

ADC BENEFITS TO CHILDREN OF UNEMPLOYED PARENTS

APRIL 14, 1961.—Ordered to be printed

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

REPORT

[To accompany H.R. 4884]

The Committee on Finance, to whom was referred the bill (H.R. 4884) to amend title IV of the Social Security Act to authorize Federal financial participation in aid to dependent children of unemployed parents, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

I. PURPOSE OF THE BILL

Your committee's bill, like the House bill, would permit States, for a temporary period, to assist children who are in need because of the unemployment of a parent, with the Federal Government participating to the same extent that it now participates in assistance to children who are in need because of the death, absence, or incapacity of a parent. At present needy families in which the need is occasioned by unemployment are not eligible for any type of assistance in which there is a Federal participation. Under this bill the same formula and the same conditions for Federal participation, with such additional conditions as are appropriate dealing with unemployment, would apply to States wishing to participate. All States, Puerto Rico, Virgin Islands, District of Columbia, and Guam have aid to dependent children programs under title IV of the Social Security Act. These programs afford a base capable of being expanded to include families in which the breadwinner is unemployed, if the States wish to expand them.

II. BRIEF ANALYSIS OF AMENDMENTS ADDED BY THE COMMITTEE

The Committee on Finance added the following amendments to the House-passed bill:

(1) With respect to the program authorizing payments to needy children of unemployed parents, the Senate bill—

(a) changes the effective date from April 1, 1961, as in the House bill, to May 1, 1961, so that the program will run for 14 months through June 1962;

(b) eliminates the provision of the House bill which required the State welfare agency to enter cooperative arrangements with the State vocational education agency relative to the retraining of unemployed parents; and

(c) gives to the States the option to exclude such aid to children of an unemployed parent who is receiving unemployment compensation.

(2) Extends the effective date of the so-called Flemming ruling, regarding denial by certain States, pursuant to State statute, of benefits to children in unsuitable homes, until 60 days after the close of the next regular session of the legislature. If this amendment is not adopted, Federal matching funds would be withheld after June 30, 1961, from States who have terminated assistance to children in a home determined to be unsuitable unless the State made other provision for the children affected.

(3) Provides Federal matching funds for the 14-month period from May 1, 1961 through June 30, 1962, for State expenditures for children under the aid to dependent children program, who, because of a court determination that continuation in the family's home would be contrary to the child's welfare, are placed in foster-family homes. Under present law, Federal matching is restricted to children living with parents or certain specified relatives.

(4) Increases from 80 to 100 percent the Federal share of the existing authority for grants for the training of public welfare personnel during the period of July 1, 1961, through June 30, 1963.

(5) Increases by \$3 the maximum amount with respect to which the Federal Government will participate financially in State programs carrying out the special medical care provision for recipients of old-age assistance. This amendment increases the special provision made in 1960 for this purpose from \$12 to \$15, and will be effective July 1, 1961.

(6) Changes the title of the "aid to dependent children" program to "aid to families with dependent children," to more adequately describe the program.

(7) Authorizes the use of moneys appropriated to the Department of Labor for its administration of the employment security program to pay costs involved in borrowing State employment security personnel to administer the recently enacted Temporary Extended Unemployment Compensation Act.

III. GENERAL STATEMENT

A. EXTENSION OF AID TO CHILDREN OF UNEMPLOYED PARENTS

1. Use of the additional Federal funds

The bill is intended to provide funds so as to enable States to aid needy unemployed persons and their children who are not now eligible for aid in which the Federal Government participates. This would be done within the framework and under the matching formula in the present Federal-State aid to dependent children program. It is intended that any additional Federal funds provided as a result of

the enactment of this bill are to be made available for assistance (or additional assistance) to needy families, in which the breadwinner is unemployed, where such families either are not now eligible for public assistance or are eligible for public assistance only in amounts insufficient to meet their needs. It is not intended that such funds be substituted for expenditures already being made from State or local funds. Under your committee's bill, grants to the States will be available from May 1, 1961, through June 30, 1962. Under the House bill, the beginning date was April 1, 1961.

2. Definition of unemployment and requirement relating to acceptance of offers of employment

The definition of the term "unemployment," for the purpose of qualification for assistance under the bill, is left to the States, just as the definition of "need" has always been.

Your committee's bill, as does the House-passed bill, requires that a State agency administering the expanded aid to dependent children program must enter into cooperative arrangements with the State agency administering the public employment offices looking toward the employment of the unemployed parents of the children receiving aid. The arrangements which the State public assistance agency will need to have with the employment service must include provisions for appropriate registration for work and periodic reregistration of the unemployed parent of a child and for otherwise making maximum utilization of the job placement services and other services and facilities of the employment office. The purpose of this provision is, so far as possible, to secure employment for the unemployed person in any jobs that may be available which there is not good cause for him to refuse, as determined by the State.

Your committee believes that an unemployed individual whose family is receiving aid under this program should accept any reasonable offer of employment. Accordingly, the bill would require that a State plan include provisions to assure that aid is not provided if, and for as long as, the unemployed parent refuses without good cause to accept employment in which he is able to engage. Considerable latitude would be left to the State in determining the period during which assistance would be denied. It is not intended to permanently disqualify the family during subsequent periods when no offer of employment is available. The State would determine whether the parent had good cause for refusing an offer of employment.

The State agency would have considerable latitude in determining what constitutes a bona fide offer of employment, but it is intended that aid be denied if an individual refuses a bona fide offer of employment which the State determines he should have accepted.

