

The original documents are located in Box 51, folder “1976/07/14 HR14484 Extension of Certain Temporary Provisions under the Supplemental Security Income and Child Support Programs” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Exact duplicates within this folder were not digitized.

87/14/76

APPROVED
JUL 14 1976

THE WHITE HOUSE
WASHINGTON
July 13, 1976

ACTION

Last Day: July 17

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON

Jim

SUBJECT:

H.R. 1448 - Extension of Certain
Temporary Provisions under the
Supplemental Security Income and
Child Support Programs

*Posted
7/15/76*

*Archives
7/15/76*

Attached for your consideration is H.R. 14484, sponsored by Representative Ullman.

The enrolled bill makes permanent the Supplemental Security Income interim assistance reimbursement program; extends for one year the present statutory provisions governing food stamp eligibility of SSI recipients; and extends for one year Federal payments for certain State child support enforcement services.

H.R. 14484 was considered by the Congress as a non-controversial emergency measure to extend three provisions of law which expired on July 30, 1976. The Administration supported the two SSI-related provisions, but did not favor the child support provision.

Additional information is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 14484 at Tab B.





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 12 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14484 - Extension of certain temporary provisions under the Supplemental Security Income and child support programs.
Sponsor - Rep. Ullman (D) Oregon

Last Day for Action

July 17, 1976 - Saturday Recommend early action since the provisions expired on June 30, 1976.

Purpose

Makes permanent the Supplemental Security Income (SSI) interim assistance reimbursement program; extends for one year the present statutory provisions governing food stamp eligibility of SSI recipients; and extends for one year Federal payments for certain State child support enforcement services.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health, Education, and Welfare	Approval
Department of Agriculture	Approval

Discussion

H.R. 14484 was considered by the Congress as a non-controversial emergency measure to extend three provisions of law which expired on June 30, 1976. The Administration supported the two SSI-related provisions, but did not favor the child support provision.

SSI interim assistance - A temporary provision of the Social Security Act enacted in 1974 authorizes Federal-State agreements under which the State provides interim assistance to individuals while their applications for

SSI benefits are being processed. If the applicant is determined to be SSI-eligible, the Federal Government reimburses the States for the interim payments made. Twenty four States and the District of Columbia currently have interim assistance agreements with HEW. Since SSI payments are retroactive to the date of application, once eligibility is determined, there is no cost to the Federal Government.

Section 1 of H.R. 14484 would make this provision permanent, as proposed in draft legislation submitted to Congress by HEW.

Food stamp eligibility of SSI recipients - Section 2 of the enrolled bill would extend for one additional year, through June 30, 1977, temporary provisions of law (P.L. 93-233) which pertain to the food stamp eligibility of SSI recipients. As explained below, if the status quo is not extended, current law will require an extremely complex and burdensome system for determining such eligibility, to take effect as of July 1, 1976. The present situation is the result of a series of laws enacted in recent years, which can be summarized as follows.

The Social Security Amendments of 1972, which established the SSI program, to become effective in January of 1974, provided for the termination of food stamp eligibility of all SSI recipients. The expectation was that recipients would receive cash assistance to replace the bonus value of the stamps. However, before this provision became effective, P.L. 93-86 was enacted, guaranteeing that individual SSI recipients would have the opportunity to qualify for food stamps if they were not receiving the bonus value of the food stamps. This law would have necessitated a complicated procedure whereby each recipient would have his actual benefit compared to a calculated benefit that would have been payable had the SSI program not been established to replace the Federal-State programs. This provision of P.L. 93-86 is administratively unworkable, and before its effective date, P.L. 93-233 was enacted as a temporary solution. The provisions of P.L. 93-86 were suspended for six months, until July 1, 1974.

Since that time, the temporary provisions of P.L. 93-233 have been extended two additional times (by P.L. 93-335 and P.L. 94-44); the last extension expired on June 30, 1976. Under the temporary provisions of P.L. 93-233, SSI recipients

are eligible for food stamps in all States except those receiving additional Federal funding under a special SSI "hold harmless" clause which takes into account the fact that those States pay a cash benefit which has been raised by at least the bonus value of food stamps to compensate for the loss of food stamps. The number of "hold harmless" States has steadily declined -- as of July 1, 1976, only Massachusetts remained in this category.

