



Legislative Bulletin.....September 16, 2008

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Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: Several

Total Cost of Discretionary Authorizations: Unknown

Effect on Revenue: Increased by \$1.2 billion

Total Change in Mandatory Spending: Reduced by \$399 million over five years and \$82 million over ten years

Total New State & Local Government Mandates: 0

Total New Private Sector Mandates: 0

Number of Bills Without Committee Reports: 2

Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority: 0

**H.R. 2608—SSI Extension for Elderly and Disabled Refugees Act
(McDermott, D-WA)**

Order of Business: H.R. 2608 is scheduled to be considered under a suspension of the rules on Tuesday, September 16, 2008.

Summary: H.R. 2608 increases from seven years to nine years the eligibility period of refugees and asylees to receive Supplemental Security Income (SSI) benefits. Refugees and asylees who have already had their eligibility for SSI benefits lapse would also be eligible to receive benefits for another two years. In addition, those who are in the process of applying for U.S. citizenship could also continue to receive SSI benefits even after the nine years have

lapsed. The two year extension is effective for a three year period covering fiscal years 2009 to 2011.

H.R. 2608 also requires the Secretary of the Treasury to reduce an individual's federal tax refund by the amount of debt an individual owes to a state's unemployment compensation system for payments fraudulently received. The bill directs that the money saved be used to compensate the state's unemployment compensation fund. This provision is included in the bill in order to offset the cost of the extension in SSI benefits.

In addition, the Senate amendment to H.R. 2608 would require refugees and asylees receiving SSI benefits to declare under penalty of perjury that they are making a "good faith" effort to pursue U.S. citizenship. This version of the bill would also require the Commissioner of Social Security and the Secretary of Homeland Security to develop criteria for consideration of the declaration. This language was added in an attempt to ensure that refugees and asylees taking advantage of the program are diligently working toward citizenship.

Additional Background: SSI is a federal program funded by general tax revenues (not Social Security taxes) designed to supplement the income of elderly and disabled people who have little or no income. Refugees and asylees, who have not yet become citizens, are eligible to receive SSI benefits for seven years. Beyond that period, in order to continue to receive benefits, a recipient must become a U.S. citizen.

One major policy change contained in the 1996 Welfare Reform law was to set limits on benefits for immigrants who are not citizens. In the case of refugees and asylees, the 1996 welfare reform bill set a five-year limit on SSI benefits. This was changed to the current seven-year limit in 1997.

According to Ways and Means Committee Republicans, "a primary barrier to citizenship within the current seven-year period of SSI eligibility for refugees is lengthy delays in processing of citizenship applications in some areas. Other barriers to citizenship, especially for elderly refugees, include a lengthy application, an in-person interview, a test of English proficiency and civic knowledge, and an application fee."

The Ways and Means Committee also cites data from the Social Security Administration (SSA) which states that 7,000 immigrants have had SSI benefits suspended, 4,500 will have benefits suspended this year, and 12,000 will lose SSI benefits over the next three years. H.R. 2608 originally passed in the House by voice vote on July 11, 2007, without language requiring alien SSI recipients to make a declaration that they are actively pursuing citizenship.

Some Members have expressed their opposition to extending the SSI benefit and increasing direct spending on services for non-U.S. citizens. Immigration Reform Caucus Chairman, Rep. Brian Bilbray is strongly urging a "no" vote on H.R. 2608, stating:

While I understand that certain legal noncitizen refugees, asylees, victims of trafficking, and Cuban/Haitian entrants need assistance when arriving in the United States (under current law they are eligible for 7 years of SSI benefits), I do not support extending SSI benefits for an additional 2 years at

a time when the budget and government spending is out of control. Now is not the time to extend SSI benefits when many citizens are struggling and feeling the pain in their pocketbooks

The Ways and Means Income Security and Family Support Subcommittee had a hearing on the topic of SSI assistance for refugees on March 22, 2007, but this legislation was never marked up. The bill passed the House on July 11, 2007 by voice vote. On August 1, 2008 the Senate passed the bill as amended by unanimous consent.

H.R. 2608 extends the eligibility of certain legal noncitizen refugees, asylees, victims of trafficking, and Cuban/Haitian entrants to receive Supplemental Security Income (SSI) benefits for an additional two years (for a total of nine years after entry). The benefit extensions would be available in fiscal years 2009 through 2011 only.

The bill defines a qualified alien or victim of trafficking as a person who has been a lawful permanent resident for less than six years; has filed an application to become a lawful permanent resident within four years of receipt of SSI benefits; has been granted the status of Cuban and Haitian entrant; has had their deportation withheld by the Secretary of Homeland Security; has not attained age 18; or has attained age 70.

Supplemental Security Income (SSI) is a welfare program designed to assist low-income individuals who are disabled, blind, or 65 or older. The benefits were provided to more than 7 million people in 2006, with an average benefit of approximately \$450 per person per month.