Your committee has eliminated the provision in the House-passed bill which required a State welfare agency to enter cooperative arrangements with the State vocational education agency relative to the retraining of unemployed parents.

3. Optional exclusion by State of children in families receiving unemployment compensation

Your committee's bill adds a provision to the House bill so that a State, at its option, may provide for the exclusion of aid to any child or relative for any month if the unemployed parent of such child

4 ADC BENEFITS TO CHILDREN OF UNEMPLOYED PARENTS

receives payments under an unemployment compensation law of such State, or of the United States, for any or all weeks any part of which are included in such month.

4. Provisions relating to Puerto Rico

The bill would provide, for the duration of the temporary program, an increase in the \$9 million overall ceiling on public assistance grants to Puerto Rico. Unlike the other jurisdictions with ceilings on their grants, the ceiling amount for Puerto Rico is at present being fully utilized, and without some increase, the legislation would be of no benefit to the Commonwealth. The increase amounts to \$75,000 for fiscal 1961 and to \$300,000 for the fiscal year 1962. This would permit payments to be made at the rate paid under the present aid to dependent children program to the same relative part of the population of Puerto Rico as the estimated number of recipients for the United States represents of the population of the Nation.

5. Numbers of persons for assistance and cost of the temporary program

Since both the numbers of persons eligible and the costs of the program depend on the actions of the individual States, estimates can only be based on assumptions. For this reason they may vary widely from actual experience for any individual State. The assumptions used in preparing the estimates were that unemployment during the 14-month period would average about the level of March 1958; that those States not now making provisions for employable persons would aid about the same proportion of their population under age 65 as those States which did make such provision in March 1958; and that because of differences in resources and other factors the average payment per recipient would be about three-fourths of that presently paid under each State's program of aid to dependent children.

On the basis of these assumptions, if all States participated for the full 14-month period, over a million persons (estimates for the States total 1,126,000 persons) including over 750,000 children and over 250,000 eligible adults would receive assistance. The maximum Federal cost of the program with all States participating would be approximately \$290 million. Actually, it is not expected that all States will choose to participate and to the extent that they do not the cost of the temporary program would be reduced. The Department of Health, Education, and Welfare has estimated that the cost will actually run around \$200 million for the 14-month period.

State-by-State estimates based on these assumptions are as follows:

ADC BENEFITS TO CHILDREN OF UNEMPLOYED PARENTS. 5

TABLE I.—Aid to dependent children: Adding children of unemployed parents: Increase in recipients and increase in Federal funds, May 1, 1961, to June 30, 1962

[Amounts in thousands]

State	Estimate group ¹	Additional recipients to be aided	Increase in Federal funds for 14 months ²
Total.....		1,126	\$289,885
Alabama.....	B.....	20	1,809
Alaska.....	A.....	(³)	68
Arizona.....	B.....	8	1,865
Arkansas.....	B.....	11	1,692
California.....	A.....	65	20,103
Colorado.....	A.....	8	2,507
Connecticut.....	A.....	11	3,461
Delaware.....	A.....	3	655
District of Columbia.....	B.....	5	1,622
Florida.....	B.....	28	4,202
Georgia.....	B.....	24	5,132
Guam.....		(³)	8
Hawaii.....	B.....	4	1,177
Idaho.....	A.....	4	1,237
Illinois.....	A.....	72	22,322
Indiana.....	A.....	58	14,313
Iowa.....	B.....	17	5,440
Kansas.....	A.....	4	1,316
Kentucky.....	B.....	19	4,135
Louisiana.....	B.....	20	4,188
Maine.....	A.....	9	2,250
Maryland.....	B.....	19	4,762
Massachusetts.....	A.....	14	4,271
Michigan.....	A.....	112	34,821
Minnesota.....	A.....	20	6,519
Mississippi.....	B.....	14	1,181
Missouri.....	B.....	26	5,404
Montana.....	A.....	6	1,800
Nebraska.....	B.....	9	2,325
Nevada.....	B.....	2	408
New Hampshire.....	A.....	4	1,278
New Jersey.....	A.....	29	9,054
New Mexico.....	A.....	(³)	104
New York.....	A.....	92	28,626
North Carolina.....	B.....	29	5,303
North Dakota.....	B.....	4	1,343
Ohio.....	A.....	104	26,886
Oklahoma.....	B.....	14	4,667
Oregon.....	A.....	8	2,455
Pennsylvania.....	A.....	38	9,897
Puerto Rico.....	B.....	15	375
Rhode Island.....	A.....	6	1,889
South Carolina.....	B.....	15	2,017
South Dakota.....	B.....	4	1,208
Tennessee.....	B.....	22	3,939
Texas.....	B.....	59	9,587
Utah.....	A.....	3	1,063
Vermont.....	A.....	4	978
Virgin Islands.....	B.....	(³)	21
Virginia.....	A.....	3	687
Washington.....	A.....	20	6,288
West Virginia.....	B.....	13	2,729
Wisconsin.....	A.....	26	8,218
Wyoming.....	A.....	2	450

¹ A—States with general assistance programs not limited to unemployable persons or emergency circumstances. Estimated number of families with children aided in March 1958, a high-recession month. B—States with general assistance programs limited to unemployable persons or families without an employable person or to emergency needs. Estimated at the same rate per 1,000 population under 65 as the States in group A.

