

FOSTER CARE FOR DEPENDENT CHILDREN

August 21, 1964.—Ordered to be printed

Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

REPORT

[To accompany H.R. 10473]

The Committee on Finance, to whom was referred the bill (H.R. 10473) to extend the period during which Federal payments may be made for foster care in child-care institutions under the program of aid to families with dependent children under title IV of the Social Security Act, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

EXTENSION OF AUTHORITY FOR FOSTER CARE IN INSTITUTIONS

This bill extends until June 30, 1967, the provision of the Public Welfare Amendments of 1962 (Public Law 87-543) which permits Federal participation in payments under the program of aid and services to needy families with children (title IV of the Social Security Act) for certain children requiring foster care who are in nonprofit private child-care institutions.

In order to give the States an alternative to leaving children in unsuitable homes or caring for them elsewhere without Federal participation in the costs, the Congress in 1961 enacted a temporary provision for Federal participation, under limited circumstances, in the cost of care in foster family homes. This applied to children who had been receiving aid to dependent children but who had been removed by a court from homes found contrary to the welfare of the child.

In the Public Welfare Amendments of 1962 the provision for Federal participation in the cost of care in foster family homes was made permanent and the Congress extended the provision to include care in nonprofit private child-care institutions so that whatever facility is most appropriate for a particular child may be used. The costs

authorized to be paid to an institution were for the same items as if a child were in the foster family home of an individual. Under the 1962 legislation, however, authority for Federal matching for children placed in nonprofit private child-care institutions ends September 30, 1964.

The Department of Health, Education, and Welfare reports that only limited use has been made of the provision. Ten States have modified their plans for aid to families with dependent children so that care in institutions may be provided and in May 1964 a total of 156 children in 8 States were reported to be actually receiving such care under these plans.

The committee bill extends this provision until June 30, 1967. The Department of Health, Education, and Welfare has no objection to the extension of this temporary legislation. An Advisory Council on Public Welfare, to be appointed in 1964 under the 1962 law, will have the opportunity to consider this provision along with other provisions scheduled to expire on June 30, 1967, and to give the Congress the benefit of its views well before that date.

EXTENSION OF AGE LIMIT FOR DEPENDENT CHILDREN IN SCHOOL

The committee has added a provision which would extend Federal matching as to payments of aid to families with dependent children where a child has attained 18 but is still attending high school or a vocational school. The child must be in regular attendance in pursuance of a course of study leading to a high school diploma, or its equivalent, or in regular attendance in a course of vocational or technical training designed to fit him for gainful employment. Upon reaching age 21, or withdrawing from school, eligibility for Federal matching would cease. The extension of the program in this manner would be optional with the States.

The assumption that children are no longer dependent upon attaining age 18 is not valid as applied to children still attending school. Moreover, the present sharp cutoff at age 18 may have the effect of forcing just those children to leave school who are most in need of a high school education or vocational training if they are to become self-sufficient and stay off the welfare rolls.

The estimated cost of this amendment is \$2 million for the first full year and \$11 million after 5 years, assuming that half of the States are then participating.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT

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TITLE IV—GRANTS TO STATES FOR AID AND SERVICES
TO NEEDY FAMILIES WITH CHILDREN

DEFINITIONS

SEC. 406. When used in this title—

(a) The term "dependent child" means a needy child (1) [under the age of eighteen,] who has been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece, in a place of residence maintained by one or more of such relatives as his or their own home; and (2) who is (A) under the age of eighteen, or (B) under the age of twenty-one and (as determined in accordance with standards prescribed by the Secretary) a student regularly attending a high school in pursuance of a course of study leading to a high school diploma or its equivalent, or regularly attending a course of vocational or technical training designed to fit him for gainful employment.

DEPENDENT CHILDREN OF UNEMPLOYED PARENTS

SEC. 407. Effective for the period beginning May 1, 1961, and ending with the close of June 30, 1967, the term "dependent child" shall, notwithstanding section 406(a), include a needy child [under the age of eighteen] who meets the requirements of section 406(a)(2) who has been deprived of parental support or care by reason of the unemployment (as defined by the State) of a parent, and who is living with any of the [relatives specified in section 406(a)(1)] relatives specified in section 406(a)(1) in a place of residence maintained by one or more of such relatives as his (or their) own home, but only with respect to a State whose State plan approved under section 402—

(1) includes aid for any such child, and

(2) includes—

(A) provision for entering into cooperative arrangements with the system of public employment offices in the State looking toward employment of the unemployed parents of such children, including appropriate provision for registration and periodic reregistration of the unemployed parent of any such child and for maximum utilization of the job placement services and other services and facilities of such offices, and

(B) provisions to assure that aid to families with dependent children is not provided to any such child or relative if, and for as long as, the unemployed parent refuses without good cause to accept employment, in which he is able to engage, which (i) is offered through such public employment offices, or (ii) is otherwise offered by an employer if the offer is determined by the State or local agency administering the State plan, after notification by such employer, to be a bona fide offer of such employment, and

(3) includes provision (A) for entering into cooperative arrangements with the State agency responsible for administering or supervising the administration of vocational education in the

State, looking toward maximum utilization of available public vocational education services and facilities in the State in order to encourage the retraining of individuals capable of being retrained, and (B) for denying aid to families with dependent children to any such child or relative if, and for as long as, the unemployed parent refuses without good cause to undergo any such retraining.

For purposes of the preceding sentence, a State plan may, at the option of the State, provide for the denial of all (or any part) of the aid under the plan to which any child or relative might otherwise be entitled for any month, if the unemployed parent of such child receives unemployment compensation under an unemployment compensation law of a State or of the United States for any week any part of which is included in such month.

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SECTION 135 OF THE PUBLIC WELFARE AMENDMENTS OF 1962

FEDERAL PAYMENTS FOR FOSTER CARE IN CHILD-CARE INSTITUTIONS

SEC. 135. (a) Clause (3) of paragraph (a) of section 408 of the Social Security Act is amended by inserting "or child-care institution" after "foster family home":

(b) Paragraph (b) of such section is amended by striking out "of this section in the foster family home of any individual" and inserting in lieu thereof the following: "of this section—

"(1) in the foster family home of any individual, whether the payment therefor is made to such individual or to a public or nonprofit private child-placement or child-care agency, or

"(2) in a child-care institution, whether the payment therefor is made to such institution or to a public or nonprofit private child-placement or child-care agency, but subject to limitations prescribed by the Secretary with a view to including as 'aid to families with dependent children' in the case of such foster care in such institutions only those item which are included in such term in the case of foster care in the foster family home of an individual".

(c) Clauses (1) and (2) of paragraph (f) of such section are each amended by inserting "or child-care institution" after "foster family home".

(d) The last sentence of such section is amended by inserting before the period at the end thereof the following: "; and the term 'child-care institution' means a nonprofit private child-care institution which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing".

(e) The amendments made by the preceding provisions of this section shall be effective only in the case of expenditures under a State plan approved under title IV of the Social Security Act made during the period beginning October 1, 1962, and ending with the close of [September 30, 1964] *June 30, 1967*.