IN THE SENATE OF THE UNITED STATES

JUNE 25, 2008

Received; read twice and referred to the Committee on Finance

AN ACT

To amend parts B and E of title IV of the Social Security Act to assist children in foster care in developing or maintaining connections to family, community, support, health care, and school, 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,
SECTION 1. SHORT TITLE.

This Act may be cited as the "Fostering Connections to Success Act".

SEC. 2. KINSHIP GUARDIANSHIP ASSISTANCE PAYMENTS FOR CHILDREN.

(a) State Plan Option.—Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding at the end the following:

"(28) at the option of the State, provides for the State to enter into kinship guardianship assistance agreements to provide kinship guardianship assistance payments on behalf of children to grandparents and other relatives who have assumed legal guardianship of the children for whom they have cared as foster parents and for whom they have committed to care on a permanent basis, as provided in section 473(d)."

(b) In General.—Section 473 of such Act (42 U.S.C. 673) is amended by adding at the end the following:

"(d) Kinship Guardianship Assistance Payments for Children.—"
“(1) Kinship Guardianship Assistance Agreement.—

“(A) In general.—In order to receive payments under section 474(a)(6), a State shall—

“(i) negotiate and enter into a written, binding kinship guardianship assistance agreement with the prospective relative guardian of a child who meets the requirements of this paragraph;

“(ii) provide the prospective relative guardian with a copy of the agreement; and

“(iii) certify that any child on whose behalf kinship guardianship assistance payments are made under the agreement shall be provided medical assistance under title XIX in accordance with section 1902(a)(10)(A)(i)(I).

“(B) Minimum requirements.—The agreement shall specify, at a minimum—

“(i) the amount of, and manner in which, each kinship guardianship assistance payment will be provided under the agreement;
“(ii) the additional services and assistance that the child and relative guardian will be eligible for under the agreement;

“(iii) the procedure by which the relative guardian may apply for additional services as needed; and

“(iv) subject to subparagraph (D), that the State will pay the total cost of nonrecurring expenses associated with obtaining legal guardianship of the child, to the extent the total cost does not exceed $2,000.

“(C) INTERSTATE APPLICABILITY.—The agreement shall provide that the agreement shall remain in effect without regard to the State residency of the kinship guardian.

“(D) NO EFFECT ON FEDERAL REIMBURSEMENT.—Nothing in subparagraph (B)(iv) shall be construed as affecting the ability of the State to obtain reimbursement from the Federal Government for costs described in that subparagraph.

“(2) KINSHIP GUARDIANSHIP ASSISTANCE PAYMENT.—
“(A) IN GENERAL.—The kinship guardianship assistance payment shall be equal to the amount of the foster care maintenance payment for which the child would have been eligible if the child had remained in a foster family home, or, at State option, the amount of the adoption assistance payment for which the child would have been eligible if the child had been adopted, and may be readjusted periodically based on changes in the circumstances of the relative guardians involved and the needs of the child. Notwithstanding the preceding sentence, the amount of the kinship guardianship assistance payment may not exceed the foster care maintenance payment which would have been paid during the period involved if the child had been in a foster family home.

“(B) LIMITATION.—A State may not make a kinship guardianship assistance payment to a relative guardian for any child who has attained 18 years of age, or such greater age as the State may elect under section 475(8)(B)(iii).

“(3) CHILD’S ELIGIBILITY FOR A KINSHIP GUARDIANSHIP ASSISTANCE PAYMENT.—
“(A) IN GENERAL.—A child is eligible for a kinship guardianship assistance payment under this subsection if the State agency determines the following:

“(i) The child has been—

“(I) removed from his or her home pursuant to a voluntary placement agreement or as a result of a judicial determination to the effect that continuation in the home would be contrary to the welfare of the child;

“(II) under the care of the State agency for the 12-month period ending on the date of the agency determination;

“(III) eligible for foster care maintenance payments under section 472 while in the home of the prospective relative guardian; and

“(IV) residing for at least 6 months with the prospective relative guardian.

“(ii) Being returned home or adopted are not appropriate permanency options for the child.
“(iii) The child demonstrates a strong attachment to the prospective relative guardian and the relative guardian has a strong commitment to caring permanently for the child.

“(iv) With respect to a child who has attained 14 years of age, the child has been consulted regarding the kinship guardianship arrangement.

“(B) TREATMENT OF SIBLINGS.—With respect to a child described in subparagraph (A) whose sibling or siblings are not so described—

“(i) the child and any sibling of the child may be placed in the same kinship guardianship arrangement if the State agency and the relative agree on the appropriateness of the arrangement for the siblings; and

“(ii) kinship guardianship assistance payments may be paid for the child and each sibling so placed.”.

(c) CONFORMING AMENDMENTS.—

(1) ELIGIBILITY FOR ADOPTION ASSISTANCE PAYMENTS.—Section 473(a)(2) of such Act (42
U.S.C. 673(a)(2)) is amended by adding at the end the following:

“(D) In determining the eligibility for adoption assistance payments of a child in a legal guardianship arrangement described in section 471(a)(28), the placement of the child with the relative guardian involved shall be considered never to have been made.”.

(2) STATE PLAN REQUIREMENT.—

(A) IN GENERAL.—Section 471(a)(20) of such Act (42 U.S.C. 671(a)(20)) is amended—

(i) by adding “and” at the end of sub-paragraph (C); and

(ii) by adding at the end the following:

“(D) provides procedures for criminal records checks, including fingerprint-based checks of national crime information databases (as defined in section 534(e)(3)(A) of title 28, United States Code), on any relative guardian, and for checks described in subparagraph (C) of this paragraph on any relative guardian and any other adult living in the home of any relative guardian, before the relative guardian may be finally approved for placement of a child re-
gardless of whether kinship guardianship assistance payments are to be made on behalf of the child under the State plan under this part;”.

(B) Redesignation of new provision after amendment made by prior law takes effect.—

(i) In general.—Section 471(a)(20) of the Social Security Act (42 U.S.C. 671(a)(20)) is amended—

(I) in subparagraph (D), by striking “(C)” and inserting “(B)”;

and

(II) by redesignating subparagraph (D) as subparagraph (C).

(ii) Effective date.—The amendments made by clause (i) shall take effect immediately after the amendments made by section 152 of Public Law 109–248 take effect.

