

APPENDIX F—S. 1928—CHILD WELFARE AMENDMENTS OF 1977

95TH CONGRESS
1ST SESSION**S. 1928**

IN THE SENATE OF THE UNITED STATES

JULY 26 (legislative day, JULY 19), 1977

Mr. CRANSTON (for himself, Mr. MOYNIHAN, Mr. RIEGLE, Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. ANDERSON, Mr. BROOKE, Mr. DURKIN, and Mr. INOUE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Social Security Act to strengthen and improve the program of Federal support for foster care of dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, 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,*
3 That this Act may be cited as the "Child Welfare Amend-
4 ments of 1977".

5 FEDERAL PAYMENTS FOR FOSTER CARE AND ADOPTION
6 ASSISTANCE

7 SEC. 2. (a) Title IV of the Social Security Act is
8 amended by adding at the end thereof the following new
9 part:

1 "PART E—FEDERAL PAYMENTS FOR FOSTER CARE AND
2 ADOPTION ASSISTANCE

3 "STATE PLAN FOR FOSTER CARE AND ADOPTION
4 ASSISTANCE

5 "SEC. 470. (a) In order for a State to be eligible for
6 payments under this part, it shall have a plan approved by
7 the Secretary which provides—

8 " (1) that the State agency responsible for adminis-
9 tering the program authorized by part B of this title
10 shall administer the program authorized by this part;

11 " (2) that the plan shall be in effect in all political
12 subdivisions of the State, and, if administered by them,
13 be mandatory upon them;

14 " (3) that the State shall assure that the programs
15 at the local level assisted under this part will be coordi-
16 nated with the programs at the State or local level
17 assisted under parts A and B of this title, under title XX
18 of this Act, or under any other appropriate provision
19 of Federal law;

20 " (4) that the State will, in the administration of
21 its programs under this part, use such methods relating
22 to the establishment and maintenance of personnel stand-
23 ards on a merit basis as are found by the Secretary to
24 be necessary for the proper and efficient operation of
25 the programs, except that the Secretary shall exercise

1 no authority with respect to the selection, tenure of
2 office, or compensation of any individual employed in
3 accordance with such methods;

4 " (5) that the State agency referred to in paragraph
5 (1) (hereinafter in this part referred to as the 'State
6 agency') will make such reports, in such form and con-
7 taining such information as the Secretary may from time
8 to time require, and comply with such provisions as the
9 Secretary may from time to time find necessary to assure
10 the correctness and verification of such reports;

11 " (6) that the State agency will monitor and con-
12 duct periodic evaluations of activities carried out under
13 this part;

14 " (7) that the State agency will conduct a pro-
15 gram of foster care maintenance payments as described
16 in section 471 and a program of adoption assistance as
17 described in section 472;

18 " (8) safeguards which restrict the use of or dis-
19 closure of information concerning individuals assisted
20 under the State plan to purposes directly connected
21 with (A) the administration of the plan of the State
22 approved under this part, the plan or program of the
23 State under part A, B, C, or D of this title or under
24 title I, V, X, XIV, XVI (as in effect in Puerto Rico,
25 Guam, and the Virgin Islands), XIX, or XX, or the

1 supplemental security income program established by
 2 title XVI, (B) any investigation, prosecution, or
 3 criminal or civil proceeding, conducted in connection
 4 with the administration of any such plan or program,
 5 and (C) the administration of any other Federal or
 6 federally assisted program which provides assistance,
 7 in cash or in kind, or services, directly to individuals on
 8 the basis of need; and the safeguards so provided shall
 9 prohibit disclosure, to any committee or a legislative
 10 body, of any information which identifies by name or
 11 address any such applicant or recipient; except that
 12 nothing contained herein shall preclude a State from
 13 providing standards which restrict disclosure to purposes
 14 more limited than those specified herein, or which, in
 15 the case of adoptions, prevent disclosure entirely;

16 “(9) that where any agency of the State has reason
 17 to believe that the home or institution in which a child
 18 resides whose care is being paid for in whole or in part
 19 with funds provided under this part or part B of this
 20 title is unsuitable for the child because of the neglect,
 21 abuse, or exploitation of such child, it shall bring such
 22 condition to the attention of the appropriate court or
 23 law enforcement agency;

24 “(10) that the standards referred to in section
 25 2003 (d) (1) (F) shall be applied by the State to any

1 foster family home or child care institution receiving
 2 funds under this part or part B of this title;

