

[DISCUSSION DRAFT]

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

H. R. \_\_\_\_\_

To require States to take certain additional steps to assist children in foster care in making the transition to independent living, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. LANGEVIN introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

**A BILL**

To require States to take certain additional steps to assist children in foster care in making the transition to independent living, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. REQUIREMENT THAT STATES TAKE CERTAIN**  
4                            **ADDITIONAL STEPS TO ASSIST CHILDREN IN**  
5                            **FOSTER CARE IN MAKING THE TRANSITION**  
6                            **TO INDEPENDENT LIVING.**

7        (a) STATE PLAN REQUIREMENTS.—

1           (1) IN GENERAL.—Section 477(b)(2) of the So-  
2           cial Security Act (42 U.S.C. 677(b)(2)) is amended  
3           by adding at the end the following:

4                   “(G) With respect to each child in foster  
5           care under the responsibility of the State—

6                           “(i) within 6 months after the first  
7           case review of the case of the child, and  
8           annually thereafter, obtain from each con-  
9           sumer reporting agency (as defined in sec-  
10          tion 603(p) of the Fair Credit Reporting  
11          Act) any consumer report (as defined in  
12          section 603(d) of such Act) on the child,  
13          share the report with the child and the at-  
14          torney and guardian ad litem of the child,  
15          and assist the child in resolving any inac-  
16          curacy in the report; and

17                           “(ii) if the child has attained 14 years  
18          of age—

19                                   “(I) assist the child in preparing  
20          to obtain, and in obtaining (as appro-  
21          priate and in accordance with State  
22          law), a learner’s permit and a license  
23          to operate a motor vehicle;

24                                   “(II) if the child has obtained a  
25          license to operate a motor vehicle, as-

1                   sist the child in obtaining automobile  
2                   insurance;

3                   “**(III)** assist the child in applying  
4                   to, attending, securing financial aid  
5                   for, and completing a postsecondary  
6                   education or vocational training pro-  
7                   gram;

8                   “**(IV)** help determine if the child  
9                   is eligible or potentially eligible for a  
10                  Federal or State benefit, inform the  
11                  child of the eligibility or potential eli-  
12                  gibility, and assist the child in apply-  
13                  ing for any such benefit and in ap-  
14                  pealing any denial of any such benefit;

15                  “**(V)** establish and manage an in-  
16                  dividual development account for the  
17                  child using funds provided under this  
18                  section, in accordance with subsection  
19                  (k);

20                  “**(VI)** assist the child, and the  
21                  foster parents or kinship care pro-  
22                  viders (or, if the child has been placed  
23                  with a biological parent or other pro-  
24                  spective parent or guardian, the bio-  
25                  logical parent or other such parent or

1 guardian) of the child in becoming  
2 educated about youth independence fi-  
3 nancial matters, especially matters re-  
4 lating to the successful transition of  
5 the child to independent living, by  
6 providing education in budgeting and  
7 financial management, applying for  
8 credit (especially student loans), job  
9 readiness, obtaining health care and  
10 health insurance, and obtaining and  
11 maintaining affordable and stable  
12 housing, with the goal of enabling the  
13 child, as an adult, to attain stable  
14 housing and employment, avoid de-  
15 pendence on government assistance,  
16 and achieve financial self-sufficiency;

17 “(VII) ensure that the child has  
18 a State-issued identification card;

19 “(VIII) assist the child in open-  
20 ing a personal bank account; and

21 “(IX) ensure that the child is  
22 provided with information on access-  
23 ing health care after the child exits  
24 from foster care.”.

1           (2) INDIVIDUAL DEVELOPMENT ACCOUNTS.—  
2           Section 477 of such Act (42 U.S.C. 677) is amended  
3           by adding at the end the following:

4           “(k) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

5           “(1) IN GENERAL.—An individual development  
6           account is established and managed in accordance  
7           with this subsection if the account is a trust created  
8           or organized in the United States exclusively for the  
9           purpose of paying the qualified expenses of an eligi-  
10          ble individual, or enabling an eligible individual to  
11          make an emergency withdrawal, but only if the writ-  
12          ten governing instrument creating the trust contains  
13          the following requirements:

14                 “(A) No contribution will be accepted un-  
15                 less the contribution is in cash or by check.