The pending food stamp reform bill submitted to Congress by the Administration last October proposes a permanent solution to the problem of SSI-food stamp eligibility by providing that all income be treated alike in determining eligibility for food stamps, whether it derives from welfare or non-welfare sources. Thus, the practice of automatically making SSI recipients eligible for food stamps would be eliminated. In the meantime, however, in order to avoid the complexities of P.L. 93-86, HEW proposed to the Congress an extension of P.L. 93-233 until enactment of legislation along the lines of the Administration's proposal. Although section 2 of H.R. 14484 would provide a specific one-year extension, both HEW and Agriculture support its enactment.

Federal matching for State child support costs for non-welfare recipients - Section 455 of the Social Security Act, which took effect in August of 1975, requires States to make services available to both recipients of Aid to Families With Dependent Children (AFDC) and non-welfare recipients for the determination of paternity and child support enforcement and collection. For AFDC recipients, these services are eligible for 75% Federal funding permanently, but for services to non-AFDC recipients, the Federal matching expired on June 30, 1976. Section 3 of H.R. 14484 would extend that matching for one year, until June 30, 1977.

The report of the House Ways and Means Committee argues that States have been slow in implementing the child support enforcement systems and that a one-year extension would give them time to develop the system and provide for fee collections to make the services to non-welfare recipients self-supporting. The Administration recommended against extension of the matching provision since Federal assistance for services for non-AFDC recipients was only intended to be provided during the start-up period of the program.



HEW estimates that the extension of Federal matching in H.R. 14484 would cost \$3.1 million in the transition quarter and \$19.5 million in fiscal year 1977.

HEW indicates in its attached views letter that "although we do not support this extension, on balance, in view of our strong support of sections 1 and 2 of the bill, we have no objection to enactment of section 3."

We concur in the Department's position.

James M. Frey
Assistant Director for
Legislative Reference

Enclosures

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 12

Time: 530pm

FOR ACTION: Sarah Massengale *SM* cc (for information): Jack Marsh
 Max Friedersdorf *MF* Jim Cavanaugh
 Ken Lazarus *KL* Ed Schmults
 Bill Seidman *BS*

FROM THE STAFF SECRETARY

DUE: Date: July 13

Time: noon

SUBJECT:

H.R. 14484-Extension of certain temporary provisions under the Supplemental Security Income and Child Support programs

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

JUL 8 1976

The Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This is in response to your request for a report on H.R. 14484, an enrolled bill "To make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for one year the eligibility of supplemental security income recipients for food stamps, and to extend for one year the period during which payments may be made to States for child support collection services under part D of title IV of such Act."

In short, we recommend enactment of the bill.

Section 1 of the enrolled bill would amend section 1631 of the Social Security Act to make permanent the Department's authority, due to expire on June 30, 1976, to reimburse States for interim assistance payments to supplemental security income (SSI) recipients. This authority was provided on a temporary basis by Public Law 93-368 in order to assist State and local governments which otherwise would bear the financial burden of assisting SSI recipients during the period such recipients are awaiting their eligibility determinations. The Department proposed the permanent extension of this authority in a draft bill submitted to the Congress on June 11, 1976, and we strongly support section 1 of the enrolled bill. This section would require no additional Federal expenditures because, once eligibility has been determined, SSI payments are retroactive to the date of application. Thus, this provision merely authorizes the Department to pay to the States for their interim assistance outlays amounts otherwise payable to SSI recipients.

Section 2 of the enrolled bill would extend for one additional year, through June 30, 1977, the provisions of section 8 of

P.L. 93-233, which pertain to the food stamp eligibility of SSI recipients. When P.L. 92-603, which established the SSI program, was enacted, it provided for the termination of food stamp eligibility of all SSI recipients. The expectation was that recipients would receive cash assistance to replace the bonus value of the stamps. However, before this provision became effective, P.L. 93-86 was enacted, guaranteeing that individual SSI recipients would have the opportunity to qualify for food stamps if they were not receiving the bonus value of the food stamps. This law would have necessitated a complicated procedure whereby each recipient would have his actual benefit compared to a calculated benefit that would have been payable had the SSI program not been established to replace the Federal-State programs. This provision of P.L. 93-86 is administratively unworkable, and before its effective date, P.L. 93-233 was enacted as a temporary solution. The provisions of P.L. 93-86 were suspended for six months, until July 1, 1974. Since that time, the temporary provisions of P.L. 93-233 have been extended two additional times (by P.L. 93-335 and P.L. 94-44) and are currently due to expire on June 30, 1976. Under the temporary provisions of P.L. 93-233, SSI recipients in States which pay Federally administered supplements that include the bonus value of food stamps, and whose adjusted payment levels are specifically increased to include the bonus value of the food stamps, and which are determined by the Secretary to have "hold harmless" status pursuant to section 401 of P.L. 92-603, are categorically ineligible for food stamps.