3 “(11) for periodic review of the standards referred
 4 to in the preceding paragraph and amounts paid as foster
 5 care maintenance payments and adoption assistance pay-
 6 ments to assure their continuing appropriateness;

7 “(12) that any individual who is denied a request
 8 for benefits available pursuant to this part or part B of
 9 this title (or whose request for benefits is not acted upon
 10 within a reasonable time) will be informed of the rea-
 11 sons for the denial or delay and, if requested, will be
 12 offered an opportunity to meet with a representative of
 13 the agency administering the plan to discuss the reasons
 14 for the denial or delay; and

15 “(13) that the State shall arrange for a periodic and
 16 independently conducted audit of the programs assisted
 17 under this part and part B of this title, which shall
 18 be conducted no less frequently than once every three
 19 years.

20 “(b) The Secretary shall approve any plan which com-
 21 plies with the provisions of subsection (a) of this section.
 22 However, in any case in which the Secretary finds, after
 23 reasonable notice and opportunity for a hearing, that a State
 24 plan which has been approved by the Secretary no longer
 25 complies with the provisions of subsection (a), or that in

1 the administration of the plan there is a substantial failure to
 2 comply with the provisions of the plan, the Secretary shall
 3 notify the State that further payments will not be made to
 4 the State under this part, or that such payments will be made
 5 to the State but reduced by an amount which the Secretary
 6 determines appropriate, until the Secretary is satisfied that
 7 there is no longer any such failure to comply, and until he
 8 is so satisfied he shall make no further payments to the
 9 State, or shall reduce such payments by the amount specified
 10 in his notification to the State.

11 "FOSTER CARE MAINTENANCE PAYMENTS PROGRAM

12 "SEC. 471. (a) Each State with a plan approved under
 13 this part may make foster care maintenance payments (as
 14 defined in section 475 (7)) under this part only with respect
 15 to a child who would meet the requirements of section 406
 16 (a) or of section 407 of this Act but for his removal from
 17 the home of a relative (specified in section 406(a)) if—

18 "(1) the removal from the home was (A) the
 19 result of a judicial determination to the effect that (i)
 20 such removal was necessary to protect the child from
 21 harm or the likelihood of harm, and (ii) effective with
 22 respect to any such removal occurring after December
 23 31, 1977, the child will be ordered placed in the least
 24 restrictive (family-like) setting available and in close
 25 proximity to the parents' home, consistent with the best

1 interests and special needs of the child; (B) carried out
 2 on an emergency basis, in accordance with the laws of
 3 the State, in order to protect the health or safety of the
 4 child and is or was followed by a judicial determination,
 5 meeting the conditions specified in clause (A) of this
 6 paragraph, within seventy-two hours of the time of the
 7 child's removal from the home; or (C) the result of a
 8 voluntary placement pursuant to a voluntary placement
 9 agreement: *Provided*, That, if a child remains in volun-
 10 tary placement for a period in excess of one hundred and
 11 eighty days, there is, within that period, a judicial deter-
 12 mination or administrative review (as defined in sec-
 13 tion 475 (1) of this part) to the effect that (i) such
 14 placement was, and continues to be, in the best interest
 15 of the child and continues to be voluntary on the part
 16 of the parents, and (ii) effective with respect to any
 17 such placement occurring after December 31, 1977, the
 18 child will be ordered placed in the least restrictive
 19 (family-like) setting available and in close proximity
 20 to the parents' home, consistent with the best interests
 21 and special needs of the child;

22 "(2) such child's placement and care are the
 23 responsibility of (A) the State agency administering the
 24 State plan approved under section 470, or (B) any
 25 other public agency with whom the State agency admin-

8.

1 istering or supervising the administration of the State
2 plan approved under section 470 has made an agree-
3 ment which is still in effect;

4 “(3) such child has been placed in a foster family
5 home or child-care institution following his removal from
6 the home;

7 “(4) such child—

8 “(A) received aid under the State plan
9 approved under section 402 in or for either the
10 month in which court proceedings leading to the
11 removal of such child from the home was initiated
12 or the month in which such removal occurred, or

13 “(B) (i) would have received such aid in or
14 for either such month if application had been made
15 therefor, or (ii) had been living with a relative
16 specified in section 406 (a) within six months prior
17 to the month in which such proceedings were initi-
18 ated or the month in which such removal occurred,
19 and would have received such aid in or for such
20 month if in such month he had been living with such
21 a relative and application therefor had been made;
22 and

23 “(5) there is a case plan (as defined in section
24 475 (2) of this part) for such child (including periodic

9

1 review of the necessity for the child's being in a foster
2 family home or child-care institution).

