY**
 18 **PRESERVATION AND SUPPORT SERVICES.**

19 (a) REAUTHORIZATION OF FAMILY PRESERVATION
 20 AND SUPPORT SERVICES.—

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

23 (A) in paragraph (4), by striking “or” at
 24 the end;

1 (B) in paragraph (5), by striking the pe-
 2 riod and inserting a semicolon; and

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

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

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

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

7 (2) CONTINUATION OF RESERVATION OF CER-
 8 TAIN AMOUNTS.—Paragraphs (1) and (2) of section
 9 430(d) of the Social Security Act (42 U.S.C.
 10 629(d)(1) and (2)) are each amended by striking
 11 “and 1998” and inserting “1998, 1999, 2000, and
 12 2001”.

13 (3) CONFORMING AMENDMENTS.—Section
 14 13712 of the Omnibus Budget Reconciliation Act of
 15 1993 (42 U.S.C. 670 note) is amended—

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

18 (B) in subsection (d)(2), by striking “and
 19 1998” and inserting “1998, 1999, 2000, and
 20 2001”.

21 (b) EXPANSION FOR TIME-LIMITED FAMILY REUNI-
 22 FICATION SERVICES AND ADOPTION PROMOTION AND
 23 SUPPORT SERVICES.—

1 (1) ADDITIONS TO STATE PLAN.—Section 432
2 of the Social Security Act (42 U.S.C. 629b) is
3 amended—

4 (A) in subsection (a)—

5 (i) in paragraph (4), by striking “and
6 community-based family support services”
7 and inserting “, community-based family
8 support services, time-limited family reuni-
9 fication services, and adoption promotion
10 and support services,”; and

11 (ii) in paragraph (5)(A), by striking
12 “and community-based family support
13 services” and inserting “, community-based
14 family support services, time-limited family
15 reunification services, and adoption pro-
16 motion and support services”; and

17 (B) in subsection (b)(1), by striking “and
18 family support” and inserting “, family sup-
19 port, time-limited family reunification, and
20 adoption promotion and support”.

21 (2) DEFINITIONS OF TIME-LIMITED FAMILY RE-
22 UNIFICATION SERVICES AND ADOPTION PROMOTION
23 AND SUPPORT SERVICES.—Section 431(a) of the So-
24 cial Security Act (42 U.S.C. 629a(a)) is amended by
25 adding at the end the following:

1 “(7) TIME-LIMITED FAMILY REUNIFICATION
2 SERVICES.—

3 “(A) IN GENERAL.—The term ‘time-lim-
4 ited family reunification services’ means the
5 services and activities described in subpara-
6 graph (B) that are provided to a child that is
7 removed from the child’s home and placed in a
8 foster family home or a child care institution
9 and to the parents or primary caregiver of such
10 a child, in order to facilitate the reunification of
11 the child safely and appropriately within a time-
12 ly fashion, but only during the 15-month period
13 that begins on the date that the child, pursuant
14 to section 475(5)(F), is considered to have en-
15 tered foster care.

16 “(B) SERVICES AND ACTIVITIES DE-
17 SCRIBED.—The services and activities described
18 in this subparagraph are the following:

19 “(i) Individual, group, and family
20 counseling.

21 “(ii) Inpatient, residential, or out-
22 patient substance abuse treatment services.

23 “(iii) Mental health services.

24 “(iv) Assistance to address domestic
25 violence.

1 “(v) Services designed to provide tem-
 2 porary child care and therapeutic services
 3 for families, including crisis nurseries.

4 “(vi) Transportation to or from any of
 5 the services and activities described in this
 6 subparagraph.

7 “(8) ADOPTION PROMOTION AND SUPPORT
 8 SERVICES.—The term ‘adoption promotion and sup-
 9 port services’ means services and activities designed
 10 to encourage more adoptions out of the foster care
 11 system, when adoptions promote the best interests of
 12 children, including such activities as pre- and post-
 13 adoptive services and activities designed to expedite
 14 the adoption process and support adoptive fami-
 15 lies.”.