(3) Payments to states.—Section 474(a) of such Act (42 U.S.C. 674(a)) is amended—

(A) by striking the period at the end and inserting “; plus”; and

(B) by adding at the end the following:
“(6) an amount equal to the percentage by which the expenditures referred to in paragraph (2) of this subsection are reimbursed of the total amount expended during such quarter as kinship guardianship assistance payments under section 473(d) pursuant to kinship guardianship assistance agreements.”.

(4) DEFINITIONS.—Section 475(1) of such Act (42 U.S.C. 675(1)) is amended by adding at the end the following:

“(F) In the case of a child with respect to whom the permanency plan is placement with a relative and receipt of kinship guardianship assistance payments under section 473(d), a description of—

“(i) the steps that the agency has taken to determine that it is not appropriate for the child to be returned home or adopted;

“(ii) the reasons for any separation of siblings during placement;

“(iii) the reasons why a permanent placement with a fit and willing relative through a kinship guardianship assistance arrangement is in the child’s best interests;
“(iv) the ways in which the child meets the eligibility requirements for a kinship guardianship assistance payment;

“(v) the efforts the agency has made to discuss adoption by the child’s relative foster parent as a more permanent alternative to legal guardianship and, in the case of a relative foster parent who has chosen not to pursue adoption, documentation of the reasons therefor; and

“(vi) the efforts made by the State agency to discuss with the child’s parent or parents the kinship guardianship assistance arrangement, or the reasons why the efforts were not made.”.

(d) CONTINUED SERVICES UNDER WAIVER.—Section 474 of such Act (42 U.S.C. 674) is amended by adding at the end the following:

“(g) For purposes of this part, after the termination of a demonstration project relating to guardianship conducted by a State under section 1130, the expenditures of the State for the provision, to children who, as of September 30, 2008, were receiving assistance or services under the project, of the same assistance and services under the same terms and conditions that applied during
the conduct of the project, are deemed to be expenditures under the State plan approved under this part.”.

SEC. 3. FAMILY CONNECTION GRANTS.

Part B of title IV of the Social Security Act (42 U.S.C. 620–629i) is amended by adding at the end the following:

“Subpart 3—Family Connection Grants

SEC. 441. FAMILY CONNECTION GRANTS.

“(a) In general.—The Secretary of Health and Human Services may make matching grants to State, local, or tribal child welfare agencies, and private non-profit organizations that have experience in working with foster children or children in kinship care arrangements, for the purpose of helping children who are in, or at risk of entering, foster care reconnect with family members through the implementation of—

“(1) kinship navigator programs designed to assist kinship caregivers in navigating their way through programs and services, and to help the caregivers learn about and obtain assistance to meet the needs of the children they are raising and their own needs;

“(2) intensive family-finding efforts that utilize search technology to find biological family members for children in the child welfare system, and once
identified, work to reestablish relationships and explore ways to find a permanent family placement for the children; or

“(3) family group decision-making meetings for children in the child welfare system that engage and empower families to make decisions and develop plans that nurture children and protect them from enduring further abuse and neglect.

“(b) APPLICATIONS.—An entity desiring to receive a matching grant under this section shall submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including—

“(1) a description of how the grant will be used to implement 1 or more of the activities described in subsection (a);

“(2) a description of the types of children and families to be served, including how the children and families will be identified and recruited, and an initial projection of the number of children and families to be served;

“(3) if the entity is a private organization—

“(A) documentation of support from the relevant local or State child welfare agency; or
“(B) a description of how the organization plans to coordinate its services and activities with those offered by the relevant local or State child welfare agency; and

“(4) an assurance that the entity will cooperate fully with any evaluation provided for by the Secretary under this section.

“(c) LIMITATIONS.—

“(1) GRANT DURATION.—The Secretary may award a grant under this section for a period of not less than 1 year and not more than 3 years.

“(2) NUMBER OF NEW GRANTEES PER YEAR.—The Secretary may not award a grant under this section to more than 20 new grantees each fiscal year.

“(d) FEDERAL CONTRIBUTION.—The amount of a grant payment to be made to a grantee under this section during each year in the grant period shall be the following percentage of the total expenditures proposed to be made by the grantee in the application approved by the Secretary under this section:

“(1) 75 percent, if the payment is for the 1st or 2nd year of the grant period.

“(2) 50 percent, if the payment is for the 3rd year of the grant period.
“(e) Form of Grantee Contribution.—A grantee under this section may provide not more than 50 percent of the amount which the grantee is required to expend to carry out the activities for which a grant is awarded under this section in kind, fairly evaluated, including plant, equipment, or services.

“(f) Use of Grant.—A grantee under this section shall use the grant in accordance with the approved application for the grant.

“(g) Reservations of Funds.—

“(1) Evaluation.—The Secretary shall reserve 3 percent of the funds made available under subsection (h) for each fiscal year for the conduct of a rigorous evaluation of the activities funded with grants under this section.

“(2) Technical Assistance.—The Secretary may reserve 2 percent of the funds made available under subsection (h) for each fiscal year to provide technical assistance to recipients of grants under this section.

“(h) Limitations on Authorization of Appropriations.—To carry out this section, there are authorized to be appropriated to the Secretary not more than $50,000,000 for each of fiscal years 2009 through 2013.”.
SEC. 4. NOTIFICATION TO RELATIVES OF FOSTER CARE PLACEMENTS.

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)), as amended by section 2(a) of this Act, is amended—

(1) by striking “and” at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting “; and”;

(3) by adding at the end the following:

“(29) provides that, not later than 30 days after the date the State places a child in foster care, the State agency shall attempt to locate and notify any nonecustodial parents, siblings, grandparents, aunts, or uncles of the child who are adults, of the removal of the child from the custody of the child’s parent or parents and explain the options the relative has to participate in the care and placement of the child, subject to exceptions due to family or domestic violence which shall be provided for under State law.”.
SEC. 5. STATE OPTION FOR CHILDREN IN FOSTER CARE, AND CERTAIN CHILDREN IN AN ADOPTIVE OR GUARDIANSHIP PLACEMENT, AFTER ATTAINING AGE 18.