3 “(b) Foster care maintenance payments may be made
4 under this part only in behalf of a child described in subsec-
5 tion (a) of this section—

6 “(1) in the foster family home of any individual,
7 whether the payments therefor are made to such indi-
8 vidual or to a public or nonprofit private child-placement
9 or child-care agency, or

10 “(2) in a child-care institution, whether the pay-
11 ments therefor are made to such institution or to a
12 public or nonprofit private child-placement or child-
13 care agency, which payments shall be limited so as to
14 include in such payments only those items which are
15 included in the term ‘foster care maintenance payment’
16 for purposes of foster care in the foster family home of
17 an individual.

18 “(c) For the purposes of this part and part B of this
19 title, (1) the term ‘foster family home’ means a foster
20 family home for children which is licensed by the State in
21 which it is situated or has been approved by the agency of
22 such State responsible for licensing homes of this type, as
23 meeting the standards established for such licensing; and
24 (2) the term ‘child-care institution’ means a nonprofit pri-

1 vate child-care institution, or a public child-care institution
 2 which accommodates no more than twenty-five children,
 3 which is licensed by the State in which it is situated or has
 4 been approved, by the agency of such State responsible for
 5 licensing or approval of institutions of this type, as meeting
 6 the standards established for such licensing; but the term
 7 shall not include detention facilities, forestry camps, training
 8 schools, or any other facility operated primarily to accommo-
 9 date children who are delinquent.

10 “(d) For purposes of title XIX of this Act, any child
 11 with respect to whom foster care maintenance payments are
 12 made under this section shall be deemed to be a dependent
 13 child as defined in section 406 and shall be deemed to be a
 14 recipient of aid to families with dependent children under
 15 part A of this title.

16 “ADOPTION ASSISTANCE PROGRAM

17 “SEC. 472. (a) (1) Each State with a plan approved
 18 under this part may, directly or through another public
 19 or nonprofit private agency, make adoption assistance pay-
 20 ments pursuant to an adoption assistance agreement in
 21 amounts determined under paragraph (3) of this subsection
 22 to parents who are eligible for such payments pursuant to
 23 paragraph (2) of this subsection and who, after the effec-
 24 tive date of this section, adopt a child who would meet
 25 the requirements of section 406(a) or of section 407 of

1 this Act but for his removal from the home of a relative
 2 (specified in section 406(a)), and who the State has
 3 determined, pursuant to subsection (d) of this section, is a
 4 child with special needs.

5 “(2) Parents may be eligible for adoption assistance
 6 payments under this part only if their income at the time
 7 of the adoption does not exceed 115 per centum of the
 8 median income of a family of four in the State, adjusted
 9 in accordance with regulations of the Secretary to take into
 10 account the size of the family after adoption. Notwithstand-
 11 ing the preceding sentence, parents whose income is above
 12 the limit specified therein may be eligible for assistance
 13 payments under this part if the State or local agency adminis-
 14 tering the program under this section determines that there
 15 are special circumstances (as defined in regulations of the
 16 Secretary) in the family which warrant adoption assistance
 17 payments.

18 “(3) The amount of the adoption assistance payments
 19 shall be determined by the State or local agency administer-
 20 ing the program under this section, based upon the circum-
 21 stances of the adopting parents and the needs of the child
 22 being adopted, and may be readjusted periodically, with the
 23 concurrence of the adopting parents (which may be speci-
 24 fied in the adoption assistance agreement), depending upon
 25 changes in such circumstances. However, in no case may

1 the amount of the adoption assistance payment exceed the
2 foster care maintenance payment which would have been
3 paid during the period if the child with respect to whom the
4 adoption assistance payment is made had been in a foster
5 family home.