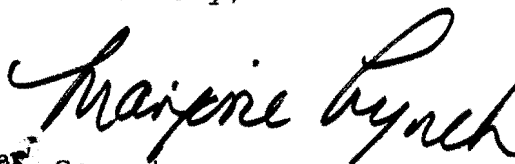
In order to avoid the complexities of P.L. 93-86, the Department proposed to the Congress in a draft bill submitted June 11, 1976, an extension of P.L. 93-233 until enactment of legislation which, in a broader context, addresses the issue of food stamp eligibility of SSI recipients. Although section 2 would provide a one-year extension, we believe this will give the Congress ample time to pass food stamp reform legislation along the lines of the Administration's proposed National Food Stamp Reform Act of 1975. We therefore support enactment of section 2 of the enrolled bill.

Section 3 of the enrolled bill would amend section 455 of the Social Security Act to extend for one additional year, through June 30, 1977, Federal authority to reimburse States for 75 percent of the cost of child support services provided by the States to non-welfare recipients. Federal financial participation in the cost of child support services provided to welfare recipients is authorized on a permanent basis. The State plan provision in current law requires that such services be made available to any individual requesting them. However, in the case of non-welfare recipients, a State may attempt to recover its costs through application fees and deductions from recovered support payments. The temporary authority to provide partial reimbursement to the States for services to non-welfare recipients, currently due to expire on June 30, 1976, was enacted to give States an opportunity to develop mechanisms for seeking reimbursement from the non-welfare recipients of child support services.

Mr. Stephen Kurzman, then Assistant Secretary for Legislation, testified against any extension of this temporary authority when he appeared before the Subcommittee on Public Assistance of the Committee on Ways and Means on June 10, 1976. He stated that, in the Department's view, ample time had been provided for States to establish systems for obtaining reimbursement from non-welfare recipients of child support services. Currently, 36 States charge an application fee and 39 States deduct costs. The Department estimates that the one-year extension of Federal financial participation in the cost of such services would cost \$3.1 million in the transitional quarter and \$19.5 million in fiscal year 1977. Although we do not support this extension, on balance, in view of our strong support of sections 1 and 2 of the bill, we have no objection to enactment of section 3.

For the foregoing reasons we recommend enactment of the enrolled bill.

Sincerely,


Under Secretary



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

Honorable James T. Lynn, Director
Office of Management and Budget
Washington, D.C. 20503

July 8, 1976

Dear Mr. Lynn:

This is in reply to a request from your office for a report on the enrolled enactment of Section 2 of H.R. 14484, which would amend Public Law 93-233 to extend the eligibility of supplemental security income recipients for food stamps until June 30, 1977, or until further modifications are made in the provisions of law involved.

The Department recommends that the President approve this bill.

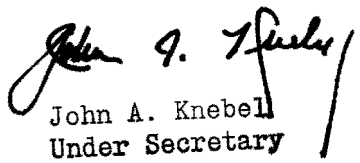
Public Law 93-233, as amended, currently provides for the participation of certain Supplemental Security Income (SSI) recipients in the Food Stamp Program through June 30, 1976. Under Public Law 93-233, the eligibility of SSI recipients is determined by whether or not the State in which the SSI recipient resides includes the bonus value of food stamps in its supplementation of basic SSI payments. The Secretary of the Department of Health, Education and Welfare has determined that as of July 1, 1976, only the State of Massachusetts will continue to provide State supplementary payments which meet the food stamp cash-out criteria set forth in sections 8(b) and 8(c) of P.L. 93-233. Effective July 1, 1976, therefore, SSI recipients in all States except Massachusetts will be eligible to participate in the Food Stamp Program regardless of income or resources.

Upon the expiration of this temporary provision of Public Law 93-233, the costly and complicated provisions of Public Law 93-86 would become effective. Under Public Law 93-86, the Food Stamp Program eligibility of SSI recipients would be determined individually based upon a number of calculations. If the individual's SSI payment plus any State supplementation for a particular month equalled or exceeded the amount he would have been entitled to receive for such month if the State's December 1973 welfare plan plus the July 1973 schedule of coupon issuance were in effect, then the SSI recipient would be ineligible for the Food Stamp Program. The enactment of H.R. 14484 would forestall the implementation of these administratively impossible provisions of Public Law 93-86. If H.R. 14484 is not enacted, the Department estimates that approximately 1.6 million current recipients of supplemental security income who are participating in the Food Stamp Program would become ineligible.