(a) DEFINITION OF CHILD.—Section 475 of the Social Security Act (42 U.S.C. 675) is amended by adding at the end the following:

“(8)(A) Subject to subparagraph (B), the term ‘child’ means an individual who has not attained 18 years of age.

“(B) At the option of a State, the term shall include an individual—

“(i)(I) who is in foster care under the responsibility of the State;

“(II) with respect to whom an adoption assistance agreement is in effect under section 473 if the child had attained 16 years of age before the agreement became effective; or

“(III) with respect to whom a kinship guardianship assistance agreement is in effect under section 473(d) if the child had attained 16 years of age before the agreement became effective;

“(ii) who has attained 18 years of age;

“(iii) who has not attained 19, 20, or 21 years of age, as the State may elect; and
“(iv) who is—

“(I) completing secondary education or a program leading to an equivalent credential;

“(II) enrolled in an institution which provides post-secondary or vocational education;

“(III) participating in a program or activity designed to promote, or remove barriers to, employment; or

“(IV) employed for at least 80 hours per month.”.

(b) Conforming Amendment to Definition of Child-Care Institution.—Section 472(c)(2) of such Act (42 U.S.C. 672(c)(2)) is amended by inserting “, except, in the case of a child who has attained 18 years of age, the term shall include a supervised setting in which the individual is living independently, in accordance with such conditions as the Secretary shall establish in regulations” before the period.

(c) Conforming Amendments to Age Limits Applicable to Children Eligible for Adoption Assistance or Kinship Guardianship Assistance.—Section 473(a)(4) of such Act (42 U.S.C. 673(a)(4)) is amended to read as follows:
“(4)(A) Notwithstanding any other provision of this section, a payment may not be made pursuant to this section to parents or relative guardians with respect to a child—

“(i) who has attained—

“(I) 18 years of age, or such greater age as the State may elect under section 475(8)(B)(iii); or

“(II) 21 years of age, if the State determines that the child has a mental or physical handicap which warrants the continuation of assistance;

“(ii) who has not attained 18 years of age, if the State determines that the parents or relative guardians, as the case may be, are no longer legally responsible for the support of the child; or

“(iii) if the State determines that the child is no longer receiving any support from the parents or relative guardians, as the case may be.

“(B) Parents or relative guardians who have been receiving adoption assistance payments or kinship guardian-ship assistance payments under this section shall keep the State or local agency administering the program under this section informed of circumstances which would, pursuant to this subsection, make them ineligible for the pay-
ments, or eligible for the payments in a different amount.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2010.

SEC. 6. SHORT-TERM TRAINING FOR CHILD WELFARE AGENCIES, PROSPECTIVE RELATIVE GUARDIANS, AND COURT PERSONNEL.

(a) IN GENERAL.—Section 474(a)(3)(B) of the Social Security Act (42 U.S.C. 674(a)(3)(B)) is amended—

(1) by inserting “or relative guardians” after “adoptive parents”;

(2) by striking “and the members” and inserting “, the members”;

(3) by inserting “, or State-licensed or State-approved child welfare agencies providing services,” after “providing care”;

(4) by inserting “, and members of the staff of abuse and neglect courts, agency attorneys, attorneys representing children or parents, guardians ad litem, or other court-appointed special advocates representing children in proceedings of such courts” after “part,”;

(5) by inserting “guardians,” before “staff members,”; and
(6) by striking “and institutions” and inserting “institutions, attorneys, and advocates”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 2008.

(c) Phase-In.—With respect to an expenditure described in section 474(a)(3)(B) of the Social Security Act by reason of an amendment made by subsection (a) of this section, in lieu of the percentage set forth in such section 474(a)(3)(B), the percentage that shall apply is—

(1) 55 percent, if the expenditure is made in fiscal year 2009;

(2) 60 percent, if the expenditure is made in fiscal year 2010;

(3) 65 percent, if the expenditure is made in fiscal year 2011; or

(4) 70 percent, if the expenditure is made in fiscal year 2012.

SEC. 7. EQUITABLE ACCESS FOR FOSTER CARE AND ADOPTION SERVICES FOR INDIAN CHILDREN IN TRIBAL AREAS.

(a) Authority for Indian Tribes To Receive Direct Federal Title IV–E Funds.—Section 472(a)(2)(B) of the Social Security Act (42 U.S.C. 672(a)(2)(B)) is amended—

(1) in clause (i), by striking “or” at the end;
(2) in clause (ii), by striking “and” at the end and inserting “or”; and

(3) by adding at the end the following:

“(iii) an Indian tribe or a tribal organization (as defined in section 479B(a)) or a tribal consortium, if the Indian tribe, tribal organization, or tribal consortium—

“(I) operates a program under section 479B;

“(II) has a cooperative agreement with a State under section 479B(d); or

“(III) submits to the Secretary a description of the arrangements (jointly developed in consultation with the State) made by the Indian tribe or tribal consortium for the payment of funds and the provision of the child welfare services and protections required by this title; and”.

(b) Programs Operated by Indian Tribal Organizations.—Part E of title IV of such Act (42 U.S.C. 670 et seq.) is amended by adding at the end the following:
“SEC. 479B. PROGRAMS OPERATED BY INDIAN TRIBAL ORGANIZATIONS.

“(a) DEFINITIONS OF INDIAN TRIBE; TRIBAL ORGANIZATIONS.—In this section:

“(1) IN GENERAL.—Except as provided in paragraph (2), the terms ‘Indian tribe’ and ‘tribal organization’ have the meanings given those terms in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(2) SPECIAL RULE FOR ALASKAN TRIBES.—

The term ‘Indian tribe’ means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

“(A) Artice Slope Native Association.

“(B) Kawerak, Inc.

“(C) Maniilaq Association.

“(D) Association of Village Council Presidents.

“(E) Tanana Chiefs Conference.

“(F) Cook Inlet Tribal Council.

“(G) Bristol Bay Native Association.

“(H) Aleutian and Pribilof Island Association.

“(I) Chugachmuit.
“(J) Tlingit Haida Central Council.

“(K) Kodiak Area Native Association.

“(L) Copper River Native Association.

“(b) APPLICATION.—Except as provided in subsections (c) and (e), this part shall apply to an Indian tribe, tribal organization, or a tribal consortium that elects to operate a program under this part in the same manner as this part applies to a State.