6 “(4) Notwithstanding the preceding two paragraphs,
7 (A) no payment may be made to parents pursuant to this
8 section with respect to any month in a calendar year follow-
9 ing a calendar year in which the income of such parents
10 exceeds the limits specified in paragraph (2), unless the
11 State or local agency administering the program under this
12 section has determined, pursuant to paragraph (2), that
13 there are special circumstances in the family which warrant
14 adoption assistance payments, (B) no payment may be
15 made to parents with respect to any child who has attained
16 either the age of eighteen, or, if the State determines that
17 there are special circumstances (as defined in regulations
18 of the Secretary) which warrant a continuation of adoption
19 assistance payments, the age of twenty-one, and (C) no
20 payment may be made to parents with respect to any child
21 if the State determines that the parents are no longer legally
22 responsible for the support of the child or if the State deter-
23 mines that the child is no longer receiving any support from
24 such parents. Parents who have been receiving adoption
25 assistance payments under this section shall keep the State

1 or local agency administering the program under this section
2 informed of circumstances which would, pursuant to this
3 subsection, make them ineligible for such assistance pay-
4 ments, or eligible for assistance payments in a different
5 amount.

6 “(5) For the purposes of this part, individuals with
7 whom a child (who the State determines, pursuant to sub-
8 section (d), is a child with special needs) is placed for
9 adoption, pursuant to an interlocutory decree, shall be eli-
10 gible for adoption assistance payments under this subsection,
11 during the period of the placement, on the same terms and
12 subject to the same conditions as if such individuals had
13 adopted a child.

14 “(b) In addition to any payments which may be made
15 pursuant to subsection (a) of this section, a State may pay
16 the parents who agree to adopt a child who the State deter-
17 mines, pursuant to subsection (d) of this section, is a child
18 with special needs, an amount necessary to cover part or
19 all of the nonrecurring expenses (as defined in regulations
20 of the Secretary) associated with the proceedings related
21 to the adoption of the child.

22 “(c) Any child—

23 “(1) who the State determines, pursuant to sub-
24 section (d), is a child with special needs;

25 “(2) who the State determines has a medical con-

1 dition which is a contributing factor to the determination
2 made by the State pursuant to paragraph (1);

3 “(3) who is placed for adoption or adopted follow-
4 ing such determination; and

5 “(4) who was, in the month preceding his placé-
6 ment for adoption, or adoption, eligible for medical
7 assistance under title XIX of this Act

8 shall retain such eligibility until the age of eighteen, or,
9 if the State determines that there are special circumstances
10 (as defined in regulations of the Secretary) which warrant
11 the continuation of medical assistance payments under XIX,
12 until the age of twenty-one. However, a State may limit a
13 child's eligibility for medical assistance, which is provided
14 on account of this subsection, to medical assistance necessary
15 for the treatment of the medical condition (or medical con-
16 ditions) referred to in paragraph (2) of this subsection.

17 “(d) For purposes of this section, a child shall not be
18 considered a child with special needs unless—

19 “(1) the State has determined that the child
20 cannot or should not be returned to the home of his
21 parents; and

22 “(2) the State has first determined that a reason-
23 able effort, consistent with the best interest of the child,
24 has been made to place the child with appropriate
25 adoptive parents without providing adoption assistance

1 under this section but has been unable to do so on
2 account of his ethnic background, age, membership in
3 a minority or sibling group, or the presence of factors
4 such as physical, mental, or emotional handicaps.

5 “AUTHORIZATION OF APPROPRIATIONS; ALLOTMENTS TO
6 STATES

7 “SEC. 473. (a) For the purpose of carrying out this
8 part, other than section 476, there are authorized to be
9 appropriated for the fiscal years 1978 and 1979 such sums
10 as may be necessary; for the fiscal years 1980, 1981, 1982,
11 1983, and 1984 a sum equal to 110 per centum of the
12 amount appropriated in the preceding fiscal year; and for
13 each fiscal year thereafter an amount equal to the amount
14 appropriated in the fiscal year 1984. Beginning with the
15 fiscal year 1980, sums appropriated pursuant to this section
16 which a State determines will not be required for carrying
17 out this part may be expended for the purpose of carrying
18 out the program authorized by part B of this title.

19 “(b) (1) For the fiscal years 1978 and 1979, each
20 State shall be entitled to an allotment from the appropria-
21 tion pursuant to subsection (a) equal to the amount such
22 State is entitled to be paid pursuant to section 474(a).

23 “(2) For the fiscal years 1980, 1981, 1982, 1983, and
24 1984, each State shall be entitled to an allotment from the
25 appropriation pursuant to subsection (a) equal to 110 per

1 centum of the amount of its allotment for the preceding fiscal
2 year.

3 “(3) For the fiscal year 1985 and each fiscal year
4 thereafter, each State shall be entitled to an allotment from
5 the appropriation pursuant to subsection (a) equal to the
6 amount of its allotment for the fiscal year 1984 (as calcu-
7 lated pursuant to the preceding paragraph).