The Department's budget estimates for fiscal year 1977 assumed the continuation of the provisions of Public Law 93-233, as amended.

It is our understanding that since the remaining provisions fall under the jurisdiction of the Department of Health, Education and Welfare, that Department will discuss these aspects of the bill.

Sincerely,


John A. Knebel
Under Secretary

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 12

Time: 530pm

FOR ACTION: Sarah Massengale
Max Friedersdorf
Ken Lazarus
Bill Seidman

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: July 13

Time: noon

SUBJECT:

H.R. 14484-Extension of certain temporary provisions
under the Supplemental Security Income and Child
Support programs

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

Approved
[Signature]



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

James H. Cannon
for the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 12

Time: 530pm

FOR ACTION: Sarah Massengale
Max Friedersdorf
Ken Lazarus
Bill Seidman

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: July 13

Time: noon

SUBJECT:

H.R. 14484-Extension of certain temporary provisions
under the Supplemental Security Income and Child
Support programs

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

*Recommended approval/
SJM*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

James M. Cannon
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 12

Time: 530pm

FOR ACTION: Sarah Massengale
 Max Friedersdorf
 Ken Lazarus
 Bill Seidman

cc (for information): Jack Marsh
 Jim Cavanaugh
 Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: July 13

Time: noon

SUBJECT:

H.R. 14484-Extension of certain temporary provisions
 under the Supplemental Security Income and Child
 Support programs

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

No objection -- Ken Lazarus 7/13/76

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
 delay in submitting the required material, please
 telephone the Staff Secretary immediately.

James M. Cannon
 For the President

THE WHITE HOUSE

WASHINGTON

July 14, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M.L.F.*
SUBJECT: HR 14484 - Extension of certain temporary
provisions under the Supplemental Security Income
and Child Support programs

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 12 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14484 - Extension of certain temporary provisions under the Supplemental Security Income and child support programs. Sponsor - Rep. Ullman (D) Oregon

Last Day for Action

July 17, 1976 - Saturday

Recommend early action since the provisions expired on June 30, 1976.

Purpose

Makes permanent the Supplemental Security Income (SSI) interim assistance reimbursement program; extends for one year the present statutory provisions governing food stamp eligibility of SSI recipients; and extends for one year Federal payments for certain State child support enforcement services.

Agency Recommendations

Office of Management and Budget

Approval

Department of Health, Education,
and Welfare

Approval

Department of Agriculture

Approval

Discussion

H.R. 14484 was considered by the Congress as a non-controversial emergency measure to extend three provisions of law which expired on June 30, 1976. The Administration supported the two SSI-related provisions, but did not favor the child support provision.

SSI interim assistance - A temporary provision of the Social Security Act enacted in 1974 authorizes Federal-State agreements under which the State provides interim assistance to individuals while their applications for

To -
J. Conaway
7-12-76
5:00 p.m.



Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for one year the eligibility of supplemental security income recipients for food stamps, and to extend for one year the period during which payments may be made to States for child support collection services under part D of title IV of such Act.

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

INTERIM ASSISTANCE

SECTION 1. Section 1631(g) of the Social Security Act is amended by striking out paragraph (6).

FOOD STAMP ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME RECIPIENTS

SEC. 2. Section 8 of Public Law 93-233 is amended, subject to such further modifications as may hereafter be made in the provisions of law involved, by striking out "the 30-month period beginning January 1, 1974" where it appears—

(1) in the matter preceding the colon in subsection (a) (1), and in the new sentence added by such subsection, and
(2) in subsections (a) (2), (b) (1), (b) (2), (b) (3), and (e).
and by inserting in lieu thereof in each instance "the period ending June 30, 1977".