Congress barred most non-U.S. citizens from receiving SSI benefits as a part of the welfare reforms passed in 1996. An exemption was created for legal refugees, asylees, and related categories; this exemption currently allows the payment of SSI benefits to these legal refugees and related categories during their first seven years in the U.S. This exemption was designed to provide sufficient time for those who seek to become citizens to navigate the naturalization process to completion.

This bill would extend SSI benefit eligibility for up to an additional two years (for a total of nine years) for all refugees and asylees, and for up to a total of ten years for those whose citizenship applications remain pending after the end of their ninth year in the U.S.

For more background on SSI benefits, visit this website:

<http://www.socialsecurity.gov/ssi/index.htm>.

Committee Action: H.R. 2608 was referred to the House Committee on Ways and Means on June 7, 2007, which took no further action. On July 11, 2007, the bill passed the House by voice vote. On July 16, 2007, the bill was received in the Senate and referred to the Committee on Finance, which discharged the bill by unanimous consent on August 1, 2008. The same day the bill passed the Senate by unanimous consent, with an amendment.

Cost to Taxpayers: According to preliminary estimates by CBO and JCT, H.R. 2608 would reduce spending by \$83 million over five years and \$384 million over ten years. Revenues would be reduced by \$62 million over five years and \$326 million over ten years.

Does the Bill Expand the Size and Scope of the Federal Government? No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates? No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits? A Committee Report for H.R. 6893 was not available.

Constitutional Authority: A Committee Report for H.R. 6893 was not available.

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H.R. 6893—Fostering Connections to Success Act (McDermott, D-WA)

Order of Business: The bill is scheduled to be considered on Tuesday, September 16, 2008, under a motion to suspend the rules and pass the bill.

Summary: H.R. 6893 would amend certain federal programs that offer grants and funding to state, local, and tribal governments, as well as non-profit organizations, that provide foster care and adoptive assistance. Most notably, the bill would provide foster care assistance payments to relatives that assume permanent assistance of foster children. The bill would also allow states to make federal foster payments to children until they are 21 years old, provide direct federal assistance payments to tribal governments, and expand eligibility for certain assistance funds. In addition, the bill includes two revenue-raising offset provisions which narrow the definition of a “child” in regards to tax credits and the give the Treasury authority to invest operating cash. The highlights of the bill follow below.

Kinship Guardian Assistance Payments: The bill would authorize states to use federal foster care funds to provide financial assistance payments to relatives of children in foster care that agree to become permanent guardians. The agreement between the state and relatives that provide permanent care would specify the amount of the “kinship guardian assistance payment” and the manner in which the payment would be made. The bill would require the state to pay any non-recurring fees associated with obtaining legal guardianship of the child, not exceeding \$2,000. In general, the kinship guardian assistance payment would be equal to the amount of foster care maintenance payments for which the child had been eligible in foster care.

Family Connection Grants: H.R. 6893 would authorize the Secretary of the Department of Health and Human Services (HHS) to provide matching grants to state, local, or tribal governments and non-profit organizations that have experience working with foster children or children in kinship care relationships. These grants would be used to assist children who are in foster care, or in danger of going into foster care, to reconnect with their families and be placed in a permanent living situation with their families.

Grants made under this section would be available for at least one year, but HHS would not be authorized to make more than 30 new grants each year. The earlier legislation would have limited the number of new grants made each year to 20. Multiple-year federal grants would be authorized to cover 75% of the total cost of the program for the first two years and 50% in each following year. The bill would authorize \$15 million annually for the program from FY

2009—FY 2013. The House-passed version of this legislation (H.R. 6307) would have authorized \$50 million annually over the same period.

Notification to Relatives of Foster Care Placement: The bill would require a state that receives federal funding for foster care and adoption assistance to attempt to notify other relatives within 30 days of a child being removed from the custody of their parents and placed in foster care.

State Option for Children in Foster Care After Attaining the age of 18: H.R. 6893 would allow states to continue to provide foster care assistance to children up to the age of 21 in certain situations. The bill would allow a state to set the age limit for receiving foster care assistance (which is currently 18) to 19, 20, or 21 years old. Any individual over 18 would be required to be enrolled in secondary education, work at least 80 hours each month, or attend a job-training program to receive the funds.

Short Term Training for Child Welfare Agencies and Prospective Relative Guardians: The legislation would increase the eligibility for foster care training assistance to non-profit child welfare organizations and prospective relative guardians of children in foster care.

Equitable Access for Foster Care and Adoptive Service for Children in Tribal Areas: H.R. 6893 would allow tribal governments and organizations to receive direct foster and adoptive care funding assistance from the federal government. Under current law, funding assistance is transmitted to tribal governments via the states.