16 (3) ADDITIONAL CONFORMING AMENDMENTS.—

17 (A) PURPOSES.—Section 430(a) of the So-
 18 cial Security Act (42 U.S.C. 629(a)) is amend-
 19 ed by striking “and community-based family
 20 support services” and inserting “, community-
 21 based family support services, time-limited fam-
 22 ily reunification services, and adoption pro-
 23 motion and support services”.

24 (B) PROGRAM TITLE.—The heading of
 25 subpart 2 of part B of title IV of the Social Se-

1 security Act (42 U.S.C. 629 et seq.) is amended
 2 to read as follows:

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

4 (c) EMPHASIZING THE SAFETY OF THE CHILD.—

5 (1) REQUIRING ASSURANCES THAT THE SAFETY
 6 OF CHILDREN SHALL BE OF PARAMOUNT CON-
 7 CERN.—Section 432(a) of the Social Security Act
 8 (42 U.S.C. 629b(a)) is amended—

9 (A) by striking “and” at the end of para-
 10 graph (7);

11 (B) by striking the period at the end of
 12 paragraph (8); and

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

14 “(9) contains assurances that in administering
 15 and conducting service programs under the plan, the
 16 safety of the children to be served shall be of para-
 17 mount concern.”.

18 (2) DEFINITIONS OF FAMILY PRESERVATION
 19 AND FAMILY SUPPORT SERVICES.—Section 431(a) of
 20 the Social Security Act (42 U.S.C. 629a(a)) is
 21 amended—

22 (A) in paragraph (1)—

23 (i) in subparagraph (A), by inserting
 24 “safe and” before “appropriate” each place
 25 it appears; and

- 1 (ii) in subparagraph (B), by inserting
 2 “safely” after “remain”; and
 3 (B) in paragraph (2)—
 4 (i) by inserting “safety and” before
 5 “well-being”; and
 6 (ii) by striking “stable” and inserting
 7 “safe, stable,”.

8 (d) CLARIFICATION OF MAINTENANCE OF EFFORT
 9 REQUIREMENT.—

10 (1) DEFINITION OF NON-FEDERAL FUNDS.—

11 Section 431(a) of the Social Security Act (42 U.S.C.
 12 629a(a)), as amended by subsection (b)(2), is
 13 amended by adding at the end the following:

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

17 (2) EFFECTIVE DATE.—The amendment made
 18 by paragraph (1) takes effect as if included in the
 19 enactment of section 13711 of the Omnibus Budget
 20 Reconciliation Act of 1993 (Public Law 103–33; 107
 21 Stat. 649).

22 **SEC. 306. HEALTH INSURANCE COVERAGE FOR CHILDREN**
 23 **WITH SPECIAL NEEDS.**

24 Section 471(a) of the Social Security Act (42 U.S.C.
 25 671(a)), as amended by section 106, is amended—

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

3 (2) in paragraph (20), by striking the period
4 and inserting “; and”; and

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

6 “(21) provides for health insurance coverage
7 (including, at State option, through the program
8 under the State plan approved under title XIX) for
9 any child who has been determined to be a child
10 with special needs, for whom there is in effect an
11 adoption assistance agreement (other than an agree-
12 ment under this part) between the State and an
13 adoptive parent or parents, and who the State has
14 determined cannot be placed with an adoptive parent
15 or parents without medical assistance because such
16 child has special needs for medical, mental health, or
17 rehabilitative care, and that with respect to the pro-
18 vision of such health insurance coverage—

19 “(A) such coverage may be provided
20 through 1 or more State medical assistance pro-
21 grams;

22 “(B) the State, in providing such coverage,
23 shall ensure that the medical benefits, including
24 mental health benefits, provided are of the same

1 type and kind as those that would be provided
 2 for children by the State under title XIX;

3 “(C) in the event that the State provides
 4 such coverage through a State medical assist-
 5 ance program other than the program under
 6 title XIX, and the State exceeds its funding for
 7 services under such other program, any such
 8 child shall be deemed to be receiving aid or as-
 9 sistance under the State plan under this part
 10 for purposes of section 1902(a)(10)(A)(i)(I);
 11 and

12 “(D) in determining cost-sharing require-
 13 ments, the State shall take into consideration
 14 the circumstances of the adopting parent or
 15 parents and the needs of the child being adopt-
 16 ed consistent, to the extent coverage is provided
 17 through a State medical assistance program,
 18 with the rules under such program.”.