CHILD SUPPORT COLLECTION PAYMENTS

SEC. 3. Section 455(a) of the Social Security Act is amended by striking out "June 30, 1976" in the matter following paragraph (2) and inserting in lieu thereof "June 30, 1977".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

EXTENSION OF CERTAIN TEMPORARY PROVISIONS UNDER SSI AND CHILD SUPPORT PROGRAMS

JUNE 24, 1966.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ULLMAN, from the Committee on Ways and Means,
submitted the following

REPORT

[Including cost estimate of the Congressional Budget Office]

[To accompany H.R. 14484]

The Committee on Ways and Means, to whom was referred the bill (H.R. 14484) to make permanent the existing temporary authority for reimbursement of States for interim assistance payments under title XVI of the Social Security Act, to extend for one year the eligibility of supplemental security income recipients for food stamps, and to extend for one year the period during which payments may be made to States for child support collection services under part D of title IV of such Act, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

I. GENERAL DISCUSSION OF THE PROVISIONS

EXTENSION OF THE INTERIM ASSISTANCE REIMBURSEMENT PROGRAM

Section 1 of H.R. 14484 amends title XVI to permanently extend the Interim Assistance Reimbursement Program which was enacted in 1974 for the purpose of providing Federal reimbursement to states for interim assistance payments made to individuals awaiting final determination on their applications for benefits from the supplemental security income program for the aged, blind and disabled. The IAR program was established to alleviate hardships on potential SSI recipients resulting from delay in determination of SSI eligibility. Federal reimbursement is made only for applicants who are subsequently determined eligible for SSI payments. There is no cost to the Federal government because SSI payments are retroactive to the date of application once eligibility is determined.

Participation in the IAR program is an option which the states may exercise through agreement with the Department of Health,

Education and Welfare—an agreement which permits reimbursement to the state or directly to a state or local agency within the state. Currently, 24 states and the District of Columbia participate directly or have agencies which participate in the IAR program.

The statutory provisions relating to the interim assistance program an expiration date of June 30, 1976.

In its statutorily mandated report on the IAR program, the Department of Health, Education and Welfare recommended that the Interim Assistance Program be made permanent based on the demonstrated effectiveness and efficiency of the program.

ELIGIBILITY OF SUPPLEMENTARY SECURITY INCOME RECIPIENTS FOR FOOD STAMPS

Section 2 of the bill would extend the provisions of section 8 of Public Law 93-233 until July 1, 1977 or until modifications of the law affecting food stamp eligibility are enacted, whichever occurs earlier.

Under section 8 of Public Law 93-233, Supplemental Security Income recipients are entitled to purchase food stamps except in those states in which the federal government is contributing an equivalent amount through the states' "hold harmless" payments under Section 401 of Public Law 92-603 (Public Law 92-603 established the SSI program).

Section 8 expires on June 30, 1976, at which time the provisions of Public Law 93-86 would take effect. Public Law 93-86 was enacted before Public Law 92-603 became effective. Public Law 93-86 would necessitate a complicated procedure whereby each recipient, would have his actual benefit compared to a calculated benefit that would have been payable under the Federal-State programs. In other words, the individual eligibility determination would have been made on the basis of whether current income is larger or smaller than that received or would have been received in December 1973. The states objected strongly to these provisions calling them unworkable and administratively costly.

As a temporary solution, Public Law 93-233 was enacted in January 1974. This law suspended the complex formula required in Public Law 93-86 for 6 months until July 1, 1974. Since that time, the temporary provisions of Public Law 93-233 have been extended two additional times and are currently due to expire on June 30, 1976.

In addition, the Agriculture Committee is in the process of marking up a food stamp reform bill. However, it is now clear that the bill will not become law prior to the expiration of section 8 of Public Law 93-233. The Agriculture Committee has indicated it would have no objection to the extension of the existing food stamp provisions until a food stamp reform bill is enacted.

Accordingly, your committee's bill would extend the provisions of section 8 of Public Law 93-233 to either June 30, 1977 or until the passage of relevant food stamp legislation, whichever occurs first.

CONTINUATION OF FEDERAL MATCHING FOR STATE CHILD SUPPORT PROGRAMS FOR NON-WELFARE RECIPIENTS

Section 3 would continue for 1 year, Federal matching for state Child Support Programs for non-welfare recipients.

Public Law 93-647 contained a provision requiring states to establish a child support program. A part of that law mandates states to make available services for the determination of paternity, child support collection and enforcement. These services would be available to public assistance recipients and those individuals not on public assistance.

Section 455 of the Social Security Act which provides Federal sharing in the cost of the above-named services for non-welfare recipients, expires on June 30, 1976.

The American Public Welfare Association, the American Bar Association, and numerous District Attorneys urge the extension of this provision. States have been slow to implement the law.

This section would continue 75 percent Federal matching for such services for non-welfare recipients for one calendar year. This would give states adequate time to develop these systems and collect fees for the services so the program can become self-supporting.