16                 “(B) The trustee is a federally insured fi-  
17                 nancial institution, or a State insured financial  
18                 institution if no federally insured financial insti-  
19                 tution is available.

20                 “(C) The assets of the trust will be in-  
21                 vested in accordance with the direction of the  
22                 individual after consultation with the qualified  
23                 entity authorized to make deposits into the ac-  
24                 count.

1           “(D) The assets of the trust will not be  
2 commingled with other property except in a  
3 common trust fund or common investment  
4 fund.

5           “(E) Except as provided in subparagraph  
6 (F), any amount in the trust that is attrib-  
7 utable to a deposit made by a qualified entity  
8 may be paid or distributed out of the trust only  
9 for the purpose of paying the qualified expenses  
10 of the individual.

11           “(F) Any balance in the trust on the day  
12 after the date on which the individual for whose  
13 benefit the trust is established dies shall be dis-  
14 tributed within 30 days after that date as di-  
15 rected by that individual to another individual  
16 development account established for the benefit  
17 of another individual.

18           “(2) CUSTODIAL ACCOUNTS.—For purposes of  
19 this subsection, a custodial account shall be treated  
20 as a trust if the assets of the custodial account are  
21 held by a bank (as defined in section 408(n) of the  
22 Internal Revenue Code of 1986) or another person  
23 who demonstrates, to the satisfaction of the Sec-  
24 retary, that the manner in which the person will ad-  
25 minister the custodial account will be consistent with

1 the requirements of this subsection, and if the custo-  
2 dial account would, except for the fact that it is not  
3 a trust, constitute an individual development account  
4 described in paragraph (1) of this subsection. For  
5 purposes of this subsection, in the case of a custo-  
6 dial account treated as a trust by reason of the pre-  
7 ceding sentence, the custodian of the account shall  
8 be treated as the trustee of the account.

9 “(3) ELIGIBLE INDIVIDUAL.—In this sub-  
10 section, the term ‘eligible individual’ means an indi-  
11 vidual who—

12 “(A) has attained 18 years of age; and

13 “(B) is in foster care or a kinship guard-  
14 ianship arrangement, or has been adopted; or

15 “(4) EMERGENCY WITHDRAWAL.—In paragraph  
16 (1), the term ‘emergency withdrawal’ means, with  
17 respect to an individual development account, a  
18 withdrawal by the individual for whose benefit the  
19 trust is established, that—

20 “(A) is of funds deposited by the individual  
21 in the account;

22 “(B) is permitted on a case-by-case basis  
23 by a qualified entity authorized to make depos-  
24 its into the account; and

25 “(C) is made for—

1           “(i) expenses for medical care or nec-  
2           essary to obtain medical care, for the indi-  
3           vidual, the spouse of the individual, or a de-  
4           pendent of the individual with respect to  
5           whom the individual is allowed a deduction  
6           under section 151 of the Internal Revenue  
7           Code of 1986;

8           “(ii) payments necessary to prevent  
9           the eviction of the individual from the resi-  
10          dence of the individual, or foreclosure on  
11          the mortgage for the principal residence of  
12          the individual; or

13          “(iii) payments necessary to enable  
14          the individual to meet necessary living ex-  
15          penses following loss of employment.

16          “(5) QUALIFIED ENTITY.—The term ‘qualified  
17          entity’ means—

18               “(A) 1 or more not-for-profit organizations  
19               described in section 501(c)(3) of the Internal  
20               Revenue Code of 1986 and exempt from tax-  
21               ation under section 501(a) of such Code;

22               “(B) a State or unit of local government;

23               “(C) an entity which has entered into an  
24               agreement with a State or unit of local govern-  
25               ment under which the entity is to provide for



1 individual development accounts for eligible  
2 children or children making the transition to  
3 independent living; or

4 “(D) an entity that—

5 “(i) is—

6 “(I) a credit union designated as  
7 a low-income credit union by the Na-  
8 tional Credit Union Administration  
9 (NCUA); or

10 “(II) an organization designated  
11 as a community development financial  
12 institution by the Secretary of the  
13 Treasury (or the Community Develop-  
14 ment Financial Institutions Fund);  
15 and

16 “(ii) can demonstrate a collaborative  
17 relationship with a local community-based  
18 organization whose activities are designed  
19 to address poverty in the community and  
20 the needs of community members for eco-  
21 nomic independence and stability.