19 **SEC. 307. CONTINUATION OF ELIGIBILITY FOR ADOPTION**
 20 **ASSISTANCE PAYMENTS ON BEHALF OF CHIL-**
 21 **DREN WITH SPECIAL NEEDS WHOSE INITIAL**
 22 **ADOPTION HAS BEEN DISSOLVED.**

23 (a) CONTINUATION OF ELIGIBILITY.—Section
 24 473(a)(2) of the Social Security Act (42 U.S.C. 673(a)(2))
 25 is amended by adding at the end the following: “Any child

1 who meets the requirements of subparagraph (C), who was
 2 determined eligible for adoption assistance payments
 3 under this part with respect to a prior adoption, who is
 4 available for adoption because the prior adoption has been
 5 dissolved and the parental rights of the adoptive parents
 6 have been terminated or because the child's adoptive par-
 7 ents have died, and who fails to meet the requirements
 8 of subparagraphs (A) and (B) but would meet such re-
 9 quirements if the child were treated as if the child were
 10 in the same financial and other circumstances the child
 11 was in the last time the child was determined eligible for
 12 adoption assistance payments under this part and the
 13 prior adoption were treated as never having occurred, shall
 14 be treated as meeting the requirements of this paragraph
 15 for purposes of paragraph (1)(B)(ii).”.

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

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

21 Section 471(a) of the Social Security Act (42 U.S.C.
 22 671(a)), as amended by sections 106 and 306, is amend-
 23 ed—

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

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

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

4 “(22) provides that, not later than January 1,
5 1999, the State shall develop and implement stand-
6 ards to ensure that children in foster care place-
7 ments in public or private agencies are provided
8 quality services that protect the safety and health of
9 the children.”.

10 **TITLE IV—MISCELLANEOUS**

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

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

16 **SEC. 402. REPORTING REQUIREMENTS.**

17 Any information required to be reported under this
18 Act shall be supplied to the Secretary of Health and
19 Human Services through data meeting the requirements
20 of the Adoption and Foster Care Analysis and Reporting
21 System established pursuant to section 479 of the Social
22 Security Act (42 U.S.C. 679), to the extent such data is
23 available under that system. The Secretary shall make
24 such modifications to regulations issued under section 479
25 of such Act with respect to the Adoption and Foster Care

1 Analysis and Reporting System as may be necessary to
2 allow States to obtain data that meets the requirements
3 of such system in order to satisfy the reporting require-
4 ments of this Act.

5 **SEC. 403. SENSE OF CONGRESS REGARDING STANDBY**
6 **GUARDIANSHIP.**

7 It is the sense of Congress that the States should
8 have in effect laws and procedures that permit any parent
9 who is chronically ill or near death, without surrendering
10 parental rights, to designate a standby guardian for the
11 parent's minor children, whose authority would take effect
12 upon—

- 13 (1) the death of the parent;
14 (2) the mental incapacity of the parent; or
15 (3) the physical debilitation and consent of the
16 parent.

17 **SEC. 404. TEMPORARY ADJUSTMENT OF CONTINGENCY**
18 **FUND FOR STATE WELFARE PROGRAMS.**

19 (a) REDUCTION OF APPROPRIATION.—Section
20 403(b)(2) of the Social Security Act (42 U.S.C. 603(b)(2))
21 is amended by inserting “, reduced by the sum of the dol-
22 lar amounts specified in paragraph (6)(C)(ii)” before the
23 period.

1 (b) INCREASE IN STATE REMITTANCES.—Section
2 403(b)(6) of such Act (42 U.S.C. 603(b)(6)) is amended
3 by adding at the end the following:

4 “(C) ADJUSTMENT OF STATE REMIT-
5 TANCES.—

6 “(i) IN GENERAL.—The amount oth-
7 erwise required by subparagraph (A) to be
8 remitted by a State for a fiscal year shall
9 be increased by the lesser of—

10 “(I) the total adjustment for the
11 fiscal year, multiplied by the adjust-
12 ment percentage for the State for the
13 fiscal year; or

14 “(II) the unadjusted net payment
15 to the State for the fiscal year.