II. OTHER MATTERS REQUIRED TO BE DISCUSSED

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the following statement is made. The Congressional Budget Office estimate is contained in section III of this report. Your Committee believes the estimate to be reasonable.

In compliance with clause 2(1) (2) (B) of rule XI of the House of Representatives, the following statement is made. The bill H.R. 14484 was ordered favorably reported to the House of Representatives by a voice vote.

In compliance with clause 2(1) (4) of rule IX of the House of Representatives, the following statement is made. H.R. 14484 should not have any inflationary impact on prices or on the cost of operation of the national economy because it has no significant cost features.

In compliance with clause 2(1) (3) subdivisions (A), (B) and (D) of rule XI of the House of Representatives, the following statements are made. With respect to subdivision (A) of clause (3), the Committee advises that there has been some oversight of the three programs affected by this legislation by the Subcommittee on Oversight of the Committee on Ways and Means. The findings of that Subcommittee are presented in Section IV of this report.

With respect to subdivision (B) of clause (3), the following statement is made. The bill continues budget authority under existing law. The bill contains no new tax expenditures.

With respect to subdivision (D) of clause (3), the Committee advises that no oversight findings or recommendations have been made by the Committee on Government Operations with respect to the subject matter of this legislation.

In compliance with rule XI, clause 2(1)(3)(C), a cost estimate for H.R. 14484 prepared by the Congressional Budget Office is contained in Section III of this report.

III. VIEWS OF THE CONGRESSIONAL BUDGET OFFICE

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 24, 1976.

HON. AL ULLMAN,
Chairman, Committee on Ways and Means, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 14484, legislation affecting Titles IV and XVI of the Social Security Act.

As you will note, the Congressional Budget Office has indicated that there will be no budgetary cost for any provisions of the Committee bill. Explanations for these determinations are provided in the cost estimate discussion.

Should the Committee so desire, we would be pleased to discuss this cost estimate further with Members or staff.

Sincerely,

ALICE M. RIVLIN, *Director.*

COST ESTIMATE

The Congressional Budget Office has determined that Sections 1 and 2 of H.R. 14484 will have no current or future cost impact.

Additionally, Section 3, although it involves a cost, will have no cost impact on either the Congressional Budget Office scorekeeping report or the amount of budget authority and outlays allocated to the relevant House and Senate Committees by the First Concurrent Resolution for fiscal year 1977.

BASIS FOR ESTIMATE

Section 1 of H.R. 14484 makes permanent existing policy. The interim payments to SSI applicants are made by States basically to mitigate the impact of the waiting period for certification. The Federal government only reimburses the States for payments which were made to applicants who were eligible during the period for which they received interim payments. In the absence of this reimbursement provision, no State would have the incentive to make interim payments and it appears that the Federal government would be liable for retroactive payments to eligible SSI applicants. While the expiration of reimbursement authority might delay outlays and alter the methods of payment, it does not seem that it could save the Federal government money.

Section 2 of H.R. 14484 extends the provision of title XVI which authorizes the automatic categorical eligibility of SSI recipients, for Food Stamp benefits. The expiration of this provision would compel

SSI recipients to go through normal application and certification procedures for the Food Stamp Program. The application and certification process would not deny any SSI recipients Food Stamp eligibility since the SSI means and assets test would also qualify SSI recipients for Food Stamp benefits. Additionally, the participation of SSI eligibles in the Food Stamp Program is unlikely to be reduced by the expiration of automatic eligibility since it appears currently that only the most needy SSI recipients are using food coupons (the participation rate is estimated by CBO to be about 30 percent in non-cash-out states). The most needy recipients are also those whose participation is least affected by additional administrative procedures. Also, it is possible that in the longer term the requirement that SSI recipients follow normal application procedures for Food Stamps will increase the administrative costs of the program to the Federal government. (In the short run, administrative costs are assumed to be fixed.)

Section 3 of H.R. 14484 extends for one year the authorization for the Federal government to provide administrative and enforcement payments to States for the AFDC Child Support Program. The CBO has included \$51 million of such payments in its base estimate of AFDC program costs for fiscal year 1977. The First Concurrent Budget Resolution includes an equivalent amount. The enactment of this Section therefore will require no adjustment in the CBO scorekeeping report or in the amounts allocated to the relevant House and Senate Committees under the First Concurrent Resolution.