“(c) MODIFICATION OF PLAN AND OTHER REQUIREMENTS.—

“(1) IN GENERAL.—In the case of an Indian tribe, a tribal organization, or a tribal consortium submitting a plan for approval under section 471, the plan—

“(A) shall—

“(i) in lieu of the requirements of section 471(a)(3), identify the service area or areas and population to be served by the Indian tribe, tribal organization, or tribal consortium; and

“(ii) in lieu of the requirements of section 471(a)(10), provide for the establishment and application of standards for foster family homes and child care institutions pursuant to tribal standards and in a
manner that ensures the safety of, and ac-
countability for, children placed in foster care; and

“(B) may, at the option of the Indian tribe, tribal organization, or tribal consortium, in lieu of the requirements of section 471(a)(20), provide procedures for conducting background checks in accordance with the require-
mments of section 408 of the Indian Child Protection and Family Violence Prevention Act (25 U.S.C. 3207) and regulations issued there-
der, and for conducting checks of child abuse and neglect registries maintained by the Fed-
eral Government, by a State, and by an Indian tribe, tribal organization, or tribal consortium in a manner that ensures the safety of, and ac-
countability for, children placed in foster care or who are being placed for adoption.

“(2) Determination of Federal Share; Sources of Non-Federal Share.—

“(A) Per Capita Income.—

“(i) In General.—For purposes of determining the Federal medical assistance percentage applicable to an Indian tribe, a tribal organization, or a tribal consortium
under paragraphs (1) and (2) of section 474(a) (and for purposes of payments made under an arrangement described in section 472(a)(2)(B)(iii)(III)), the calculation of the per capita income of the Indian tribe, tribal organization, or tribal consortium shall be based upon the service population of the Indian tribe, tribal organization, or tribal consortium as defined in the plan of the Indian tribe, tribal organization, or tribal consortium, in accordance with paragraph (1)(A), except that in no case shall an Indian tribe, a tribal organization, or a tribal consortium receive less than the Federal medical assistance percentage for any State in which the tribe is located.

“(ii) CONSIDERATION OF OTHER INFORMATION.—Before making a calculation under clause (i), the Secretary shall consider any information submitted by an Indian tribe, a tribal organization, or a tribal consortium that the Indian tribe, tribal organization, or tribal consortium considers relevant to making the calculation of the
per capita income of the Indian tribe, tribal organization, or tribal consortium.

“(B) Administrative, training, and data collection expenditures.—The Secretary shall, by regulation, determine the proportions to be paid to Indian tribes, tribal organizations, and tribal consortiums pursuant to section 474(a)(3) for purposes of this section (and for purposes of payments made under an arrangement described in section 472(a)(2)(B)(iii)(III)), except that in no case shall an Indian tribe, a tribal organization, or a tribal consortium receive a lesser proportion than the corresponding amount specified for a State in that section.

“(C) Sources of non-federal share.—An Indian tribe, tribal organization, or tribal consortium may use Federal, State, tribal, or private funds, which may be in kind, fairly evaluated, including plant, equipment, administration, and services, to match payments for which the tribe, organization, or consortium is eligible under section 474.

“(3) Modification of other requirements.—On the request of an Indian tribe, tribal
organization, or a tribal consortium, the Secretary may modify any requirement under this part if, after consulting with the Indian tribe, tribal organization, or tribal consortium, the Secretary determines that modification of the requirement would advance the best interests and the safety of children served by the Indian tribe, tribal organization, or tribal consortium.

“(4) CONSORTIUM.—The participating Indian tribes or tribal organizations of a tribal consortium may develop and submit a single plan under section 471 that meets the requirements of this section.

“(d) COOPERATIVE AGREEMENTS.—

“(1) IN GENERAL.—An Indian tribe, a tribal organization, or a tribal consortium and a State may enter into a cooperative agreement for the administration or payment of funds under this part.

“(2) APPLICATION AND ENFORCEMENT OF INCORPORATED PROVISIONS OF THIS SECTION.—If an Indian tribe, a tribal organization, or a tribal consortium and a State enter into a cooperative agreement that incorporates any of the provisions of this section, those provisions shall be valid and enforceable.
“(3) PRIOR AGREEMENTS IN EFFECT.—Any co-
operative agreement described in paragraph (1) that
is in effect as of the date of enactment of this sec-
tion, shall remain in full force and effect subject to
the right of either party to the agreement to revoke
or modify the agreement pursuant to the terms of
the agreement.

“(e) JOHN H. CHAFEE FOSTER CARE INDEPEND-
ENCE PROGRAM.—Except as provided in section 477(j),
subsection (b) of this section shall not apply with respect
to the John H. Chafee Foster Care Independence Program
established under section 477 (or with respect to payments
made under section 474(a)(4) or grants made under sec-
tion 474(e)).”.

(c) APPLICATION OF FEDERAL MATCHING RATE
THAT WOULD APPLY TO INDIAN TRIBES, TRIBAL ORGA-
NIZATIONS, OR TRIBAL CONSORTIA TO EXPENDITURES
UNDER STATE AGREEMENTS OR AN AGREEMENT WITH
THE SECRETARY.—

(1) FOSTER CARE MAINTENANCE AND ADOPT-
TION ASSISTANCE PAYMENTS.—Paragraphs (1) and
(2) of section 474(a) of such Act (42 U.S.C. 674(a))
are each amended by inserting “(or, with respect to
such payments made during such quarter under an
agreement entered into by the State and an Indian
tribe, tribal organization, or tribal consortium, or under an arrangement described in section 472(a)(2)(B)(iii)(III), an amount equal to the Federal medical assistance percentage that would apply under subsection (c)(2)(A) of section 479B (in this paragraph referred to as the ‘tribal FMAP’) if such Indian tribe, tribal organization, or tribal consortium made such payments under a program operated under that section, unless the tribal FMAP is less than the Federal medical assistance percentage that applies to the State.” before the semicolon.