Educational Stability: The bill would require a foster child's case plan to ensure educational stability during the time that the child is in foster, relative, or adoptive care and receiving federal assistance. The plan would have to ensure that a child receiving assistance is attending full-time school through a minimum age required by the state.

Adoptive Incentive Program: H.R. 6893 reauthorizes the Adoption Incentives Program, which provides payments of up to \$4,000 per child annually to guardians who adopt. The program offers higher financial incentives to people who adopt special needs children from foster care or children over the age of nine. The bill reauthorizes the program, which will expire on September 31, 2008, through FY 2013. The program would be authorized at \$43 million annually from FY 2009—FY 2013. In addition, H.R. 6893 would increase the amount of the maximum payment for parents that adopt a child over nine years old from \$4,000 to \$8,000.

Adoption Tax Credit: The legislation requires a state to notify anyone adopting a child in foster care of the adoption tax credit that exists under current law. The tax credit for adopting a child in foster care was \$11,650 per child in 2008.

Offsets: In order to supplement the costs of the bill, H.R. 6893 provides for two offsets to raise revenues and reduce refunds:

- **Clarification of the Uniform Definition of Child:** H.R. 6893 would reduce tax credit refunds and raise tax revenues by tightening restrictions on parents that claim adult children as dependents in order to qualify for child-related tax benefits. The bill would clarify the definition of a “child” to limit the ability of individuals to claim adults as dependent children in order to receive tax credits. The bill would specify that a child must be younger than the person claiming the tax credit and unmarried to be claimed as a dependent. In addition, the bill would stipulate that a child may be claimed as a dependent of a non-parent only if the child’s parents do not claim the child as a dependent and the claimant’s adjusted gross income is higher than that of the child’s parents. CBO estimates that this provision will raise \$1.4 billion over ten years.

- **Investment of Operating Cash:** H.R. 6893 would allow the Secretary of Treasury to invest any part of the operating cash of the Treasury for up to 90 days. The bill would allow the Secretary to invest in obligations of depositories that maintain Treasury tax and loan accounts, obligations of the U.S. government, and repurchase agreements with parties acceptable to the Secretary. The bill would require the Secretary to consider potential risks and the prevailing market when investing. CBO estimates that this provision will raise \$100 million over ten years.

No Federal Funds to Unlawfully Present Individuals: The legislation states that “Nothing in this Act shall be construed to alter prohibitions on Federal payments to individuals who are unlawfully present in the United States.”

Previous Consideration: On June 24, 2008, the House passed H.R. 6307, the Fostering Connections to Success Act, by voice vote. The legislation reauthorized federal assistance programs that encourage and support foster care and adoption, and make payments to foster and adoptive families. H.R. 6307 provided foster care assistance payments to relatives that assume permanent guardianship of foster children, allowed states to make federal foster payments to children until they are 21 years old, provided direct federal assistance payments to tribal governments, and expand eligibility for certain assistance funds. The bill also included provisions to raise revenues in order to pay for foster and adoptive support programs.

H.R. 6307 was not acted upon by the Senate, and H.R. 6893, the bill under consideration today, has been offered as a compromise package that the Senate will likely consider rather than going to conference on H.R. 6307. Though both bills authorize very similar programs, there are some noteworthy distinctions between the bills.

H.R. 6893 drastically reduces the total amount of money authorized to fund Family Connection Grants from the level authorized in the original legislation. H.R. 6893 would authorize \$15 million annually over five years to fund the Family Connection Grants program, while the House-passed bill authorized \$50 million annually over the same period.

In addition, H.R. 6893 includes an alternate revenue raising provision. The original House-passed legislation would have authorized the Internal Revenue Service (IRS) to reduce federal

tax refunds to certain individuals in order to collect unemployment compensation debts that are owed to a state because of fraud. The state would have had to notify the IRS that an overpayment of unemployment compensation has occurred and the IRS would then reduce the tax refund of an individual that has received a fraudulent overpayment by the same amount. The deducted amount would be paid to the state. The legislation under consideration today omits this revenue raising proposal and substitutes it with a provision tightening the restrictions on taxpayers that claim adult children as dependents in order to qualify for child-related tax benefits.

Additional Background: The Department of Health and Human Services (HHS) operates the Administration for Children and Families, which provides federal grant and assistance funding to states for the operation of their foster and adoptive care systems. Funding for the program, which is considered mandatory entitlement spending, totaled \$6.9 billion in FY 2008. The Bush Administration has requested the same total for FY 2009. Of those funds, \$4.5 billion would be spent on foster care assistance, while \$2.3 billion would be spent on adoption assistance.