IV. FINDINGS OF THE SUBCOMMITTEE ON OVERSIGHT

Interim Assistance Reimbursement is an essential service, particularly in view of the nearly month long processing times for SSI eligibility. The Subcommittee believes, however, that there may be problems in coordinating the payment of emergency interim assistance with the payment of regular benefits. For example, the Subcommittee has received reports from the City of New York that as much as \$3.3 million may be lost because of the lack of a central Social Security Administration coordinator in the City. As a result, an interim assistance check is sometimes issued at the same general time that a regular benefit check is being issued and the individual receives an overpayment. Because of the relatively low level of benefits, it is often impossible to recover fully these overpayments from the individual since the beneficiary is usually in desperate need of the funds and spends them immediately.

The Oversight Subcommittee is scheduling a field hearing on SSI in New York City in late July and will discuss with Social Security officials how interim assistance reimbursement check issuances can be better coordinated with the regular benefit application process.

In the area of Food Stamps, the Oversight Subcommittee Chairman has written to the House and Senate Agriculture Committees regarding provisions in the H.R. 13613 and S. 3136 which would encourage or provide for the acceptance and processing of food stamp applications at Social Security offices. While this would certainly be a convenience for the beneficiaries and "one stop" service is an admirable goal, the Oversight Subcommittee Chairman warned of the already

heavy workload, crowded conditions and high error rates at Social Security offices.

The acceptance and processing of food stamp applications at Social Security offices should be undertaken carefully and only when the Social Security Administration is fully prepared. Otherwise, additional errors and work pressures will further impact adversely on the quality of all Social Security services.

With respect to the child support provisions of Public Law 93-647, the Oversight Subcommittee has been concerned about the delays in the program and plans to hold an Oversight hearing with DHEW and IRS officials in September, after the IRS begins its first collection actions under Public Law 93-647. The subcommittee is concerned that the backlog of delinquent tax accounts is already so serious that the IRS will have difficulty in administering the new program, with the result that estimated savings from the program may be seriously exaggerated.

V. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

SOCIAL SECURITY ACT

* * * * *

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

* * * * *

PART D—CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

* * * * *

PAYMENTS TO STATES

SEC. 455. (a) From the sums appropriated therefor, the Secretary shall pay to each State for each quarter, beginning with the quarter commencing July 1, 1975, an amount—

(1) equal to 75 percent of the total amounts expended by such State during such quarter for the operation of the plan approved under section 454, and

(2) equal to 50 percent of the total amounts expended by such State during such quarter for the operation of a plan which meets the conditions of section 454 except as is provided by a waiver by the Secretary which is granted pursuant to specific authority set forth in the law;

except that no amount shall be paid to any State on account of furnishing child support collection or paternity determination services

(other than the parent locator services) to individuals under section 454(6) during any period beginning after June 30, [1976] 1977.

(b) (1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter, such estimates 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, and (B) such other investigation as the Secretary may find necessary.

(2) The Secretary shall then pay, in such installments as he may determine, to the State the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

(3) Upon the making of any estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.

* * * * *

TITLE XVI—GRANTS TO STATES FOR AID TO THE AGED, BLIND, OR DISABLED, OR FOR SUCH AID AND MEDICAL ASSISTANCE FOR THE AGED

PART B—PROCEDURAL AND GENERAL PROVISIONS

PAYMENTS AND PROCEDURES

Payment of Benefits

SEC. 1631. (a) (1) * * *

* * * * *

Reimbursement to States for Interim Assistance Payments

(g) (1) Notwithstanding subsection (d) (1) and subsection (b) as it relates to the payment of less than the correct amount of benefits, the Secretary may, upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a State (or a political subdivision thereof if agreed to by the Secretary and the State) from the benefits withheld an amount sufficient to reimburse the State (or political subdivision) for interim assistance furnished on behalf of the individual by the State (or political division).

(2) For purposes of this subsection, the term "benefits" with respect to any individual means supplemental security income benefits under this title, and any State supplementary payments under section 1616 or under section 212 of Public Law 93-66 which the Secretary makes on behalf of a State (or political subdivision thereof), that the Secretary has determined to be due with respect to the individual at the

time the Secretary makes the first payment of benefits. A cash advance made pursuant to subsection (a) (4) (A) shall not be considered as the first payment of benefits for purposes of the preceding sentence.

(3) For purposes of this subsection, the term "interim assistance" with respect to any individual means assistance financed from State or local funds and furnished for meeting basic needs during the period, beginning with the month in which the individual filed an application for benefits (as defined in paragraph (2)), for which he was eligible for such benefits.