(2) ADMINISTRATIVE EXPENDITURES.—Section 474(a)(3) of such Act (42 U.S.C. 674(a)(3)) is amended—

(A) in the matter preceding subparagraph (A), by striking “section 472(i)” and inserting “subparagraph (E) and section 472(i)”;

(B) in subparagraph (D), by striking “and” at the end;

(C) by redesignating subparagraph (E) as subparagraph (F); and

(D) by inserting after subparagraph (D) the following:

“(E) in the case of a State that has entered into an agreement with an Indian tribe,
tribal organization, or tribal consortium (or an Indian tribe, tribal organization, or tribal consortium with an arrangement described in section 472(a)(2)(B)(iii)(III)), an amount equal to the proportions that would be paid to such tribe, organization, or consortium pursuant to regulations issued under section 479B(c)(2)(B) if the tribe, organization, or consortium operated a program under that section; and”.

(d) **Hold Harmless for Indian Families Receiving Foster Care Maintenance Payments or Adoption Assistance.**—Nothing in the amendments made by this Act shall be construed as authorization to terminate funding to any Indian or Indian family currently receiving foster care maintenance payments or adoption assistance on behalf of a child and for which the State receives Federal matching payments under paragraph (1) or (2) of section 474(a) of the Social Security Act, regardless of whether a cooperative agreement between the State and an Indian tribe, tribal organization, or tribal consortium is in effect pursuant to subsection (d) of section 479B(d) of such Act, or an Indian tribe, tribal organization, or tribal consortium elects to operate a foster care and adoption assistance program directly under such section 479B.
(e) Nonapplication of Certain Eligibility Requirements for Indian Children.—Section 472(a) of such Act (42 U.S.C. 672(a)) is amended by adding at the end the following:

“(5) Nonapplication of certain requirements for Indian children.—In the case of an Indian tribe, tribal organization, or tribal consortium that assumes responsibility for administering the program under this part through a cooperative agreement with the State under section 479B(d), or that elects to operate a foster care and adoption assistance program directly under section 479B, the following rules shall apply:

“(A) Use of Affidavits, etc.—The requirement in paragraph (1) shall not be interpreted so as to prohibit the use of affidavits or nunc pro tunc orders as verification documents in support of the reasonable efforts and contrary to the welfare of the child judicial determinations required under such paragraph.

“(B) Residency Requirement Imposed under AFDC State Plan.—Notwithstanding paragraph (3)(A), any residency requirement imposed under the State plan referred to in such paragraph shall not apply with respect to
a child for whom an Indian tribe, tribal organization, or tribal consortium assumes responsibility.”.

(f) Authority To Receive Portion of State Allotment as Part of an Agreement To Operate the John H. Chafee Foster Care Independence Program.—

(1) IN GENERAL.—Section 477 of such Act (42 U.S.C. 677) is amended by adding at the end the following:

“(j) Authority for an Indian Tribe, Tribal Organization, or Tribal Consortium To Receive an Allotment.—

“(1) IN GENERAL.—An Indian tribe, tribal organization, or tribal consortium with a plan approved under section 479B, which is receiving funding to provide foster care under this part pursuant to a cooperative agreement with a State, or that provides child welfare services and protections in accordance with an arrangement submitted to the Secretary under section 472(a)(2)(B)(iii)(III), may apply for an allotment out of any funds authorized by paragraph (1) or (2) (or both) of subsection (h) of this section.
“(2) APPLICATION.—An Indian tribe, tribal organization, or tribal consortium desiring an allotment under paragraph (1) shall submit an application to the Secretary to directly receive such allotment that includes a plan that satisfies such requirements of paragraphs (2) and (3) of subsection (b) as the Secretary determines are appropriate.

“(3) PAYMENTS.—The Secretary shall pay an Indian tribe, tribal organization, or tribal consortium with an application and plan approved under this subsection from the allotment determined for the tribe, organization, or consortium under paragraph (4) of this subsection in the same manner as is provided in section 474(a)(4) (and, where requested, and if funds are appropriated, section 474(e)) with respect to a State, or in such other manner as is determined appropriate by the Secretary, except that in no case shall an Indian tribe, a tribal organization, or a tribal consortium receive a lesser proportion of such funds than a State is authorized to receive under those sections.

“(4) ALLOTMENT.—From the amounts allotted to a State under subsection (e) of this section for a fiscal year, the Secretary shall allot to each Indian tribe, tribal organization, or tribal consortium with
an application and plan approved under this sub-
section for that fiscal year an amount equal to the
tribal foster care ratio determined under paragraph
(5) of this subsection for the tribe, organization, or
consortium multiplied by the allotment amount of
the State within which the tribe, organization, or
consortium is located. The allotment determined
under this paragraph is deemed to be a part of the
allotment determined under section 477(e) for the
State in which the Indian tribal organization or trib-
al consortium is located.

“(5) TRIBAL FOSTER CARE RATIO.—For pur-
poses of paragraph (4), the tribal foster care ratio
means, with respect to an Indian tribe, tribal organi-
ization, or tribal consortium, the ratio of—

“(A) the number of children in foster care
under the responsibility of the Indian tribe,
tribal organization, or tribal consortium (either
directly or under supervision of the State), in
the most recent fiscal year for which the infor-
mation is available; to

“(B) the sum of—

“(i) the total number of children in
foster care under the responsibility of the
State within which the Indian tribe, tribal
organization, or tribal consortium is located; and

“(ii) the total number of children in foster care under the responsibility of all Indian tribes, tribal organizations, or tribal consortia (either directly or under supervision of the State).”.

(2) AUTHORITY TO RECEIVE PORTION OF STATE ALLOTMENT AS PART OF A COOPERATIVE AGREEMENT ENTERED INTO WITH RESPECT TO THE CHAFEE PROGRAM.—Section 477(b)(3)(G) of such Act (42 U.S.C. 677(b)(3)(G)) is amended—

(A) by striking “and that” and inserting “that”; and

(B) by striking the period and inserting “;

and that each Indian tribe, tribal organization, or tribal consortium in the State that does not receive an allotment under subsection (j)(4) for a fiscal year may enter into a cooperative agreement or contract with the State to administer, supervise, or oversee the programs to be carried out under the plan with respect to the Indian children who are eligible for such programs and who are under the authority of the Indian tribe and to receive from the State an appropriate
portion of the State allotment under subsection (e) for the cost of such administration, supervision, or oversight.”.