8 “PAYMENT TO STATES

9 “SEC. 474. (a) For each quarter beginning after Sep-
10 tember 30, 1977, and ending prior to October 1, 1979, each
11 State which has a plan approved under this part shall be en-
12 titled to a payment equal to the sum of—

13 “(1) an amount equal to the Federal medical as-
14 sistance percentage (as defined in section 1905 (b) of
15 this Act) of the total amount expended during such
16 quarter as foster care maintenance payments under sec-
17 tion 471 for children in foster family homes or child-
18 care institutions which accommodate no more than
19 twenty-five children and as adoption assistance pay-
20 ments under section 472; plus

21 “(2) an amount equal to the Federal medical as-
22 sistance percentage (as defined in section 1905 (b) of
23 this Act) of the total amount expended during such
24 quarter as foster care maintenance payments under sec-

1 tion 471 for children in child-care institutions which
2 accommodate more than twenty-five children; plus

3 “(3) an amount equal to the sum of the following
4 proportions of the total amounts expended during such
5 quarter as found necessary by the Secretary for the
6 proper and efficient administration of the State plan—

7 “(A) 75 per centum of so much of such expend-
8 itures as are for the training (including both short-
9 and long-term training at educational institutions
10 through grants to such institutions or by direct
11 financial assistance to students enrolled in such
12 institutions) of personnel employed or preparing
13 for employment by the State agency or by the local
14 agency administering the plan in the political sub-
15 division, and

16 “(B) one-half of the remainder of such ex-
17 penditures.

18 “(b) For each quarter beginning after September 30,
19 1979, each State which has a plan approved under this
20 part shall be entitled to a payment from its allotment equal
21 to the sum of—

22 “(1) an amount equal to that described in sub-
23 section (a) (1); plus

24 “(2) an amount equal to 80 per centum of that
25 described in subsection (a) (2); plus

1 “(3) an amount equal to that described in sub-
2 section (a) (3).

3 “(c) For the fiscal year 1980, and each fiscal year
4 thereafter, sums available to a State from its allotment under
5 subsection (a) for carrying out this part, which the State
6 does not claim as reimbursement for expenditures in such year
7 pursuant to subsection (b) of this section, may be claimed by
8 the State as reimbursement for expenditures in such year
9 pursuant to part B of this title, in addition to such sums avail-
10 able pursuant to section 420 for carrying out that part.

11 “DEFINITIONS

12 “SEC. 475. As used in this part or part B of this title:

13 “(1) The term ‘administrative review’ means a review
14 open to the participation of the parents of the child, con-
15 ducted by a panel of appropriate persons at least one of
16 whom is not responsible for the case management of, or the
17 delivery of services to, either the child or the parents who
18 are the subject of the review.

19 “(2) The term ‘case plan’ means a written document
20 which includes at least the following information: a descrip-
21 tion of the type of home or institution in which a child is to
22 be placed, including a discussion of the appropriateness of
23 the placement and how the agency which is responsible for
24 the child plans to carry out the judicial determination made
25 with respect to the child in accordance with section 471

5 (a) (1); a plan of services that will be provided to the
6 parents, child, and foster parents in order to improve the
7 conditions in the parents’ home, facilitate return of the child
8 or the permanent placement of the child, and address the
9 needs of the child while in foster care, including a discussion
10 of the appropriateness of the plan of services that have been
11 provided to the child under the plan.

12 “(3) The term ‘parents’ means biological or adoptive
13 parents or legal guardians, as determined by applicable
14 State law.

15 “(4) The term ‘voluntary placement’ means an out-of-
16 home placement of a minor, by or with the participation of
17 a State agency, after the parents or guardians of the minor
18 have requested the assistance of the agency and signed a
19 voluntary placement agreement.

20 “(5) The term ‘voluntary placement agreement’ means
21 a written and consensual agreement, binding on the parties
22 to the agreement, between the State agency, or any other
23 agency acting on its behalf, and the parents of a minor which
24 specifies, at a minimum, the legal status of the minor and
25 the rights and obligations of the parents while the child is in
placement.

 “(6) The term ‘adoption assistance agreement’ means
a written and consensual agreement, binding on the parties
to the agreement, between the State agency, other relevant

1 agencies, and the prospective adopting parents of a minor
 2 which specifies, at a minimum, the amounts of the adoption
 3 assistance payments and any additional services and assist-
 4 ance which are to be provided as part of such agreement.