(4) In order for a State to receive reimbursement under the provisions of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

(A) that if the Secretary makes payment to the State (or a political subdivision of the State as provided for under the agreement) in reimbursement for interim assistance (as defined in paragraph (3)) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or political subdivision) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement; and

(B) that the State will comply with such other rules as the Secretary finds necessary to achieve efficient and effective administration of this subsection and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or political subdivision) pursuant to this subsection.

(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection nor the amount retained by the State (or political subdivision).

(6) The provisions of this subsection shall expire on June 30, 1976. At least sixty days prior to such expiration date, the Secretary shall submit to Congress a report assessing the effects of actions taken pursuant to this subsection, including the adequacy of interim assistance provided and the efficiency and effectiveness of the administration of such provisions. Such report may include such recommendations as the Secretary deems appropriate.

* * * * *

SECTION 8 OF PUBLIC LAW 93-233

AN ACT To provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, to provide increases in supplemental security income benefits, and for other purposes.

* * * * *

ELIGIBILITY OF SUPPLEMENTAL SECURITY INCOME RECIPIENTS FOR FOOD STAMPS

SEC. 8. (a) (1) Section 3(e) of the Food Stamp Act of 1964 is amended effective only for [the 30-month period beginning January 1,

1974] the period ending June 30, 1977 to read as it did before amendment by Public Law 92-603 and Public Law 93-86, but with the addition of the following new sentence at the end thereof: "For [the 30-month period beginning January 1, 1974] the period ending June 30, 1977 no individual, who receives supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616 of such Act, or payments of the type referred to in section 212(a) of Public Law 93-66, shall be considered to be a member of a household or an elderly person for purposes of this Act for any month during such period, if, for such month, such individual resides in a State which provides State supplementary payments (A) of the type described in section 1616(a) of the Social Security Act, and (B) the level of which has been found by the Secretary of Health, Education, and Welfare to have been specifically increased so as to include the bonus value of food stamps."

(2) Section 3(b) of Public Law 93-86 shall not be effective for the [30-month period beginning January 1, 1974] period ending June 30, 1977.

(b) (1) Section 4(c) of Public Law 93-86 shall not be effective for [the 30-month period beginning January 1, 1974] the period ending June 30, 1977.

(2) The last sentence of section 416 of the Act of October 31, 1949 (as added by section 411(g) of Public Law 92-603) shall not be effective for [the 30-month period beginning January 1, 1974] the period ending June 30, 1977.

(3) For [the 30-month period beginning January 1, 1974] the period ending June 30, 1977, no individual, who receives supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616 of such Act, or payments of the type referred to in section 212(a) of Public Law 93-66, shall be considered to be a member of a household for any purpose of the food distribution program for families under section 32 of Public Law 74-320, section 416 of the Agricultural Act of 1949, or any other law, for any month during such period, if, for such month, such individual resides in a State which provides State supplementary payments (A) of the type described in section 1616(a) of the Social Security Act, and (B) the level of which has been found by the Secretary of Health, Education, and Welfare to have been specifically increased so as to include the bonus value of food stamps.

(c) For purposes of the last sentence of section 3(e) of the Food Stamp Act of 1964 (as amended by subsection (a) of this section) and subsections (b) (3) and (f) of this section, the level of State supplementary payment under section 1616(a) shall be found by the Secretary to have been specifically increased so as to include the bonus value of food stamps (1) only if, prior to October 1, 1973, the State has entered into an agreement with the Secretary or taken other positive steps which demonstrate its intention to provide supplementary payments under section 1616(a) at a level which is at least equal to the maximum level which can be determined under section 401(b) (1) of the Social Security Amendments of 1972 and which is such that the limitation on State fiscal liability under section 401 does result in a reduction in the amount which would otherwise be payable to the

Secretary by the State, and (2) only with respect to such months as the State may, at its option, elect.

(d) Section 401(b)(1) of the Social Security Amendments of 1972 is amended by striking out everything after the word "exceed" and inserting in lieu thereof: "a payment level modification (as defined in paragraph (2) of this subsection) with respect to such plans."

(e) The amendment made by subsection (d) shall be effective only for **the 30-month period beginning January 1, 1974** *the period ending June 30, 1977*, except that such amendment shall not during such period, be effective in any State which provides supplementary payments of the type described in section 1616(a) of the Social Security Act the level of which has been found by the Secretary to have been specifically increased so as to include the bonus value of food stamps.

○