Payments for foster care assistance are made to the states to supplement the cost of training for staff and foster parents, assistance payments made to foster parents, administrative costs, and child care. Federal funding under the program is tied to certain requirements, such as permanency placement goals for children in foster care and goals that attempt to reunite children with their parents. Similarly, the Adoption Assistance Program provides funding to states to assist families that adopt children with special needs. The Administration for Children and Families estimated that, in 2007, 212,000 individual children received federal foster care assistance and 390,000 children received adoption care assistance. HHS also operates a number of discretionary programs that offer foster care and adoption assistance, such as the Adoption Incentives Program, which is reauthorized by H.R. 6893.

Committee Action: H.R. 6893 was introduced on September 15, 2008, and referred to the Committee on Ways and Means, which took no official action.

Cost to Taxpayers: According to a preliminary estimate by CBO, H.R. 6893 would reduce spending by \$326 million over five years and increase spending by \$292 million over ten years. Revenues would be increased by \$123 million over five years and \$307 million over ten years.

Does the Bill Expand the Size and Scope of the Federal Government? Yes, H.R. 6893 expands federal foster care and adoption assistance programs.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates? No.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits? A Committee Report for H.R. 6893 was not available.

Constitutional Authority: A Committee Report for H.R. 6893 was not available.

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H.Res. 1432—Supporting National Adoption Day and National Adoption Month (Porter, R-NV)

Order of Business: The resolution is scheduled to be considered on Tuesday, September 16, 2008, under a motion to suspend the rules and pass the resolution.

Summary: H.Res. 1432 would express the sense that the House or Representatives

- “Supports the goals and ideals of National Adoption Day and National Adoption Month;
- “Recognizes that every child in foster care deserves a permanent and loving family;
- “Recognizes the significant commitment of taxpayers to support adoption, including the \$1,900,000,000 provided to support adoption through the Title IV-E Adoption Assistance program, as well as the assistance provided through the Title IV-E Foster Care program to 130,000 children waiting for adoptive families, among other important programs; and
- “Encourages the citizens of the United States to consider adoption of children in foster care who are waiting for a permanent, loving family.”

The resolution lists a number of findings, including:

- “There are nearly 500,000 children in the foster care system in the United States, approximately 130,000 of whom are waiting for families to adopt them;
- “Nearly 54 percent of the children in foster care are age 10 or younger;
- “The average length of time a child spends in foster care is more than 2 years;
- “For many foster children, the wait for a permanent, adoptive, “forever” family in which they are loved, nurtured, comforted, and protected seems endless;
- “The number of youth who “age out” of the foster care system by reaching adulthood without being placed in a permanent home has increased by more than 58 percent since 1998, as nearly 27,000 foster youth “aged out” of foster care during 2007;
- “Every day loving and nurturing families are strengthened and expanded when committed and dedicated individuals make an important difference in the life of a child through adoption;
- “While 3 in 10 people in the United States have considered adoption, a majority of them have misconceptions about the process of adopting children from foster care and the children who are eligible for adoption;
- “71 percent of those who have considered adoption consider adopting children from foster care above other forms of adoption;
- “45 percent of people in the United States believe that children enter the foster care system because of juvenile delinquency, when in reality the vast majority of children in the foster care system were victims of neglect, abandonment, or abuse;
- “46 percent of people in the United States believe that foster care adoption is expensive, when in reality there is no substantial cost for adopting from foster care, and financial support in the form of an adoption assistance subsidy is available to adoptive families of

eligible children adopted from foster care and continues after the adoption is finalized until the child is 18, so that income will not be a barrier to becoming a parent to a foster child who needs to belong to a family;

- “Significant tax credits are available to families who adopt children with special needs;
- “The Department of Health and Human Services, Administration for Children and Families, in a partnership with the Ad Council, supports a national recruitment campaign for adoptive parents;
- “The Collaboration to AdoptUsKids features a photolisting Website for waiting foster children and prospective adoptive families at www.adoptuskids.org, and in Spanish at www.adoptel.org;
- “National Adoption Day is a collective national effort to find permanent, loving families for children in the foster care system;
- “Since the first National Adoption Day in 2000, 20,000 children have joined forever families during National Adoption Day;
- “In 2006, adoptions were finalized for over 3,300 children through more than 250 National Adoption Day events in all 50 States, the District of Columbia and Puerto Rico;
- “National Adoption Month celebrates the gift of adoption, recognizing the adoptive and foster families who share their hearts and homes with children in need, and raises awareness of the need for families for the many waiting children, particularly older children and teens, children of color, members of sibling groups, and children with physical and emotional challenges; and
- “November 2008 is National Adoption Month, and November 15, 2008, is National Adoption Day, and activities and information about both are available at www.childwelfare.gov/adoption/nam/activities.cfm.”

➤ **Committee Action:** H.Res. 1432 was introduced on September 16, 2008, and referred to the House Committee on Ways and Means, which took no official action.

Cost to Taxpayers: The resolution does not authorize expenditures.

Does the Bill Expand the Size and Scope of the Federal Government? No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates? No.

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