

106TH CONGRESS
1ST SESSION

H. R. 671

To amend part E of title IV of the Social Security Act to help children aging out of foster care to make the transition to becoming independent adults, to amend the Internal Revenue Code of 1986 to expand the work opportunity tax credit to include individuals who were in foster care just before their 18th birthday, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 1999

Mr. CARDIN (for himself, Mr. STARK, Mr. MATSUI, Mr. COYNE, and Mr. JEFFERSON) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend part E of title IV of the Social Security Act to help children aging out of foster care to make the transition to becoming independent adults, to amend the Internal Revenue Code of 1986 to expand the work opportunity tax credit to include individuals who were in foster care just before their 18th birthday, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Transition to Adult-
3 hood Program Act of 1999”.

4 **SEC. 2. TRANSITION OF FOSTER CHILDREN TO SELF-SUFFI-**
5 **CIENCY.**

6 (a) IN GENERAL.—Section 472 of the Social Security
7 Act (42 U.S.C. 672) is amended by adding at the end the
8 following:

9 “(i) Each State with a plan approved under this part
10 may make foster care maintenance payments (as defined
11 in section 475(4)) under this part with respect to a child
12 who has not attained 21 years of age and who would other-
13 wise be ineligible for such payments by reason of age, but
14 only if the child—

15 “(1) is—

16 “(A) in the process of completing second-
17 ary education;

18 “(B) enrolled in an institution that pro-
19 vides postsecondary education or vocational
20 training; or

21 “(C) employed for at least 80 hours per
22 month; and

23 “(2) has a case plan which includes a specific
24 plan for how the child will achieve independent liv-
25 ing, and which provides for the child to reside in a

1 setting that promotes personal responsibility and en-
 2 courages self-sufficiency.”.

3 (b) PROVISION OF NONRESIDENTIAL SERVICES TO
 4 ASSIST IN THE TRANSITION TO INDEPENDENT ADULT
 5 LIVING.—Section 475(4)(A) of such Act (42 U.S.C.
 6 675(4)(A)) is amended by adding at the end the following:
 7 “In the case of a child described in section 472(i), such
 8 term shall also include payments with respect to the child
 9 for programs designed to promote the education, training,
 10 or employment of the child.”.

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section shall take effect on October 1, 1999.

13 **SEC. 3. QUALIFIED FORMER FOSTER CARE RECIPIENTS ES-**
 14 **TABLISHED AS A TARGETED GROUP FOR**
 15 **PURPOSES OF COMPUTING THE WORK OP-**
 16 **PORTUNITY CREDIT FOR EMPLOYMENT OF**
 17 **CERTAIN NEW EMPLOYEES.**

18 (a) GENERAL RULE.—Paragraph (1) of section 51(d)
 19 of the Internal Revenue Code of 1986 (relating to mem-
 20 bers of targeted groups) is amended by striking “or” at
 21 the end of subparagraph (G), by striking the period at
 22 the end of subparagraph (H) and inserting “, or”, and
 23 by adding at the end the following new subparagraph:

24 “(I) a qualified former foster care recipi-
 25 ent.”.

1 (b) QUALIFIED FORMER FOSTER CARE RECIPIENT
 2 DEFINED.—Section 51(d) of such Code (relating to mem-
 3 bers of targeted groups) is amended by redesignating
 4 paragraphs (10), (11), and (12) as paragraphs (11), (12),
 5 and (13), respectively, and by inserting after paragraph
 6 (9) the following new paragraph:

7 “(10) QUALIFIED FORMER FOSTER CARE RE-
 8 CIPIENT—The term ‘qualified former foster care re-
 9 cipient’ means an individual who is certified by the
 10 local designated agency as—

11 “(A) having attained age 18 but not age
 12 25 on the hiring date, and

13 “(B) on the day before attaining age 18
 14 being either—

15 “(i) a recipient of foster care mainte-
 16 nance payments under a State plan ap-
 17 proved under part E of title IV of the So-
 18 cial Security Act, or

19 “(ii) in the case of any individual not
 20 described in clause (i), in foster care under
 21 the responsibility of a State.”.