² Difference between Federal expenditures for ADC caseload in October 1960 and Federal expenditures for recipients in October 1960 plus additional recipients to be added at 34 of the average monthly payment per recipient of ADC in October; includes an additional amount for State and local administration estimated at 8.4 percent of the additional Federal funds for assistance.

³ Fewer than 500 recipients.

Source: U.S. Department of Health, Education, and Welfare.

B. CHILDREN IN UNSUITABLE HOMES

The Department of Health, Education, and Welfare in January 1961 advised the State agencies administering title IV of the Social Security Act—aid to dependent children—that after June 30, 1961, grants to States would not be available if the State terminated assistance to children in a home determined to be unsuitable unless the State made other provision for the children affected. Section 4 of your committee's bill would provide that the requirement made by the Department of Health, Education, and Welfare would not become effective in States which took the type of action described, as the result of a State statute requiring such action, before the 61st day after the end of the regular session of such State's legislature, such regular session beginning following the enactment of this section. One or two of the States affected by the Department's ruling do not have regular sessions of their legislatures in 1961 and would accordingly be safeguarded against the withholding of funds until such time as their legislatures have had regular sessions and have had an opportunity to modify the State statutes involved.

C. FEDERAL PAYMENTS FOR FOSTER CARE OF DEPENDENT CHILDREN

At present under the aid to dependent children program the child must live in the home of a parent or a close relative. Section 2 of this bill would allow the States the option of bringing needy dependent children under the federally aided program where a court of competent jurisdiction finds that the children are not receiving proper care and protection in their own homes and gives responsibility to the State agency to place them in foster family homes.

Payments will be made on behalf of the needy children to the providers of foster care according to State standards as to the appropriate amount needed for such care. Of course, the usual Federal matching provision for the dependent children program, including the average maximum, will be applicable to children receiving foster care.

This provision will be in effect only for the period, May 1, 1961, through June 30, 1962, and would only be applicable to children removed from homes after April 30, 1961.

The objective of the aid to dependent children program is to provide cash assistance for needy children in their own homes. As is true of other children, there are some home environments that are clearly contrary to the best interests of these children. The situation is particularly pointed up by the fact, noted earlier in this report, that some States have placed in operation statutes terminating payment when a child's home is found unsuitable because of the immoral or negligent behavior of the parent. Often, however, remedial action on behalf of the child was not possible. We believe that this undesirable situation could be avoided, in many instances, if assistance under this program were available for the care of the child in a foster family home when such care is necessary.

Care for children away from their own homes in foster family homes is not available throughout the country and varies widely among the localities. While Federal funds available through the child welfare services to States under title V are used for foster care of children to a limited extent, the bulk of the cost of foster care is paid from public funds, State or local, or from funds of voluntary agencies. The lack

of financial resources for such care has hindered the development of the most suitable care for children who have to be cared for outside their own home.

The foster care provisions in your committee's bill have been designed, insofar as possible, to safeguard the rights of the child and his parents or relatives. No one takes lightly the severance, even for a brief period, of the ties between a child and parent, or somebody closely related to him. At the same time, an effort has been made to write into the law provisions which would stimulate and assist the States in the protection and care of children.

The new provision would apply only to children removed from their own homes, or the homes of close relatives, on or after May 1, 1961. It would accordingly not make eligible the children presently in foster family homes and would assure that such Federal participation would go to the extension of foster family care. The removal of the child from the home would have to be the result of a judicial determination, made by a court under the general laws of the State, that continuation in the home was contrary to the welfare of the child. The responsibility for placement and care would be that of the State agency administering title IV of the Social Security Act, but the services of the employees administering the child welfare program under title V must be used to the fullest extent practicable in placing such a child in a foster family home. To be eligible for foster family care the bill provides that the child must have been eligible in his own home, or the home of one of the specified relatives, and must have received aid in the month or for the month in which court proceedings resulting in the child's removal were initiated.

The foster family home in which a child might be placed under the responsibility of the State agency would have to be one licensed or approved by the State agency responsible for licensing or meeting the established standards.

The cost of this amendment is estimated by the Department of Health, Education, and Welfare to be between \$3 and \$4 million.

D. TRAINING GRANTS FOR PUBLIC WELFARE PERSONNEL

This section would authorize the use of such funds as Congress may appropriate for the purpose of grants to the States for the training of public welfare personnel. In 1956 Congress authorized special grants for this purpose in recognition of the very limited number of trained personnel engaged in and preparing to engage in the administration of public assistance programs. Under the 1956 authorization, which is scheduled to terminate on June 30, 1962, the Federal share of such payments would have been 80 percent and the State share 20 percent. Congress has not seen fit to authorize appropriations for grants on this basis.

The amendments to the section would extend the authority to June 30, 1963, and would not require the 20-percent State participation.

E. MEDICAL CARE FOR OLD-AGE ASSISTANCE RECIPIENTS

In the Social Security Amendments of 1960, the Congress authorized Federal participation of up to \$12 in medical care expenditures in behalf of recipients of old-age assistance over and above the general

formula for participation in old-age assistance payments. Increasing medical care costs and the experiences of the States have indicated that the \$12 amount is insufficient to meet the needs that exist. Your committee has accordingly changed the provision to increase the amount by \$3—from \$12 to \$15.

The estimated cost of the provision according to the Department of Health, Education, and Welfare, is about \$10 million.

Proportionate increases also have been made as to Federal participation in medical care expenditures in Puerto Rico, the Virgin Islands, and Guam. These increases and those provided for the temporary extension of the aid to dependent children program are reflected in section 7.