(g) RULE OF CONSTRUCTION.—Nothing in the amendments made by this Act shall be construed as affecting the responsibility of a State—

(1) as part of the plan approved under section 471 of the Social Security Act (42 U.S.C. 671), to provide foster care maintenance payments and adoption assistance for Indian children who are eligible for such payments or assistance and who are not otherwise being served by an Indian tribe, tribal organization, or tribal consortium pursuant to a foster care and adoption assistance program operated under section 479B of such Act; or

(2) as part of the plan approved under section 477 of such Act (42 U.S.C. 677) to administer, supervise, or oversee programs carried out under that plan on behalf of Indian children who are eligible for such programs if such children are not otherwise being served by an Indian tribe, tribal organization, or tribal consortium pursuant to an approved plan under section 477(j) or a cooperative agreement or contract entered into under section 477(b)(3)(G) of such Act.
(h) **Regulations.**—Not later than 1 year after the date of enactment of this section, the Secretary, in consultation with Indian tribes, tribal organizations, tribal consortia, and affected States, shall promulgate regulations to carry out the amendments made by this section.

(i) **Effective Date.**—The amendments made by this section shall take effect on October 1, 2010.

**SEC. 8. Health Oversight and Coordination Plan.**

Section 422(b)(15) of the Social Security Act (42 U.S.C. 622(b)(15)) is amended to read as follows:

“(15)(A) provides that the State will develop, in coordination and collaboration with the State agency referred to in paragraph (1) and the State agency responsible for administering the State plan approved under title XIX, and in consultation with pediatricians, other experts in health care, and experts in and recipients of child welfare services, a plan for the ongoing oversight and coordination of health care services for any child in a foster care placement, which shall ensure a coordinated strategy to identify and respond to the health care needs of children in foster care placements, including mental health and dental health needs, and shall include an outline of—
“(i) a schedule for initial and follow-up health screenings that meet reasonable standards of medical practice;

“(ii) how health needs identified through screenings will be monitored and treated;

“(iii) how medical information for children in care will be updated and appropriately shared, which may include the development and implementation of an electronic health record;

“(iv) steps to ensure continuity of health care services, which may include the establishment of a medical home for every child in care;

“(v) the oversight of prescription medicines; and

“(vi) how the State actively consults with and involves physicians or other appropriate medical professionals in assessing the health and well-being of children in foster care and in determining appropriate medical treatment for the children; and

“(B) subparagraph (A) shall not be construed to reduce or limit the responsibility of the State agency responsible for administering the State plan approved under title XIX to administer and provide care and services for children with respect to whom
services are provided under the State plan developed pursuant to this subpart;”.

SEC. 9. EDUCATIONAL STABILITY.

(a) In General.—Section 475 of the Social Security Act (42 U.S.C. 675), as amended by section 2(c)(4) of this Act, is amended—

(1) in paragraph (1)—

(A) in subparagraph (C), by striking clause (iv) and redesignating clauses (v) through (viii) as clauses (iv) through (vii), respectively; and

(B) by adding at the end the following:

“(G) A plan for ensuring the educational stability of the child while in foster care, including—

“(i) assurances that the placement of the child in foster care takes into account the appropriateness of the current educational setting and the proximity to the school in which the child is enrolled at the time of placement; and

“(ii)(I) an assurance that the State agency has coordinated with appropriate local educational agencies (as defined under section 9101 of the Elementary and
Secondary Education Act of 1965) to en-
sure that the child remains in the school in
which the child is enrolled at the time of
placement; or

“(II) if remaining in such school is
not in the best interests of the child, assur-
ances by the State agency and the local
educational agencies to provide immediate
and appropriate enrollment in a new
school, with all of the educational records
of the child provided to the school.”; and

(2) in the 1st sentence of paragraph (4)(A)—
(A) by striking “and reasonable” and in-
serting “reasonable”; and

(B) by inserting “, and reasonable travel
for the child to remain in the school in which
the child is enrolled at the time of placement”

before the period.

(b) EDUCATIONAL ATTENDANCE REQUIREMENT.—
Section 471(a) of the Social Security Act (42 U.S.C.
671(a)), as amended by sections 2(a) and 4 of this Act,
is amended—

(1) by striking “and” at the end of paragraph
(28);
(2) by striking the period at the end of paragraph (29) and inserting ‘; and’; and

(3) by adding at the end the following:

“(30) provides assurances that each child who has attained the minimum age for compulsory school attendance under State law and with respect to whom there is eligibility for a payment under the State plan is a full-time elementary or secondary school student or has completed secondary school, and for purposes of this paragraph, the term ‘elementary or secondary school student’ means, with respect to a child, that the child is—

“(A) enrolled (or in the process of enrolling) in an institution which provides elementary or secondary education, as determined under the law of the State or other jurisdiction in which the institution is located;

“(B) instructed in elementary or secondary education at home in accordance with a home school law of the State or other jurisdiction in which the home is located;

“(C) in an independent study elementary or secondary education program in accordance with the law of the State or other jurisdiction in which the program is located, which is ad-
ministered by the local school or school district;

or

“(D) incapable of attending school on a full-time basis due to the medical condition of the child, which incapability is supported by regularly updated information included in the case plan of the child.”.

SEC. 10. SIBLING PLACEMENT.

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)), as amended by sections 2(a), 4, and 9(b) of this Act, is amended—

(1) by striking “and” at the end of paragraph (29);

(2) by striking the period at the end of paragraph (30) and inserting “; and”; and

(3) by adding at the end the following:

“(31) provides that reasonable efforts shall be made to place siblings removed from their home in the same foster care, kinship guardianship, or adoptive placement unless the State documents that such a joint placement would be contrary to the safety or well-being of any of the siblings.”.

SEC. 11. ADOPTION INCENTIVES PROGRAM.

(a) 5-YEAR EXTENSION.—Section 473A of the Social Security Act (42 U.S.C. 673b) is amended—
(1) in subsection (b)(4), by striking “in the case of fiscal years 2001 through 2007,”;

(2) in subsection (b)(5), by striking “1998 through 2007” and inserting “2008 through 2012”;

(3) in subsection (c)(2), by striking “each of fiscal years 2002 through 2007” and inserting “a fiscal year”; and

(4) in each of subsections (h)(1)(D), and (h)(2), by striking “2008” and inserting “2013”.