5 “(7) The term ‘foster care maintenance payments’
 6 means payments to cover the cost of food, clothing, shelter,
 7 school supplies, a child’s personal incidentals, liability insur-
 8 ance with respect to a child, and reasonable travel to the
 9 child’s home for visitation, but may not be used to cover the
 10 cost of educational services or construction or other capital
 11 costs or any other costs which the Secretary may specify in
 12 regulations.

13 “TECHNICAL ASSISTANCE; DATA COLLECTION AND
 14 EVALUATION; INTERSTATE COOPERATION

15 “SEC. 476. (a) The Secretary may provide technical
 16 assistance to the States to assist them to develop the pro-
 17 grams authorized under this part and shall periodically (1)
 18 evaluate the programs authorized under this part and part
 19 B of this title and (2) collect and publish data pertaining
 20 to the incidence and characteristics of foster care and adop-
 21 tions in this country.

22 “(b) The Secretary may make grants to, and enter
 23 into contracts with, the State agencies referred to in section
 24 470 (a) (1) for the purpose of assisting each such agency to
 25 develop interstate systems, in cooperation with the State

1 agencies of other States, for facilitating the exchange of infor-
 2 mation pertaining to the programs authorized under this part
 3 and part B.

4 “(c) There are authorized to be appropriated \$1,500,000
 5 for fiscal year 1978 and each fiscal year thereafter to permit
 6 the Secretary to carry out his responsibilities under sub-
 7 sections (a) and (b) of this section.

8 “PERIOD FOR FILING OF CLAIMS

9 “SEC. 477. (a) No Federal payment may be made under
 10 this part or part B of this title with respect to any State
 11 expenditure made in fiscal years beginning after Septem-
 12 ber 30, 1977, unless the Secretary receives a claim from the
 13 State for Federal reimbursement for such expenditure on or
 14 before the last day of the second fiscal year following the
 15 fiscal year in which the expenditure was made.

16 “(b) For purposes of subsection (a) :

17 “(1) expenditures for assistance payments under
 18 this part or part B of this title shall be considered to
 19 have been made in the fiscal year in which payment
 20 was made to the assistance recipient, his protective
 21 payee, or a vendor payee, notwithstanding that the
 22 expenditure was made with respect to a month in a
 23 previous fiscal year; and

24 “(2) expenditures for administration, training, and
 25 the provision of services under those parts shall be con-

1 sidered to have been made on the date payment was
 2 made by a public agency to a private agency or indi-
 3 vidual or in the fiscal year or fiscal quarter to which
 4 costs were allocated in accordance with regulations of
 5 the Secretary;
 6 except that the Secretary may, at the request of any State,
 7 approve with respect to that State standards other than those
 8 specified in this subsection for determining when an expendi-
 9 ture shall be considered to have been made.”.

10 (b) Effective with respect to expenditures after Sep-
 11 tember 30, 1977, section 408 of the Social Security Act is
 12 repealed.

13 LIMITS ON USE OF FUNDS PROVIDED UNDER PART B OF
 14 TITLE IV

15 SEC. 3. Section 422 of the Social Security Act is
 16 amended by adding at the end thereof the following new
 17 subsection:

18 “(d) Notwithstanding any other provision of this part,
 19 beginning with the fiscal year 1978, no State may spend
 20 from sums paid to it pursuant to this section in any fiscal
 21 year a total amount for foster care maintenance payments
 22 and adoption assistance payments and for the provision of
 23 child day care which is solely because of the employment,
 24 or training to prepare for employment, of a parent, which
 25 is greater than the total amount of its payment under this

1 section with respect to the fiscal year ending September 30,
 2 1977.”.

3 CONVERSION OF CHILD WELFARE SERVICES TO AN
 4 ENTITLEMENT PROGRAM

5 SEC. 4. Effective with respect to fiscal years beginning
 6 after September 30, 1977, section 421 of the Social Secu-
 7 rity Act is amended to read as follows:

8 “ALLOTMENTS TO STATES

9 “SEC. 421. For each fiscal year, each State shall be
 10 entitled to an allotment under this part for use by cooperat-
 11 ing State public welfare agencies which have plans developed
 12 jointly by the State agency and the Secretary. Each State's
 13 allotment shall be in an amount equal to \$70,000 plus an
 14 amount which bears the same ratio to the amount author-
 15 ized to be appropriated in such year under section 420, after
 16 first deducting \$70,000 for each and every State, as the
 17 product of (1) the population of such State under the age
 18 of twenty-one and (2) the allotment percentage of such
 19 State (as determined under section 423) bears to the cor-
 20 responding products of all the States.”.