F. CHANGE IN NAME OF TITLE IV OF THE SOCIAL SECURITY ACT

Since the original enactment of the Social Security Act in 1935, title IV has been designated as "aid to dependent children." With the development of the program through the years, this title has become less and less descriptive of the actual character of the program. More and more family situations have been involved and, under the 1950 amendments of the Social Security Act, an adult relative caring for the children in each family has been an eligible recipient of aid. Your committee's bill would accordingly change the name of the program to "Grants to States for Aid to Families With Dependent Children."

G. AUTHORIZATION TO REIMBURSE STATES FOR BORROWING PERSONNEL FOR ADMINISTRATION OF TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION

At the request of the Secretary of Labor, your committee has added a new section to the House bill authorizing payments to be made out of the employment security administration account for the costs involved in borrowing State personnel to help administer the Federal employment security program. The urgency of this amendment arises from the needs of the temporary extended unemployment compensation program recently enacted into law. For this temporary program it would not be practicable to obtain the services of highly specialized technical personnel by using the regular recruitment process.

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):

TITLE I—GRANTS TO STATES FOR OLD-AGE ASSISTANCE AND MEDICAL ASSISTANCE FOR THE AGED

* * * * *

PAYMENT TO STATES

SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has a plan approved under

this title, for each quarter, beginning with the quarter commencing October 1, 1960—

(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$30 multiplied by the total number of recipients of old-age assistance for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received old-age assistance in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as old-age assistance in the form of medical or any other type of remedial care); plus

(B) the Federal percentage (as defined in section 1101(a)(8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$65 multiplied by the total number of such recipients of old-age assistance for such month; plus

(C) the larger of the following: (i) the Federal medical percentage (as defined in section 6(c)) of the amount by which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of ~~[\$77]~~ \$80¹ multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$65 multiplied by such total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of ~~[\$12]~~ \$15¹ multiplied by the total number of such recipients of old-age assistance for such month; and

(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to—

(A) one-half of the total of the sums expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$35 multiplied by the total number of recipients of old-age assistance for such month; plus

(B) the larger of the following amounts: (i) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting

¹Applies to expenditures made after June 30, 1961.

so much of any expenditure with respect to any month as exceeds (I) the product of ~~[\$41]~~ \$42.50¹ multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$35 multiplied by the total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of ~~[\$6]~~ \$7.50¹ multiplied by the total number of such recipients of old-age assistance for such month; and

(3) in the case of any State, an amount equal to the Federal medical percentage (as defined in section 6(c) of the total amounts expended during such quarter as medical assistance for the aged under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof); and

(4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Health, Education, and Welfare shall, prior to the beginning of each quarter, estimate the amount to be paid to the State, for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of aged individuals in the State, and (C) such other investigations as the Secretary may find necessary.

(2) The Secretary of Health, Education, and Welfare shall then certify to the Secretary of the Treasury, the amount so estimated by the Secretary of Health, Education, and Welfare, (A) reduced or increased, as the case may be, by any sum by which the Secretary of Health, Education, and Welfare finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State under subsection (a) for such quarter, and (B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Secretary of Health, Education, and Welfare,

¹ Applies to expenditures made after June 30, 1961.

of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to assistance furnished under the State plan; except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health, Education, and Welfare for such prior quarter: *Provided*, That any part of the amount recovered from the estate of a deceased recipient which is not in excess of the amount expended by the State or any political subdivision thereof for the funeral expenses of the deceased shall not be considered as a basis for reduction under clause (B) of this paragraph.

(3) The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health, Education, and Welfare, the amount so certified.

* * * * *

[TITLE IV—GRANTS TO STATES FOR AID TO DEPENDENT CHILDREN]

TITLE IV—GRANTS TO STATES FOR AID TO FAMILIES WITH DEPENDENT CHILDREN

APPROPRIATION

SECTION 401. For the purpose of encouraging the care of dependent children in their own homes or in the homes of relatives by enabling each State to furnish financial assistance and other services, as far as practicable under the conditions in such State, to needy dependent children and the parents or relatives with whom they are living to help maintain and strengthen family life and to help such parents or relatives to attain the maximum self-support and personal independence consistent with the maintenance of continuing parental care and protection, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for [aid to dependent children.] *aid to families with dependent children.*

[STATE PLANS FOR AID TO DEPENDENT CHILDREN]

STATE PLANS FOR AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 402. (a) A State plan for [aid to dependent children] *aid to families with dependent children* must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose

claim for [aid to dependent children] *aid under the plan* is denied or is not acted upon with reasonable promptness; (5) provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan; and (6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports; (7) provide that the State agency shall, in determining need take into consideration any other income and resources of any child claiming [aid to dependent children] *aid under the plan*; (8) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of [aid to dependent children] *aid to families with dependent children*; (9) provide, effective July 1, 1951, that all individuals wishing to make application for [aid to dependent children] *aid under the plan* shall have opportunity to do so, and that [aid to dependent children] *aid under the plan* shall be furnished with reasonable promptness to all eligible individuals; (10) effective July 1, 1952, provide for prompt notice to appropriate law-enforcement officials of the furnishing of [aid to dependent children] *aid under the plan* in respect of a child who has been deserted or abandoned by a parent; (11) provide, effective October 1, 1950, that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this Act; and (12) provide a description of the services (if any) which the State agency makes available to maintain and strengthen family life for children, including a description of the steps taken to assure, in the provision of such services, maximum utilization of other agencies providing similar or related services.

