IN THE SENATE OF THE UNITED STATES

July 27 (legislative day, May 17), 1978
Read twice and referred to the Committee on Finance.

AN ACT

To amend title XX of the Social Security Act to increase the entitlement ceiling and otherwise provide for an expanded social services program, to promote consultation and cooperative efforts among States, localities, and other local public and private agencies to coordinate services, to extend certain provisions of Public Law 94-401, and for other purposes.

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

2. That this Act may be cited as the "Social Services Amendments of 1978".

3. INCREASE IN AMOUNTS ALLOCATED TO STATES

4. SEC. 2. (a) Section 2002 (a) (2) (A) of the Social Security Act is amended by striking out "$2,500,000,000"
and inserting in lieu thereof “the dollar figure determined under subparagraph (E) for such fiscal year”.

(b) Section 2002 (a) (2) of such Act is further amended by adding at the end thereof the following new subparagraph:

“(E) The dollar figure in effect under subparagraph (A) for any fiscal year beginning on or after October 1, 1978, shall be equal to the dollar figure in effect under such subparagraph for the preceding fiscal year, increased—

(i) in the case of any fiscal year to which clause (ii) does not apply, by an amount equal to 16 percent of the dollar figure which would have been in effect under such subparagraph for the fiscal year ending September 30, 1978, if section 3 (a) of Public Law 94-401 had not been enacted, or

(ii) in the case of any fiscal year immediately following a fiscal year for which the dollar figure in effect under subparagraph (A) exceeded the dollar figure referred to in clause (i), by an amount equal to 75 percent of the amount specified in such clause (62.5 percent of such amount in the case of the first such year);

except that in no case shall the dollar figure in effect under subparagraph (A) exceed $3,450,000,000 for any fiscal year.”.

(b) Paragraph (2) of section 2004 (a) of such Act (as so designated by subsection (a) of this section) is amended—

(1) by striking out “and” at the end of subparagraph (I);

(2) by striking out “; and” at the end of subparagraph (J) and inserting in lieu thereof “; and”; and

(3) by adding at the end thereof the following new subparagraph:

“(K) a description of the process of consultation that was followed in compliance with subsection (b).
of this section; and a summary of the principal views expressed by the chief elected officials of the political subdivisions of the State in the course of that consultation; and".

(c) Section 2007 of such Act is amended—

(1) by striking out "and" at the end of paragraph (1) and inserting in lieu thereof a semicolon;

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and "; and

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

"the term 'political subdivisions of the State' means those areas of the State that are subject to the jurisdiction of general purpose local governments.".

MULTIYEAR PLAN

Sec. 4. (a) Paragraph (1) of section 2004 (a) of the Social Security Act (as so designated by section 3 (a) of this Act) is amended to read as follows:

"(1) the beginning of the fiscal year of either the Federal Government or the State government is established as the beginning of the State's services program period, and the end of such fiscal year or the succeeding fiscal year is established as the end of the State's services program period; and".

(b) Section 2004 (a) of such Act (as so designated) is further amended—

(1) by striking out "services program year" each place it appears and inserting in lieu thereof "services program period";

(2) by striking out "annual" in paragraph (2) (in the matter preceding subparagraph (A)) and in paragraph (4); and

(3) by striking out "during that year" in paragraph (2) (in the matter preceding subparagraph (A)) and inserting in lieu thereof "during that period";

EXTENSION OF SPECIAL PROVISIONS RELATING TO CHILD DAY CARE SERVICES AND PROVISIONS RELATING TO ALCOHOLICS AND DRUG ADDICTS

Sec. 5. (a) The amount of the limitation which is imposed by section 2002 (a) (2) (A) and (E) of the Social
Security Act as amended by section 2 of this Act, and which is otherwise applicable to any State for the fiscal year ending September 30, 1979, shall be reduced to the extent necessary to assure that the amount of such limitation (for such fiscal year) does not exceed an amount equal to (1) the maximum dollar amount of the limitation imposed by such section 2002 (a) (2) (A) which would be applicable to such State for such fiscal year (without regard to the amendments made by section 2 of this Act) if section 3 (a) of Public Law 94-401 had been extended so as to apply in the case of such fiscal year, plus (2) an amount equal to the sum of (A) the total amount of expenditures (i) which are made during such fiscal year in connection with the provision of any child day care service, and (ii) with respect to which payment is authorized to be made to the State under title XX of such Act for such fiscal year, and (B) the aggregate of the amounts of the grants, made by the State during such fiscal year, to which the provisions of section 3 (c) (1) of Public Law 94-401 are applicable.

(b) Section 3 (b) of Public Law 94-401 is amended by inserting after “the provisions of such subsection” the following: “(i) or which become payable to any State for the fiscal year ending September 30, 1979, by reason of section 2 of the Social Services Amendments of 1978 (but not in excess of the amount described in section 5 (a) (2) of such Amendments),”.

(c) (1) Section 7 (a) (3) of Public Law 93-647 is amended by striking out “October 1, 1978” and inserting in lieu thereof “October 1, 1979”.