(b) Updating of Fiscal Year Used in Determining Base Numbers of Adoptions.—Section 473A(g) of such Act (42 U.S.C. 673b(g)) is amended—

(1) in paragraph (3), by striking “means” and all that follows and inserting “means, with respect to any fiscal year, the number of foster child adoptions in the State in fiscal year 2007.”;

(2) in paragraph (4)—

(A) by inserting “that are not older child adoptions” before “for a State”; and

(B) by striking “means” and all that follows and inserting “means, with respect to any fiscal year, the number of special needs adoptions that are not older child adoptions in the State in fiscal year 2007.”; and
(3) in paragraph (5), by striking “means” and all that follows and inserting “means, with respect to any fiscal year, the number of older child adoptions in the State in fiscal year 2007.”.

(c) Increase in Incentive Payments for Special Needs Adoptions and Older Child Adoptions.—Section 473A(d)(1) of such Act (42 U.S.C. 673b(d)(1)) is amended—

(1) in subparagraph (B), by striking “$2,000” and inserting “$4,000”; and

(2) in subparagraph (C), by striking “$4,000” and inserting “$8,000”.

(d) 24-Month Availability of Payments to States.—Section 473A(e) of such Act (42 U.S.C. 673b(e)) is amended—

(1) in the heading, by striking “2-year” and inserting “24-month”; and

(2) by striking “through the end of the succeeding fiscal year” and inserting “for the 24-month period beginning with the month in which the payments are made”.

SEC. 12. INFORMATION ON ADOPTION TAX CREDIT.

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)), as amended by sections 2(a), 4, 9(b), and 10 of this Act, is amended—
(1) by striking “and” at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting “; and”; and

(3) by adding at the end the following:

“(32) provides that the State will inform any individual who is adopting, or whom the State is made aware is considering adopting, a child who is in foster care under the responsibility of the State of the potential eligibility of the individual for a Federal tax credit under section 23 of the Internal Revenue Code.”.

SEC. 13. MODIFICATION OF FOSTER CARE MATCHING RATE FOR THE DISTRICT OF COLUMBIA TO CONFORM WITH MEDICAID MATCHING RATE.

Section 474(a) of the Social Security Act (42 U.S.C. 674(a)) is amended in each of paragraphs (1) and (2) by striking “(as defined in section 1905(b) of this Act)” and inserting “(which shall be as defined in section 1905(b), in the case of a State other than the District of Columbia, or 70 percent, in the case of the District of Columbia)”.

SEC. 14. COLLECTION OF UNEMPLOYMENT COMPENSATION DEBTS RESULTING FROM FRAUD.

(a) IN GENERAL.—Section 6402 of the Internal Revenue Code (relating to authority to make credits or re-
funds) is amended by redesignating subsections (f) through (k) as subsections (g) through (l), respectively, and by inserting after subsection (e) the following new subsection:

“(f) Collection of Unemployment Compensation Debts Resulting From Fraud.—

“(1) In general.—Upon receiving notice from any State that a named person owes a covered unemployment compensation debt to such State, the Secretary shall, under such conditions as may be prescribed by the Secretary—

“(A) reduce the amount of any overpayment payable to such person by the amount of such covered unemployment compensation debt;

“(B) pay the amount by which such overpayment is reduced under subparagraph (A) to such State and notify such State of such person’s name, taxpayer identification number, address, and the amount collected; and

“(C) notify the person making such overpayment that the overpayment has been reduced by an amount necessary to satisfy a covered unemployment compensation debt.

If an offset is made pursuant to a joint return, the notice under subparagraph (B) shall include the
names, taxpayer identification numbers, and ad-
dresses of each person filing such return and the no-
tice under subparagraph (C) shall include informa-
tion related to the rights of a spouse of a person
subject to such an offset.

“(2) PRIORITIES FOR OFFSET.—Any overpay-
ment by a person shall be reduced pursuant to this
subsection—

“(A) after such overpayment is reduced
pursuant to—

“(i) subsection (a) with respect to any
liability for any internal revenue tax on the
part of the person who made the overpay-
ment;

“(ii) subsection (c) with respect to
past-due support; and

“(iii) subsection (d) with respect to
any past-due, legally enforceable debt owed
to a Federal agency; and

“(B) before such overpayment is credited
to the future liability for any Federal internal
revenue tax of such person pursuant to sub-
section (b).

If the Secretary receives notice from a State or
States of more than one debt subject to paragraph
(1) or subsection (e) that is owed by a person to such State or States, any overpayment by such person shall be applied against such debts in the order in which such debts accrued.

“(3) NOTICE; CONSIDERATION OF EVIDENCE.—
No State may take action under this subsection until such State—

“(A) notifies the person owing the covered unemployment compensation debt that the State proposes to take action pursuant to this section;

“(B) provides such person at least 60 days to present evidence that all or part of such liability is not legally enforceable or due to fraud;

“(C) considers any evidence presented by such person and determines that an amount of such debt is legally enforceable and due to fraud; and

“(D) satisfies such other conditions as the Secretary may prescribe to ensure that the determination made under subparagraph (C) is valid and that the State has made reasonable efforts to obtain payment of such covered unemployment compensation debt.
“(4) COVERED UNEMPLOYMENT COMPENSATION DEBT.—For purposes of this subsection, the term ‘covered unemployment compensation debt’ means—

“(A) a past-due debt for erroneous payment of unemployment compensation due to fraud which has become final under the law of a State certified by the Secretary of Labor pursuant to section 3304 and which remains uncollected;

“(B) contributions due to the unemployment fund of a State for which the State has determined the person to be liable due to fraud; and

“(C) any penalties and interest assessed on such debt.

“(5) REGULATIONS.—

“(A) IN GENERAL.—The Secretary may issue regulations prescribing the time and manner in which States must submit notices of covered unemployment compensation debt and the necessary information that must be contained in or accompany such notices. The regulations may specify the minimum amount of debt to which the reduction procedure established by paragraph (1) may be applied.
“(B) Fee payable to Secretary.—The regulations may require States to pay a fee to the Secretary, which may be deducted from amounts collected, to reimburse the Secretary for the cost of applying such procedure. Any fee paid to the Secretary pursuant to the preceding sentence shall be used to reimburse appropriations which bore all or part of the cost of applying such procedure.