(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes as a condition of eligibility for [aid to dependent children] *aid to families with dependent children* a residence requirement which denies aid with respect to any child residing in the State (1) who has resided in the State for one year immediately preceding the application for such aid, or (2) who was born within one year immediately preceding the application if the parent or other relative with whom the child is living has resided in the State for one year immediately preceding the birth.

PAYMENT TO STATES

SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for [aid to dependent children] *aid to families with dependent children* for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as

[aid to dependent children] *aid to families with dependent children* under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

(A) fourteen-seventeenths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$17 multiplied by the total number of recipients of **[aid to dependent children]** *aid to families with dependent children* for such month (which total number, for purposes of this subsection, means (i) the number of individuals with respect to whom **[aid to dependent children]** *such aid* in the form of money payments is paid for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as **[aid to dependent children]** *aid to families with dependent children* in the form of medical or any other type of remedial care); plus

(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$30 multiplied by the total number of recipients of **[aid to dependent children]** *aid to families with dependent children* for such month;

and (2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as **[aid to dependent children]** *aid to families with dependent children* under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$18 multiplied by the total number of recipients of **[aid to dependent children]** *such aid* for such month; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to relatives with whom such children (applying for or receiving such aid) are living, in order to help such relatives attain self-support or self-care, or which are provided to maintain and strengthen family life for such children.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Health, Education, and Welfare shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of dependent children in the State, and (C) such other investigation as the Secretary may find necessary.

(2) The Secretary of Health, Education, and Welfare shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health, Education, and Welfare, (A) reduced or increased, as the case may be, by any sum by which the Secretary of Health, Education, and Welfare finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, and (B) reduced by a sum equivalent to the pro rata share to which the United States is equitably entitled, as determined by the Secretary of Health, Education, and Welfare, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to [aid to dependent children] *aid to families with dependent children* furnished under the State plan; except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health, Education, and Welfare for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health, Education, and Welfare, the amount so certified.

OPERATION OF STATE PLANS

SEC. 404. (a) In the case of any State plan for [aid to dependent children] *aid to families with dependent children* which has been approved by the Secretary of Health, Education, and Welfare, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

(1) that the plan has been so changed as to impose any residence requirement prohibited by section 402(b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 402(a) to be included in the plan;

the Secretary shall notify such State agency that further payments will not be made to the State until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

(b) Any action taken, before the sixty-first day following the day on which ends the first regular session of a State's legislature which begins after enactment of this subsection, pursuant to a State statute which requires that aid be denied under the State plan approved under this title with respect to a child because of the conditions in the home in which the child resides shall not be a basis for withholding payments to such State under this title.

DEFINITIONS

SEC. 406. When used in this title—

(a) The term "dependent child" means a needy child 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;

(b) The term ["aid to dependent children"] "*aid to families with dependent children*" means money payments with respect to, or medical care in behalf of or any type of remedial care recognized under State law in behalf of, a dependent child or dependent children, and includes money payments or medical care or any type of remedial care recognized under State law for any month to meet the needs of the relative with whom any dependent child is living if money payments have been made under the State plan with respect to such child for such month;

(c) The term "relative with whom any dependent child is living" means the individual who is one of the relatives specified in subsection (a) and with whom such child is living (within the meaning of such subsection) in a place of residence maintained by such individual (himself or together with any one or more of the other relatives so specified) as his (or their) own home.

DEPENDENT CHILDREN OF UNEMPLOYED PARENTS

SEC. 407. *Effective for the period beginning May 1, 1961, and ending with the close of June 30, 1962, the term "dependent child" shall, notwithstanding section 406(a), include a needy child under the age of eighteen 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) 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 under the plan 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 agency after notification by such employer to be a bona fide offer of such employment.*

For purposes of the preceding sentence, a State plan may, at the option of the State, provide for exclusion of aid under the plan with respect to any child or relative for any month if the unemployed parent of such child receives unemployment compensation under an unemployment compensation law of such State or of the United States for any or all weeks any part of which are included in such month.

FEDERAL PAYMENTS FOR FOSTER HOME CARE OF DEPENDENT CHILDREN

SEC. 408. *Effective for the period beginning May 1, 1961, and ending with the close of June 30, 1962—*

(a) *the term "dependent child" shall, notwithstanding section 406(a), also include a child (1) who would meet the requirements of such section 406(a) or of section 407 except for his removal after April 30, 1961, from the home of a relative (specified in such section 406(a)), as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child, (2) for whose placement and care the State or local agency administering the State plan approved under section 402 is responsible, (3) who has been placed in a foster family home as a result of such determination, and (4) who received aid under such State plan in or for the month in which court proceedings leading to such determination were initiated;*

(b) *the term "aid to families with dependent children" shall, notwithstanding section 406(a), include also foster care in behalf of a child described in paragraph (a) of this section, in the foster family home of any individual;*

(c) *the number of individuals counted under clause (A) of section 403(a)(1) for any month shall include individuals (not otherwise included under such clause) with respect to whom expenditures were made in such month as aid to families with dependent children in the form of foster care;*

(d) *services described in paragraph (f)(2) of this section shall be considered as part of the administration of the State plan for purposes of section 403(a)(3);*

but only with respect to a State whose State plan approved under section 402—

(e) *includes aid for any child described in paragraph (a) of this section, and*

(f) *includes provision for (1) development of a plan for each such child (including periodic review of the necessity for the child's being in a foster family home) to assure that he receives proper care and that services are provided which are designed to improve the conditions in the home from which he was removed or to otherwise make possible his being placed in the home of a relative specified in section 406(a), and (2) use by the State agency, to the maximum extent practicable, in placing such a child in a foster family home, of the services of employees, of the State public-welfare agency referred to in section 522(a) (relating to allotments to States for child welfare services under part 3 of title V) or of any local agency participating in the administration of the plan referred to in such section, who perform functions in the administration of such plan.*

For purposes of this section, the term "foster family home" means a foster family home for children which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing homes of this type, as meeting the standards established for such licensing.