16 “(ii) TOTAL ADJUSTMENT.—As used
17 in clause (i), the term ‘total adjustment’
18 means—

19 “(I) in the case of fiscal year
20 1998, \$2,000,000;

21 “(II) in the case of fiscal year
22 1999, \$9,000,000;

23 “(III) in the case of fiscal year
24 2000, \$16,000,000; and

1 “(IV) in the case of fiscal year
2 2001, \$13,000,000.

3 “(iii) ADJUSTMENT PERCENTAGE.—
4 As used in clause (i), the term ‘adjustment
5 percentage’ means, with respect to a State
6 and a fiscal year—

7 “(I) the unadjusted net payment
8 to the State for the fiscal year; di-
9 vided by

10 “(II) the sum of the unadjusted
11 net payments to all States for the fis-
12 cal year.

13 “(iv) UNADJUSTED NET PAYMENT.—
14 As used in this subparagraph, the term,
15 ‘unadjusted net payment’ means with re-
16 spect to a State and a fiscal year—

17 “(I) the total amount paid to the
18 State under paragraph (3) in the fis-
19 cal year; minus

20 “(II) the amount that, in the ab-
21 sence of this subparagraph, would be
22 required by subparagraph (A) or by
23 section 409(a)(10) to be remitted by
24 the State in respect of the payment.”.

1 (c) RECOMMENDATIONS FOR IMPROVING THE OPER-
2 TION OF THE CONTINGENCY FUND.—Not later than
3 March 1, 1998, the Secretary of Health and Human Serv-
4 ices shall make recommendations to the Congress for im-
5 proving the operation of the Contingency Fund for State
6 Welfare Programs.

7 **SEC. 405. COORDINATION OF SUBSTANCE ABUSE AND**
8 **CHILD PROTECTION SERVICES.**

9 Within 1 year after the date of the enactment of this
10 Act, the Secretary of Health and Human Services, based
11 on information from the Substance Abuse and Mental
12 Health Services Administration and the Administration
13 for Children and Families in the Department of Health
14 and Human Services, shall prepare and submit to the
15 Committee on Ways and Means of the House of Rep-
16 resentatives and the Committee on Finance of the Senate
17 a report which describes the extent and scope of the prob-
18 lem of substance abuse in the child welfare population, the
19 types of services provided to such population, and the out-
20 comes resulting from the provision of such services to such
21 population. The report shall include recommendations for
22 any legislation that may be needed to improve coordina-
23 tion in providing such services to such population.

1 **SEC. 406. PURCHASE OF AMERICAN-MADE EQUIPMENT AND**
 2 **PRODUCTS.**

3 (a) IN GENERAL.—It is the sense of the Congress
 4 that, to the greatest extent practicable, all equipment and
 5 products purchased with funds made available under this
 6 Act should be American-made.

7 (b) NOTICE REQUIREMENT.—In providing financial
 8 assistance to, or entering into any contract with, any en-
 9 tity using funds made available under this Act, the head
 10 of each Federal agency, to the greatest extent practicable,
 11 shall provide to such entity a notice describing the state-
 12 ment made in subsection (a) by the Congress.

13 **TITLE V—EFFECTIVE DATE**

14 **SEC. 501. EFFECTIVE DATE.**

15 (a) IN GENERAL.—Except as otherwise provided in
 16 this Act, the amendments made by this Act take effect
 17 on the date of enactment of this Act.

18 (b) DELAY PERMITTED IF STATE LEGISLATION RE-
 19 QUIRED.—In the case of a State plan under part B or
 20 E of title IV of the Social Security Act which the Secretary
 21 of Health and Human Services determines requires State
 22 legislation (other than legislation appropriating funds) in
 23 order for the plan to meet the additional requirements im-
 24 posed by the amendments made by this Act, the State plan
 25 shall not be regarded as failing to comply with the require-
 26 ments of such part solely on the basis of the failure of

1 the plan to meet such additional requirements before the
2 first day of the first calendar quarter beginning after the
3 close of the first regular session of the State legislature
4 that begins after the date of enactment of this Act. For
5 purposes of the previous sentence, in the case of a State
6 that has a 2-year legislative session, each year of such ses-
7 sion shall be deemed to be a separate regular session of
8 the State legislature.

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