22 “(6) QUALIFIED EXPENSES.—The term ‘quali-  
23 fied expenses’ means any of the following:

24 “(A) HOUSING EXPENSES.—Expenses to  
25 secure and maintain safe and decent housing.

1           “(B) EDUCATIONAL EXPENSES.—Edu-  
2           cational expenses paid from an individual devel-  
3           opment account directly to an eligible edu-  
4           cational institution. In this subparagraph:

5                   “(i) EDUCATIONAL EXPENSES.—The  
6                   term ‘educational expenses’ means the fol-  
7                   lowing:

8                           “(I) TUITION AND FEES.—Tui-  
9                           tion and fees required for the enroll-  
10                           ment or attendance of a student at an  
11                           eligible educational institution.

12                           “(II) FEES, BOOKS, SUPPLIES,  
13                           AND EQUIPMENT.—Fees, books, sup-  
14                           plies, and equipment required for  
15                           courses of instruction at an eligible  
16                           educational institution.

17                           “(ii) ELIGIBLE EDUCATIONAL INSTI-  
18                           TUTION.—The term ‘eligible educational  
19                           institution’ means the following:

20                           “(I) SECONDARY SCHOOL.—A  
21                           secondary school (as defined in section  
22                           9101 of the Elementary and Sec-  
23                           ondary Education Act of 1965).

1                   “(II) VOCATIONAL EDUCATION  
2 SCHOOL.—A school that provides vo-  
3 cational education.

4                   “(III) INSTITUTION OF HIGHER  
5 EDUCATION.—An institution described  
6 in section 101 or 102 of the Higher  
7 Education Act of 1965.

8                   “(IV) POSTSECONDARY VOCA-  
9 TIONAL EDUCATION SCHOOL.—An  
10 area vocational education school (as  
11 defined in subparagraph (C) or (D) of  
12 section 521(4) of the Carl D. Perkins  
13 Vocational and Applied Technology  
14 Education Act) which is in any State  
15 (as defined in section 521(33) of such  
16 Act).

17                   “(C) EMPLOYMENT EXPENSES.—Amounts  
18 paid from an individual development account to  
19 enable an eligible individual to operate a busi-  
20 ness, purchase clothing or supplies necessary to  
21 become or remain employed, or purchase, main-  
22 tain, or repair a motor vehicle (including insur-  
23 ance).”.

1 (b) STATE EVALUATIONS.—Section 477(g) of such  
2 Act (42 U.S.C. 677(g)) is amended by adding at the end  
3 the following:

4 “(3) STATE EVALUATIONS OF SPECIFIC SERV-  
5 ICES PROVIDED TO ASSIST THE TRANSITION TO  
6 INDEPENDENT LIVING.—

7 “(A) IN GENERAL.—Within 3 months after  
8 the end of each fiscal year for which a State re-  
9 ceives funds made available under subsection  
10 (h)(3), the State shall conduct an evaluation of  
11 the uses to which the funds are put, and the ef-  
12 fects of so using the funds, during the fiscal  
13 year.

14 “(B) FUNDING.—The Secretary shall re-  
15 serve 5 percent of the amount specified in sub-  
16 section (h)(3) for a fiscal year for grants to  
17 States for evaluations referred to in subpara-  
18 graph (A) of this paragraph.”.

19 (c) ELIMINATION OF USE OF SOCIAL SECURITY  
20 NUMBER AS IDENTIFIER FOR FOSTER CHILD.—Section  
21 471(a) of such Act (42 U.S.C. 671(a)) is amended—

22 (1) by striking “and” at the end of paragraph  
23 (32);

24 (2) by striking the period at the end of para-  
25 graph (33) and inserting “; and”; and

1           (3) by adding at the end the following:

2           “(34) beginning 2 years after the date of the  
3           enactment of this paragraph, provides for use of  
4           procedures and practices to eliminate the use of the  
5           social security account number of a child who is in  
6           foster care under the responsibility of the State as  
7           an identifier for the child.”.