TITLE VII—ADMINISTRATION

* * * * *

TRAINING GRANTS FOR PUBLIC WELFARE PERSONNEL

SEC. 705. (a) In order to assist in increasing the effectiveness and efficiency of administration of public assistance programs by increasing the number of adequately trained public welfare personnel available for work in public assistance programs, there are hereby authorized to be appropriated for the fiscal year ending June 30, 1958, the sum of \$5,000,000, and for each of the **[four succeeding fiscal years]** *five succeeding fiscal years* such sums as the Congress may determine.

(b) From the sums appropriated pursuant to subsection (a), the Secretary shall make allotments to the States on the basis of (1) population, (2) relative need for trained public welfare personnel, particularly for personnel to provide self-support and self-care services, and (3) financial need.

(c) From each State's allotment under subsection (b), the Secretary shall from time to time pay to such State **[80 per centum of the total of its expenditures in carrying out the purposes of this section]** *its costs of carrying out the purposes of this section*² through (1) grants to public or other nonprofit institutions of higher learning for training personnel employed or preparing for employment in public assistance programs, (2) special courses of study or seminars of short duration conducted for such personnel by experts hired on a temporary basis for the purpose, and (3) establishing and maintaining, directly or through grants to such institutions, fellowships or traineeships for such personnel at such institutions, with such stipends and allowances as may be permitted under regulations of the Secretary.

(d) Payments pursuant to subsection (c) shall be made in advance on the basis of estimates by the Secretary and adjustments may be made in future payments under this section to take account of overpayments or underpayments in amounts previously paid.

(e) The amount of any allotment to a State under subsection (b) for any fiscal year which the State certifies to the Secretary will not be required for carrying out the purposes of this section in such State shall be available for reallocation from time to time, on such dates as the Secretary may fix, to other States which the Secretary determines have need in carrying out such purposes for sums in excess of those previously allotted to them under this section and will be able to use such excess amounts during such fiscal year; such reallocations to be made on the basis provided in subsection (b) for the initial allotments to the States. Any amount so reallocated to a State shall be deemed part of its allotment under such subsection.

²Effective for fiscal years beginning after June 30, 1961.

TITLE IX—MISCELLANEOUS PROVISIONS RELATING TO
EMPLOYMENT SECURITY

EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT

Establishment of Account

SEC. 901. (a) There is hereby established in the Unemployment Trust Fund an employment security administration account.

Appropriations to Account

(b)(1) There is hereby appropriated to the Unemployment Trust Fund for credit to the employment security administration account, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1961, and for each fiscal year thereafter, an amount equal to 100 per centum of the tax (including interest, penalties, and additions to the tax) received during the fiscal year under the Federal Unemployment Tax Act and covered into the Treasury.

(2) The amount appropriated by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Unemployment Trust Fund and credited to the employment security administration account. Each such transfer shall be based on estimates made by the Secretary of the Treasury of the amounts received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred, to the extent prior estimates (including estimates for the fiscal year ending June 30, 1960) were in excess of or were less than the amounts required to be transferred.

(3) The Secretary of the Treasury is directed to pay from time to time from the employment security administration account into the Treasury, as repayments to the account for refunding internal revenue collections, amounts equal to all refunds made after June 30, 1960, of amounts received as tax under the Federal Unemployment Tax Act (including interest on such refunds).

Administrative Expenditures

(c)(1) There are hereby authorized to be made available for expenditure out of the employment security administration account for the fiscal year ending June 30, 1961, and for each fiscal year thereafter—

(A) such amounts (not in excess of \$350,000,000 for any fiscal year) as the Congress may deem appropriate for the purpose of—

(i) assisting the States in the administration of their unemployment compensation laws as provided in title III (including administration pursuant to agreements under any Federal unemployment compensation law, except the Temporary Unemployment Compensation Act of 1958, as amended),

(ii) the establishment and maintenance of systems of public employment offices in accordance with the Act of June 6, 1933, as amended (29 U.S.C., secs. 49-49n), and

(iii) carrying into effect section 2012 of title 38 of the United States Code;

(B) such amounts as the Congress may deem appropriate for the necessary expenses of the Department of Labor for the performance of its functions under—

- (i) this title and titles III and XII of this Act,
- (ii) The Federal Unemployment Tax Act,
- (iii) the provisions of the Act of June 6, 1933, as amended,
- (iv) subchapter II of chapter 41 (except section 2012) of title 38 of the United States Code, and
- (v) any Federal unemployment compensation law, except the Temporary Unemployment Compensation Act of 1958, as amended.

“Necessary expenses” as used in this subparagraph (B) shall include the expense of reimbursing a State for salaries and other expenses of employees of such State temporarily assigned or detailed to duty with the Department of Labor and of paying such employees for travel expenses transportation of household goods, and per diem in lieu of subsistence while away from their regular duty stations in the State, at rates authorized by law for civilian employees of the Federal Government.