(c) (2) (A) Section 3 (c) (1) of Public Law 94-401 is amended by inserting after “fiscal year specified in subsection (a),” the following: “or during the fiscal year ending September 30, 1979 (but not in excess of the amount described in section 5 (a) (2) of the Social Services Amendments of 1978),”.

(B) Section 3 (c) (2) (A) of Public Law 94-401 is amended—

(i) by inserting “(i)” after “the amount, if any, by which”; and

(ii) by inserting after “such fiscal period or year,” the following: “or (ii) the aggregate of the sums (as so described) granted by any State during the fiscal year ending September 30, 1979, exceeds the amount by which such State’s limitation for that fiscal year is increased pursuant to section 2 of the Social Services Amendments of 1978 (but not in excess of the amount described in section 5 (a) (2) of such Amendments),”.
section 3 (d) (1) of Public Law 94-401 is amended by inserting before the period at the end thereof the following: "and during the fiscal year ending September 30, 1979 (but not in excess of the amount described in section 5 (a) (2) of the Social Services Amendments of 1978)."

(B) Section 3 (d) (2) of Public Law 94-401 is amended—

(i) by striking out "either such fiscal year" in the matter preceding subparagraph (A) and inserting in lieu thereof "any such fiscal year"; and

(ii) by striking out subparagraph (A) and inserting in lieu thereof the following: "(A) the amount by which the limitation [imposed by section 2002 (a) (2) of such Act] which is applicable to such State for such fiscal year is increased pursuant to subsection (a) or pursuant to section 2 of the Social Services Amendments of 1978, ever".

(4) Section 50B (a) (2) (B) of the Internal Revenue Code of 1954 (definition of Federal welfare recipient employment incentive expenses) is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

(5) Section 5 (b) of Public Law 94-401 is amended by striking out "September 30, 1978" and "October 1, 1978".
and (D) and inserting in lieu thereof the following new subparagraph:

"(C) (i) From the amounts made available under section 2001 for any fiscal year beginning with the fiscal year 1979, the Secretary shall allocate to the jurisdictions of Puerto Rico, Guam, the Northern Mariana Islands, and the Virgin Islands for purposes of payments under sections 3 (a) (4) and (5), 403 (a) (3), 1003 (a) (3) and (4), 1403 (a) (3) and (4), and 1603 (a) (4) and (5) with respect to services, in addition to any amounts available under section 1108, the applicable dollar amounts specified in or determined under clause (ii).

(ii) The dollar amounts to be allocated to the jurisdictions of Puerto Rico, Guam, the Northern Mariana Islands, and the Virgin Islands under clause (i) —

(I) in the case of the fiscal year 1979, shall be $15,000,000, $500,000, $100,000, and $500,000, respectively;

(II) in the case of the fiscal year 1980 or any subsequent fiscal year, shall be amounts each of which bears the same ratio to the corresponding dollar amount specified in subdivision (I) of this clause as the dollar amount in effect under subparagraph (A) for that fiscal year (as specified in subparagraph (D) ) bears to $2,800,000,000."

(b) (1) The last sentence of section 2001 of such Act is amended by inserting before the period at the end thereof the following: "(and to territorial jurisdiction as described in subsection (a) (2) (C) thereof)".

(2) Subparagraph (E) of section 2002 (a) (2) of such Act (as added by section 2 (b) of this Act) is redesignated as subparagraph (D); and such subparagraph as so redesignated is further amended by striking out "except that in no case" in the matter following clause (ii) and inserting in lieu thereof "except that, the dollar figure determined under the preceding provisions of this subparagraph for any fiscal year shall be reduced by the sum of the amounts to be allocated to the territorial jurisdictions for that fiscal year under subparagraph (C), and in no case".

(B) The first sentence of section 2002 (a) (2) (A) of such Act (as amended by section 2 (a) of this Act) is amended by striking out "(E) " and inserting in lieu thereof "(D) ".

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 8. (a) Section 2002 (a) (3) (B) of the Social Security Act is amended—
(b) Section 2003 (b) of such Act is amended by striking out "services program year" each place it appears and inserting in lieu thereof "services program period".

c (c) The last sentence of section 2003 (d) (1) of such Act is amended by striking out "2004 (1)" and "services program year" and inserting in lieu thereof "2004 (a) (1)" and "services program period", respectively.

d (d) Section 2003 (e) (1) of such Act is amended by striking out "subsection (g)" and inserting in lieu thereof "subsection (d)".

e (e) Section 2005 of such Act is amended by striking out "services program year" and inserting in lieu thereof "services program period".

(f) Section 1108 (a) of such Act is amended by striking out "2002 (a) (2) (C)" in the matter preceding paragraph (1) and inserting in lieu thereof "2002 (a) (2) (C)".

This Act and the amendments made by this Act shall be effective, in the case of any State that has published a proposed comprehensive services plan for the fiscal year 1979, only with respect to its next succeeding comprehensive services plan.


Attest: EDMUND L. HENSHAW, JR., Clerk.
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