21 MODIFICATION OF FEDERAL SHARE

22 SEC. 5. (a) Effective with respect to fiscal years
 23 beginning after September 30, 1977, section 422 (a) of
 24 the Social Security Act is amended in the matter following
 25 paragraph (2) by striking out “the Federal share (as

1 determined under section 423)" and inserting instead "75
2 per centum".

3 (b) (1) Section 423 of such Act is amended by strik-
4 ing out subsection (b) and redesignating subsections (c)
5 and (d) as subsections (b) and (c), respectively.

6 (2) Section 423 (b) of such Act, as redesignated by
7 the preceding paragraph, is amended by striking out "Fed-
8 eral share and" and by striking out "Federal shares and".

9 PURPOSES OF ADDITIONAL TITLE IV-B FUNDS

10 SEC. 6. (a) Section 422 (a) of the Social Security
11 Act, as amended by the preceding section, is amended
12 in the matter following paragraph (2) by striking
13 out "(including the cost of administration of the plan)"
14 and inserting instead "(including the cost of administration
15 of the plan, but subject to the conditions specified in sub-
16 sections (d), (e), and (f) of this section)".

17 (b) Section 422 of such Act, as amended by section 3
18 of this Act, is further amended by adding at the end thereof
19 the following new subsections:

20 "(e) (1) Notwithstanding any other provision of this
21 part, except as authorized by paragraph (2) of this sub-
22 section, a State may not be paid under this part with re-
23 spect to any fiscal year after 1977 an amount greater than
24 it was paid under this part with respect to fiscal year 1977

1 unless the Secretary determines that the State has met the
2 requirements of paragraph (2).

3 "(2) In order to be eligible for payment of the full
4 amount of its allotment determined under section 421, each
5 State must—

6 "(A) conduct an inventory of all children who
7 have been in foster care under the responsibility of the
8 State for a period of six months preceding the inven-
9 tory; determine the appropriateness of, and necessity for,
10 the current foster placement, whether the child can be
11 or should be returned to his parents or should be freed
12 for adoption, and the services necessary to facilitate
13 either the return of the child or the placement of the
14 child for adoption; which inventory shall include, in the
15 aggregate, the number of children in placement over six
16 months, the ages and appropriate demographic charac-
17 teristics of such children, the type of placement in which
18 they reside, the length of time they have been in place-
19 ment, the reason for the initial placement, the legal
20 status of the child, and the number of children, by cate-
21 gory, for whom the current plans envision an eventual
22 return to parents, adoption, or legal guardianship; and
23 which inventory, upon completion, shall be made public
24 by the State; and

1 “(B) design, develop, and implement to the satis-
2 faction of the Secretary—

3 “(i) a statewide information system from-
4 which the status, demographic characteristics, loca-
5 tion, and goals for the placement of every child in
6 foster care or who has been in such care within the
7 preceding twelve months can be readily determined;

8 “(ii) a case review system to assure that each
9 child receiving foster care under the supervision of
10 the State has a case plan, and that the status of each
11 child is reviewed no less frequently than once every
12 six months by either a court or by administrative
13 review (as defined in section 475 (1) of this title)
14 in order to determine the continuing necessity for
15 and appropriateness of the placement, the extent
16 of compliance with the case plan, and the extent of
17 progress which has been made toward alleviating or
18 mitigating the causes necessitating placement in
19 foster care, and to project a likely date by which
20 the child may be returned to the home or placed
21 for adoption or legal guardianship;

22 “(iii) a service program designed to help chil-
23 dren remain with their families and, where appro-
24 priate, help children return to families from which

1 they have been removed or be placed for adoption
2 or legal guardianship; and

3 “(iv) procedural safeguards to protect the
4 rights of parents, foster parents, and children, which
5 safeguards shall, among other things, assure each
6 child in foster care under the supervision of the State
7 of a dispositional hearing to be held, in a family or
8 juvenile court or another court of competent juris-
9 diction, or by an administrative body appointed by
10 the court, no later than eighteen months after the
11 original placement, which hearing shall determine
12 whether the child—

13 “(I) should be returned to the parent,

14 “(II) requires continued placement for a
15 specified period of time not to exceed six
16 months, unless extended by the court (or ad-
17 ministrative body) because of special needs or
18 special circumstances which prevent immediate
19 reunification,

20 “(III) should be placed with a legal
21 guardian,

22 “(IV) should be freed for adoption through
23 appropriate proceedings and placed in an
24 adoptive home, or

1 “(V) requires a permanent long-term
2 foster care placement because the child cannot
3 or should not be returned home or placed in
4 an adoptive home;

5 and shall apply with respect to parental rights,
6 to the removal of the child from the home of his
7 parents, to a change in the child's placement, and
8 to any determination affecting visitation privileges
9 of parents.