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to individuals who begin work for
 24 the employer after December 31, 1999.

1 **SEC. 4. INCREASE IN AMOUNT OF ASSETS ALLOWABLE FOR**
2 **CHILDREN IN FOSTER CARE.**

3 Section 472(a) of the Social Security Act (42 U.S.C.
4 672(a)) is amended by adding at the end the following:
5 “In determining whether a child would have received aid
6 under a State plan approved under section 402 (as in ef-
7 fect on July 16, 1996), a child whose resources (deter-
8 mined pursuant to section 402(a)(7)(B), as so in effect)
9 have a combined value of not more than \$10,000 shall
10 be considered to be a child whose resources have a com-
11 bined value of not more than \$1,000 (or such lower
12 amount as the State may determine for purposes of such
13 section 402(a)(7)(B)).”.

14 **SEC. 5. INTERAGENCY COLLABORATION TO PROMOTE**
15 **SELF-SUFFICIENCY OF CHILDREN AGING OUT**
16 **OF FOSTER CARE.**

17 The Secretary of Health and Human Services shall
18 establish an action plan to promote collaboration between
19 programs of the Department of Health and Human Serv-
20 ices and programs of other Federal agencies, including
21 housing programs, educational programs, and employment
22 programs, for the purpose of promoting the self-suffi-
23 ciency of children aging out of foster care.

1 **SEC. 6. UPDATING OF FUNDING FORMULA FOR THE FOS-**
2 **TER CARE INDEPENDENT LIVING INITIA-**
3 **TIVES PROGRAM.**

4 (a) USE OF UPDATED FOSTER CARE DATA.—Section
5 477(e)(1) of the Social Security Act (42 U.S.C. 677(e)(1))
6 is amended by striking all that precedes subparagraph (C)
7 and inserting the following:

8 “(e)(1)(A) The basic amount for a State for a fiscal
9 year shall be an amount which bears the same ratio to
10 the basic ceiling for the fiscal year as the State’s average
11 number of children receiving foster care maintenance pay-
12 ments under this part in fiscal year 1996 bears to the
13 total of the average number of children receiving such pay-
14 ments under this part for all States for fiscal year 1996.

15 “(B) The maximum additional amount for a State
16 for a fiscal year shall be an amount which bears the same
17 ratio to the additional ceiling for the fiscal year as the
18 basic amount for the State for the fiscal year bears to
19 \$58,000,000.”.

20 (b) FUNDING INCREASE.—Section 477(e)(1)(C)(i) of
21 such Act (42 U.S.C. 677(e)(1)(C)(i)) is amended to read
22 as follows:

23 “(i) The term ‘basic ceiling’ means \$58,000,000
24 for fiscal year 2000 and each succeeding fiscal
25 year.”.

1 (c) HOLD HARMLESS PROVISION.—Section 474(a)(4)
 2 of such Act (42 U.S.C. 674(a)(4)) is amended to read as
 3 follows:

4 “(4) an amount equal to the greater of—

5 “(A) the sum of—

6 “(i) so much of the amounts expended
 7 by the State to carry out programs under
 8 section 477 as do not exceed the basic
 9 amount for the State for the fiscal year, as
 10 determined under section 477(e)(1)(A);
 11 and

12 “(ii) the lesser of—

13 “(I) one-half of any additional
 14 amounts expended by the State for
 15 such programs; or

16 “(II) the maximum additional
 17 amount for the State for the fiscal
 18 year, as determined under section
 19 477(e)(1)(B); or

20 “(B) the total amount required to be paid
 21 to the State under this paragraph (as in effect
 22 on September 30, 1999) for fiscal year 1999.”.

23 (d) EFFECTIVE DATE.—The amendments made by
 24 this section shall take effect on October 1, 1999.

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