II

110TH CONGRESS
1ST SESSION

S. 2341

To provide Individual Development Accounts to support foster youths who are transitioning from the foster care system.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 2007

Mr. REID (for Mrs. CLINTON (for herself, Mr. ROCKEFELLER, and Ms. LANDRIEU)) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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A BILL

To provide Individual Development Accounts to support foster youths who are transitioning from the foster care system.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Focusing Investments and Resources for a Safe Transition Act'' or as the ''FIRST Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Research has shown that foster youths face a unique set of challenges, including a lack of financial and emotional support systems throughout their early adult years, as well as limited educational, employment, housing, and permanency options.

(2) When foster youths exit or age out of the foster care system, foster youths often lack emotional, social, professional, and financial guidance to guide foster youths through the transition to adulthood.

(3) While Congress has passed legislation to increase support for foster youths, research shows that foster youths still need greater assistance supporting their transition to adulthood.

(4) A 2005 study found that foster youths fare poorly relative to their counterparts in the general population on the following outcome measures:

(A) Employment.

(B) Education.

(C) Homelessness.

(D) Mental health.

(E) Medical insurance coverage.

(F) Criminal activity.

(G) Early pregnancy.

(5) Nationwide, over 20,000 youth age out of foster care each year.

SEC. 3. INDIVIDUAL DEVELOPMENT ACCOUNTS FOR FOSTER YOUTH.

Section 105 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106) is amended—

(1) in subsection (a), by adding at the end the following:

"(6) OPPORTUNITY GRANTS TO CREATE INDIVIDUAL DEVELOPMENT ACCOUNTS FOR FOSTER YOUTHS.—

"(A) GRANTS AUTHORIZED.—The Secretary may make grants and enter into contracts, on a competitive basis, to States to enable the States (or State partners) to establish Individual Development Accounts for foster youths, to be accessed by the youths when the youths meet the requirements of subparagraph (D)(iii).

"(B) APPLICATION AND PLAN.—The Governor of each State desiring a grant or contract under this paragraph shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Each such application shall contain a plan, developed by the appropriate State agency, for the State's Individual Development Account program that describes how the program—

"(i) best suits the current and future needs of the State's foster youth community;

"(ii) enables foster youth to achieve self-support after leaving foster care; and

"(iii) establishes public or private partnerships to create a pool of funding from which foster youth deposits in Individual Development Accounts can be matched.

"(C) PRIORITY FOR STATES.—In making grants and entering into contracts under this paragraph, the Secretary shall give priority to States that permit foster youths under age 13 to become account holders in programs carried out by the States under this paragraph.

"(D) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(i) IN GENERAL.—Each State receiving a grant or contract under this paragraph shall carry out a program in which the State establishes, or enters into an agreement with a public or private partnership to establish, Individual Development Accounts for foster youths, including foster youths in kinship or guardianship placements and foster youths who are transitioning from the foster care system.

"(ii) DEPOSITS.—Each Individual Development Account shall consist of—

"(I) amounts deposited into the Individual Development Account by the foster youth;

"(II) matching funds deposited into the Individual Development Account that are provided by a public or private partnership in an amount that does not exceed $2 for every $1 deposited by the foster youth; and

"(III) funds deposited into the Individual Development Account from amounts provided through grants or contracts awarded under this paragraph.

"(iii) QUALIFIED YOUTH.—To be qualified to withdraw funds from an Individual Development Account under this paragraph, an individual shall be the individual for whom the account was established under this paragraph and an individual who—

"(I) is not younger than age 18, and is adopted or in a guardianship placement;

"(II) is not younger than age 18, and has moved to a permanent living arrangement not described in subclause (I);

"(III) is not younger than age 18 and is transitioning from the foster care system; or

"(IV) has a waiver from the State involved permitting the withdrawal for extenuating circumstances.

"(iv) WITHDRAWALS.—Funds in an Individual Development Account—

"(I) may be withdrawn by a qualified individual—

"(aa) to secure and maintain stable housing;

"(bb) to pursue educational opportunities;

"(cc) to obtain vocational training; and

"(dd) after the youth has used funds in the account for each of the objectives described in items (aa) through (cc), to operate a business or purchase a car; and

"(II) at the election of the State involved, may be withdrawn by the qualified individual to purchase essential items such as work uniforms and car insurance, in order to assist the individual in becoming self-sufficient.

"(v) MONEY MANAGEMENT TRAINING.—In carrying out the program, the State shall ensure that—

"(I) a public or private partnership shall provide a small amount of seed money to each foster youth selected to become an account holder through the program, to enable the youth to attend money management training; and

“(II) the youth shall complete the training before receiving access to the account.

“(vi) NAME ON ACCOUNT.—If an account is established under this paragraph for an individual while the individual is a foster youth, and the individual subsequently moves to a permanent living arrangement, the account shall remain in the individual’s name.”;

(2) in subsection (c)—

(A) by striking “In making” and inserting the following:

“(1) IN GENERAL.—In making”; and

(B) by adding at the end the following:

“(2) EVALUATIONS OF INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—

“(A) EVALUATION.—In the case of programs carried out by States under subsection (a)(6), the Secretary shall conduct independent evaluations of the effectiveness of the programs.

“(B) REPORTS.—

"(i) CONTENTS.—The Secretary shall prepare interim and final reports containing the results of the evaluations and related recommendations, including—

"(I) information describing how individuals with Individual Development Accounts spend the funds withdrawn from the accounts;

"(II) information describing how the State programs impact quality of life indicators for such individuals, after the individuals are eligible to withdraw funds from the accounts;

"(III) information describing the effectiveness of the money management training described in subsection (a)(6)(D)(v), including the effects of the training on program performance, and information describing the collaboration between the States and the partners described in subsection (a)(6)(B)(iii); and

"(IV) recommendations on strengthening or modifying the programs carried out under subsection (a)(6).

"(ii) SUBMISSION.—

"(I) INTERIM REPORT.—Not later than 2 years after the date of enactment of the FIRST Act, the Secretary shall submit the interim report described in clause (i) to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.

"(II) FINAL REPORT.—Not later than 3 years after that date of enactment, the Secretary shall submit the final report described in clause (i) to the committees described in subclause (I)."; and

(3) by adding at the end the following:

"(d) NO REDUCTION IN BENEFITS.—Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of one or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an Individual Development Account under subsection (a)(6) shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.''.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

Section 112(a) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106h(a)) is amended—

(1) in paragraph (1), by inserting ''(other than section 105(a)(6))'' after ''this title'';

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

''(2) AUTHORIZATION OF APPROPRIATIONS FOR INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—There are authorized to be appropriated to carry out section 105(a)(6) such sums as may be necessary for fiscal year 2008 and each of the 4 succeeding fiscal years.''.

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