10 In order to assist States to comply with the conditions
11 specified in this paragraph, the Secretary shall, notwith-
12 standing the limitation on payments specified in paragraph
13 (1) of this subsection, pay to each State for any fiscal year
14 after 1977, in addition to an amount equal to such State's
15 payment under this part for fiscal year 1977, an amount
16 equal to 30 per centum of the remainder of the State's
17 allotment under section 421 after deducting the amount of
18 the State's payment under this part for fiscal year 1977.

19 “(f) With respect to fiscal years beginning after Sep-
20 tember 30, 1978, in the case of any State which the Secre-
21 tary determines has complied with the conditions specified in
22 subsection (e), the limitation on a State's payment contained
23 in paragraph (1) of that subsection shall not apply. How-
24 ever, in the case of any such State—

25 “(1) no less than 40 per centum of the amount by

1 which its payment in any fiscal year exceeds its payment
2 under this part for fiscal year 1977 must be expended
3 by such State for preventive and restorative services, in-
4 cluding at least one of the following services: home-
5 makers, day care, twenty-four-hour crisis intervention,
6 emergency caretakers, emergency shelters, or any other
7 services specified in regulations of the Secretary, which
8 are designed to help children remain with their families
9 or, where appropriate, help children return to families
10 from which they have been removed; and

11 “(2) no payment in excess of the payment made
12 under this part with respect to fiscal year 1977 may be
13 made under this part with respect to any fiscal year in
14 which the total of State expenditures for child welfare
15 services (excluding expenditures for activities specified
16 in subsection (d) of this section) is less than the total
17 of such State expenditures in fiscal year 1977.”.

18 CONFORMING AMENDMENTS TO CHILD WELFARE SERVICES
19 STATE PLAN REQUIREMENTS

20 SEC. 7. (a) Section 422 (a) (1) of the Social Security
21 Act is amended by adding after clause (C) the following
22 new clauses:

23 “(D) provides that after the Secretary determines
24 that the State has designed, developed, and implemented
25 the systems and procedures described in subsection

1 (e) (2) (B) the State will maintain such systems and
2 procedures, and

3 “(E) provides that the conditions specified in sec-
4 tion 470 (a) of this Act which are applicable to funds
5 paid under part E of this title will apply to any funds
6 paid under this part which the State uses to cover ex-
7 penditures for which financial assistance is available
8 under part E of this title, and”.

9 REPEAL OF REALLOTMENT PROVISION

10 SEC. 8. Section 424 of the Social Security Act is
11 repealed.

12 TECHNICAL CONFORMING CHANGES; REPORT REQUIRE-
13 MENT; TWO-YEAR AVAILABILITY OF FUNDS; EFFEC-
14 TIVE DATE

15 SEC. 9. (a) (1) Section 402 (a) (20) of the Social Se-
16 curity Act is amended to read as follows:

17 “(20) provide for foster care maintenance pay-
18 ments and adoption assistance payments in accordance
19 with part E of this title;”.

20 (2) Section 406 (b) (2) is amended by inserting “and”
21 after clause (C), striking out clause (D), and redesignating
22 clause (E) as clause (D).

23 (b) Not later than March 1, 1980, the Secretary of
24 Health, Education, and Welfare shall submit a report on the
25 implementation of the amendments made by this Act to the

1 Committee on Ways and Means, the Committee on Educa-
2 tion and Labor, and the Committee on Interstate and For-
3 eign Commerce of the House of Representatives and the
4 Committee on Finance and the Committee on Human
5 Resources of the Senate.

6 (c) Notwithstanding any other provision of law, funds
7 appropriated for fiscal year 1978 pursuant to section 420
8 of the Social Security Act, and allotted to States for that
9 year pursuant to section 421 of that Act, shall remain avail-
10 able for expenditure for child welfare services under part B
11 of title IV of that Act until September 30, 1979.

12 (d) The amendments made by this Act shall be effec-
13 tive after September 30, 1977.