(2) The Secretary of the Treasury is directed to pay from the employment security administration account into the Treasury as miscellaneous receipts the amount estimated by him which will be expended during a three-month period by the Treasury Department for the performance of its functions under—

(A) this title and titles III and XII of this Act, including the expenses of banks for servicing unemployment benefit payment and clearing accounts which are offset by the maintenance of balances of Treasury funds with such banks,

(B) the Federal Unemployment Tax Act, and

(C) any Federal unemployment compensation law with respect to which responsibility for administration is vested in the Secretary of Labor.

In determining the expenses taken into account under subparagraphs (B) and (C), there shall be excluded any amount attributable to the Temporary Unemployment Compensation Act of 1958, as amended. If it subsequently appears that the estimates under this paragraph in any particular period were too high or too low, appropriate adjustments shall be made by the Secretary of the Treasury in future payments.

Additional Tax Attributable to Reduced Credits

(d)(1) The Secretary of the Treasury is directed to transfer from the employment security administration account—

(A) To the Federal unemployment account, an amount equal to the amount by which—

(i) 100 per centum of the additional tax received under the Federal Unemployment Tax Act with respect to any State by reason of the reduced credits provisions of section 3302(c)

(2) or (3) of such Act and covered into the Treasury for the repayment of advances made to the State under section 1201, exceeds

(ii) the amount transferred to the account of such State pursuant to subparagraph (B) of this paragraph.

Any amount transferred pursuant to this subparagraph shall be credited against, and shall operate to reduce, that balance of advances, made under section 1201 to the State, with respect to which employers paid such additional tax.

(B) To the account (in the Unemployment Trust Fund) of the State with respect to which employers paid such additional tax, and amount equal to the amount by which such additional tax received and covered into the Treasury exceeds that balance of advances, made under section 1201 to the State, with respect to which employers paid such additional tax.

If, for any taxable year, there is with respect to any State both a balance described in section 3302(c)(2) of the Federal Unemployment Tax Act, and a balance described in section 3302(c)(3) of such Act, this paragraph shall be applied separately with respect to section 3302(c)(2) (and the balance described therein) and separately with respect to section 3302(c)(3) (and the balance described therein).

(2) The Secretary of the Treasury is directed to transfer from the employment security administration account—

(A) To the general fund of the Treasury, an amount equal to the amount by which—

(i) 100 per centum of the additional tax received under the Federal Unemployment Tax Act with respect to any State by reason of the reduced credit provision of section 104 of the Temporary Unemployment Compensation Act of 1958, as amended, and covered into the Treasury, exceeds

(ii) in the amount transferred to the account of such State pursuant to subparagraph (B) of this paragraph.

(B) To the account (in the Unemployment Trust Fund) of the State with respect to which employers paid such additional tax, an amount equal to the amount by which—

(i) such additional tax received and covered into the Treasury, exceeds

(ii) the total amount restorable to the Treasury under section 104 of the Temporary Unemployment Compensation Act of 1958, as amended, as limited by Public Law 85-457.

(3) Transfers under this subsection shall be as of the beginning of the month succeeding the month in which the moneys were credited to the employment security administration account pursuant to subsection (b)(2).

Revolving Fund

(e)(1) There is hereby established in the Treasury a revolving fund which shall be available to make the advances authorized by this subsection. There are hereby authorized to be appropriated, without fiscal year limitation, to such revolving fund such amounts as may be necessary for the purposes of this section.

(2) The Secretary of the Treasury is directed to advance from time to time from the revolving fund to the employment security administration account such amounts as may be necessary for the purposes of this section. If the net balance in the employment security administration account as of the beginning of any fiscal year is \$250,000,000, no advance may be made under this subsection during such fiscal year.

(3) Advances to the employment security administration account made under this subsection shall bear interest until repaid at a rate equal to the average rate of interest (computed as of the end of the calendar month next preceding the date of such advance) borne by all interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest shall be the multiple of one-eighth of 1 per centum next lower than such average rate.

(4) Advances to the employment security administration account made under this subsection, plus interest accrued thereon, shall be repaid by the transfer from time to time, from the employment security administration account to the revolving fund, of such amounts as the Secretary of the Treasury, in consultation with the Secretary of Labor, determines to be available in the employment security administration account for such repayment. Any amount transferred as a repayment under this paragraph shall be credited against, and shall operate to reduce, any balance of advances (plus accrued interest) repayable under this subsection.

Determination of Excess and Amount To Be Retained in Employment Security Administration Account

(f)(1) The Secretary of the Treasury shall determine as of the close of each fiscal year (beginning with the fiscal year ending June 30, 1961) the excess in the employment security administration account.

(2) The excess in the employment security administration account as of the close of any fiscal year is the amount by which the net balance in such account as of such time (after the application of section 902(b)) exceeds the net balance in the employment security administration account as of the beginning of that fiscal year (including the fiscal year for which the excess is being computed) for which the net balance was higher than as of the beginning of any other such fiscal year.

(3) If the entire amount of the excess determined under paragraph (1) as of the close of any fiscal year is not transferred to the Federal unemployment account, there shall be retained (as of the beginning of the succeeding fiscal year) in the employment security administration account so much of the remainder as does not increase the net balance in such account (as of the beginning of such succeeding fiscal year) about \$250,000,000.