8           (d) FUNDING.—Section 477(h) of such Act (42  
9           U.S.C. 677(h)) is amended—

10           (1) by striking “and” at the end of paragraph  
11           (1);

12           (2) by striking the period at the end of para-  
13           graph (2) and inserting a semicolon; and

14           (3) by adding at the end the following:

15           “(3) an additional \$45,000,000, which are au-  
16           thorized to be available to enable States to carry out  
17           the State plan requirements described in subsection  
18           (b)(2)(G); and

19           “(4) an additional \$5,000,000, which are au-  
20           thorized to be available to the Secretary for a grant  
21           to a national coalition or consortium of private, non-  
22           profit organizations and other organizations focused  
23           on the needs of transitioning foster youth, in con-  
24           sultation with individual organizations experienced  
25           in addressing service delivery, legal issues, and fi-

1       nancial asset management issues, and identity safe-  
2       guarding issues related to youth, for the develop-  
3       ment of materials, technical assistance, and other  
4       support to State foster care agencies to aid in the  
5       implementation of subsection (b)(2)(G).”.

6       (e) ANNUAL REPORTS TO THE SECRETARY.—Section  
7       477 of such Act (42 U.S.C. 677), as amended by sub-  
8       section (a)(2) of this section, is amended by adding at the  
9       end the following:

10       “(k) STATE REPORTS TO THE SECRETARY.—Within  
11       3 months after the end of each fiscal year, each State to  
12       which a grant is made under subsection (h)(1)(B) for a  
13       fiscal year shall submit to the Secretary a report on—

14               “(1) the number of children for whom the State  
15       obtained a consumer report pursuant to subsection  
16       (b)(2)(G)(i) during the fiscal year, and the number  
17       of such children whose report contained a discrep-  
18       ancy; and

19               “(2) the total number of children provided serv-  
20       ices pursuant to subsection (b)(2)(G) during the fis-  
21       cal year, the nature of the services so provided, and  
22       the effects of the provision of financial security and  
23       financial management services on the competence of  
24       the children in such matters.”.

25       (f) EFFECTIVE DATE.—

1           (1) IN GENERAL.—Except as provided in para-  
2           graph (2), the amendments made by this section  
3           shall take effect on October 1, 2010, and shall apply  
4           to payments under part E of title IV of the Social  
5           Security Act for quarters beginning on or after such  
6           date.

7           (2) DELAY PERMITTED IF STATE LEGISLATION  
8           REQUIRED.—In the case of a State plan approved  
9           under part E of title IV of the Social Security Act  
10          which the Secretary of Health and Human Services  
11          determines requires State legislation (other than leg-  
12          islation appropriating funds) in order for the plan to  
13          meet the additional requirements imposed by sub-  
14          section (a), the State plan shall not be regarded as  
15          failing to comply with the requirements solely on the  
16          basis of the failure of the plan to meet such addi-  
17          tional requirements before the 1st day of the 1st cal-  
18          endar quarter beginning after the close of the 1st  
19          regular session of the State legislature that ends  
20          after the 1-year period beginning with the date spec-  
21          ified in paragraph (1) of this subsection. For pur-  
22          poses of the preceding sentence, in the case of a  
23          State that has a 2-year legislative session, each year  
24          of the session is deemed to be a separate regular  
25          session of the State legislature.

1 **SEC. 2. TECHNICAL ASSISTANCE FOR CHILD WELFARE**  
2 **AGENCIES.**

3 On request of a State agency responsible for admin-  
4 istering, or supervising the administration of, a State pro-  
5 gram authorized by part E of title IV of the Social Secu-  
6 rity Act, the Secretary of Health and Human Services,  
7 in consultation with the Chairman of the Federal Trade  
8 Commission with respect to matters pertaining to trans-  
9 actional security, shall provide the State agency with tech-  
10 nical assistance in carrying out the amendments made by  
11 this Act, and may award grants to and enter into con-  
12 tracts with qualified non-profit or other community-based  
13 service providers with substantive expertise to provide the  
14 assistance.