“(C) Submission of notices through Secretary of Labor.—The regulations may include a requirement that States submit notices of covered unemployment compensation debt to the Secretary via the Secretary of Labor in accordance with procedures established by the Secretary of Labor. Such procedures may require States to pay a fee to the Secretary of Labor to reimburse the Secretary of Labor for the costs of applying this subsection. Any such fee shall be established in consultation with the Secretary of the Treasury. Any fee paid to the Secretary of Labor may be deducted from amounts collected and shall be used to reimburse the appropriation account which bore all or part of the cost of applying this subsection.
“(6) ERRONEOUS PAYMENT TO STATE.—Any State receiving notice from the Secretary that an erroneous payment has been made to such State under paragraph (1) shall pay promptly to the Secretary, in accordance with such regulations as the Secretary may prescribe, an amount equal to the amount of such erroneous payment (without regard to whether any other amounts payable to such State under such paragraph have been paid to such State).”.

(b) DISCLOSURE OF CERTAIN INFORMATION TO STATES REQUESTING REFUND OFFSETS FOR LEGALLY ENFORCEABLE STATE UNEMPLOYMENT COMPENSATION DEBT RESULTING FROM FRAUD.—

(1) GENERAL RULE.—Paragraph (3) of section 6103(a) of such Code is amended by inserting “(10),” after “(6),”.

(2) DISCLOSURE TO DEPARTMENT OF LABOR AND ITS AGENT.—Paragraph (10) of section 6103(l) of such Code is amended—

(A) by striking “(e), (d), or (e)” each place it appears in the heading and text and inserting “(e), (d), (e), or (f),”;

(B) in subparagraph (A) by inserting “, to officers and employees of the Department of Labor and its agent for purposes of facilitating
the exchange of data in connection with a request made under subsection (f)(5) of section 6402,” after “section 6402”, and

(C) in subparagraph (B) by inserting “, and any agents of the Department of Labor,” after “agency” the first place it appears.

(3) SAFEGUARDS.—Paragraph (4) of section 6103(p) of such Code is amended—

(A) in the matter preceding subparagraph (A), by striking “(l)(16),” and inserting “(l)(10), (16),”;

(B) in subparagraph (F)(i), by striking “(l)(16),” and inserting “(l)(10), (16),”; and

(C) in the matter following subparagraph (F)(iii)—

(i) in each of the first two places it appears, by striking “(l)(16),” and inserting “(l)(10), (16),”;

(ii) by inserting “(10),” after “paragraph (6)(A),”; and

(iii) in each of the last two places it appears, by striking “(l)(16)” and inserting “(l)(10) or (16)”.

(c) EXPENDITURES FROM STATE FUND.—Section 3304(a)(4) of such Code is amended—
(1) in subparagraph (E), by striking “and” after the semicolon;

(2) in subparagraph (F), by inserting “and” after the semicolon; and

(3) by adding at the end the following new sub-
paragraph:

“(G) with respect to amounts of covered
unemployment compensation debt (as defined in
section 6402(f)(4)) collected under section
6402(f)—

“(i) amounts may be deducted to pay
any fees authorized under such section;
and

“(ii) the penalties and interest de-
scribed in section 6402(f)(4)(B) may be
transferred to the appropriate State fund
into which the State would have deposited
such amounts had the person owing the
debt paid such amounts directly to the
State;”.

(d) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 6402 of such Code
is amended by striking “(e), (d), and (e),” and in-
serting “(e), (d), (e), and (f)”.

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(2) Paragraph (2) of section 6402(d) of such Code is amended by striking “and before such overpayment is reduced pursuant to subsection (e)” and inserting “and before such overpayment is reduced pursuant to subsections (e) and (f)”.

(3) Paragraph (3) of section 6402(e) of such Code is amended in the last sentence by inserting “or subsection (f)” after “paragraph (1)”.

(4) Subsection (g) of section 6402 of such Code, as redesignated by subsection (a), is amended by striking “(e), (d), or (e)” and inserting “(e), (d), (e), or (f)”.

(5) Subsection (i) of section 6402 of such Code, as redesignated by subsection (a), is amended by striking “subsection (e) or (e)” and inserting “subsection (e), (e), or (f)”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable under section 6402 of the Internal Revenue Code of 1986 on or after the date of enactment of this Act.

SEC. 15. INVESTMENT OF OPERATING CASH.

Section 323 of title 31, United States Code, is amended to read as follows:
§ 323. Investment of operating cash

(a) To manage United States cash, the Secretary of the Treasury may invest any part of the operating cash of the Treasury for not more than 90 days. The Secretary may invest the operating cash of the Treasury in—

“(1) obligations of depositories maintaining Treasury tax and loan accounts secured by pledged collateral acceptable to the Secretary;

“(2) obligations of the United States Government; and

“(3) repurchase agreements with parties acceptable to the Secretary.

(b) Subsection (a) of this section does not require the Secretary to invest a cash balance held in a particular account.

(c) The Secretary shall consider the prevailing market in prescribing rates of interest for investments under subsection (a)(1) of this section.

(d)(1) The Secretary of the Treasury shall submit each fiscal year to the appropriate committees a report detailing the investment of operating cash under subsection (a) for the preceding fiscal year. The report shall describe the Secretary’s consideration of risks associated with investments and the actions taken to manage such risks.
“(2) For purposes of paragraph (1), the term ‘appropriate committees’ means the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.”.

SEC. 16. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this Act, each amendment made by this Act to part B or E of title IV of the Social Security Act shall take effect on the date of the enactment of this Act, and shall apply to payments under the part amended for quarters beginning on or after the effective date of the amendment.

(b) DELAY PERMITTED IF STATE LEGISLATION REQUIRED.—In the case of a State plan approved under part B or E of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by this Act, the State plan shall not be regarded as failing to comply with the requirements of such part solely on the basis of the failure of the plan to meet such additional requirements before the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that ends after the 1-year period beginning with the date of the enactment of this Act. For purposes of the preceding sen-
tence, in the case of a State that has a 2-year legislative session, each year of the session is deemed to be a separate regular session of the State legislature.

SEC. 17. NO FEDERAL FUNDING TO UNLAWFULLY PRESENT INDIVIDUALS.

Nothing in this Act shall be construed to alter prohibitions on Federal payments to individuals who are unlawfully present in the United States.

Passed the House of Representatives June 24, 2008.

Attest: LORRAINE C. MILLER,
   Clerk.