(4) For the purposes of this section, the net balance in the employment security administration account as of any time is the amount in such account as of such time reduced by the sum of—

(A) the amounts then subject to transfer pursuant to subsection (d), and

(B) the balance of advances (plus interest accrued thereon) then repayable to the revolving fund established by subsection (e).
 The net balance in the employment security administration account as of the beginning of any fiscal year shall be determined after the disposition of the excess in such account as of the close of the preceding fiscal year.

* * * * *

TITLE X—GRANTS TO STATES FOR AID TO THE BLIND

* * * * *

STATE PLANS FOR AID TO THE BLIND

SEC. 1002. (a) A State plan for aid to the blind must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid to the blind is denied or is not acted upon with reasonable promptness; (5) provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports; and (7) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this Act or [aid to dependent children] *aid to families with dependent children* under the State plan approved under section 402 of this Act; (8) provide that the State agency shall, in determining need, take into consideration any other income and resources of the individual claiming aid to the blind; except that, in making such determination, the State agency shall disregard either (i) the first \$50 per month of earned income, or (ii) the first \$85 per month of earned income plus one-half of earned income in excess of \$85 per month; (9) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of aid to the blind; (10) provide that, in determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select; (11) effective July 1, 1951, provide that all individuals wishing to make application for aid to the blind shall have opportunity to do so, and that aid to the blind shall be furnished with reasonable promptness to all eligible individuals; (12) effective July 1, 1953, provide, if the plan includes payments to individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions; and (13) provide a description of the services (if any) which the State agency makes available to applicants for and recipients of aid to the blind to help them attain self-support or self-care, including a description of the steps taken to assure, in the provision of such services, maximum utilization of other agencies providing similar or related services.

(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for aid to the blind under the plan—

(1) Any residence requirement which excludes any resident of the State who has resided therein five years during the nine years immediately preceding the application for aid and has resided therein continuously for one year immediately preceding the application; or

(2) Any citizenship requirement which excludes any citizen of the United States.

* * * * *

TITLE XI—GENERAL PROVISIONS

* * * * *

LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

SEC. 1108. The total amount certified by the Secretary of Health, Education, and Welfare under title I (other than section 3(a)(3) thereof), IV, X, and XIV, for payment to Puerto Rico with respect to any fiscal year shall not exceed ~~[\$9,000,000]~~ ^{\$9,075,000} ~~[\$9,075,000]~~ ^{\$9,425,000} ~~[\$9,425,000]~~ ^{\$9,125,000} ³, of which ~~[\$500,000]~~ ^{\$625,000} ⁴ may be used only for payments certified with respect to section 3(a)(2)(B); the total amount certified by the Secretary under such titles for payment to the Virgin Islands with respect to any fiscal year shall not exceed ~~[\$315,000]~~ ^{\$318,750} ⁵ of which ~~[\$15,000]~~ ^{\$18,750} ⁶ may be used only for payments certified in respect to section 3(a)(2)(B); and the total amount certified by the Secretary under such titles for payment to Guam with respect to any fiscal year shall not exceed ~~[\$420,000]~~ ^{\$425,000} ⁶, of which ~~[\$20,000]~~ ^{\$25,000} ⁶ may be used only for payments certified in respect to section 3(a)(2)(B). Notwithstanding the provisions of sections 502(a)(2), 512(a)(2), and 522(a), and until such time as Congress may by appropriation or other law otherwise provide, the Secretary shall in lieu of the \$60,000, \$60,000, and \$60,000, respectively, specified in such sections, allot such smaller amounts to Guam as he may deem appropriate.

* * * * *

TITLE XIV—GRANTS TO STATES FOR AID TO THE PERMANENTLY AND TOTALLY DISABLED

* * * * *

STATE PLANS FOR AID TO THE PERMANENTLY AND TOTALLY DISABLED

SEC. 1402. (a) A State plan for aid to the permanently and totally disabled must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single

³ Effective only for the fiscal year ending June 30, 1961.
⁴ Effective only for the fiscal year ending June 30, 1962.
⁵ Effective for fiscal years ending after June 30, 1962.
⁶ Effective for fiscal years ending after June 30, 1961.

State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting an opportunity for a fair hearing before the State agency to any individual whose claim for aid to the permanently and totally disabled is denied or is not acted upon with reasonable promptness; (5) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports; (7) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 2 of this Act, [aid to dependent children] *aid to families with dependent children* under the State plan approved under section 402 of this Act, or aid to the blind under the State plan approved under section 1002 of this Act; (8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the permanently and totally disabled;² (9) provide safeguards which restrict the use or disclosure of information concerning applicants and recipients to purposes directly connected with the administration of aid to the permanently and totally disabled;³ (10) provide that all individuals wishing to make application for aid to the permanently and totally disabled shall have opportunity to do so, and that aid to the permanently and totally disabled shall be furnished with reasonable promptness to all eligible individuals; (11) effective July 1, 1953, provide, if the plan includes payments to individuals in private or public institutions, for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards for such institutions; and (12) provide a description of the services (if any) which the State agency makes available to applicants for and recipients of aid to the permanently and totally disabled to help them attain self-support or self-care, including a description of the steps taken to assure, in the provision of such services, maximum utilization of other agencies providing similar or related services.

(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility for aid to the permanently and totally disabled under the plan—

(1) Any residence requirement which excludes any resident of the State who has resided therein five years during the nine years immediately preceding the application for aid to the permanently and totally disabled and has resided therein continuously for one year immediately preceding the application;

(2) Any citizenship requirement which excludes any citizen of the United States.