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defined in or established pursuant to the Alaska Native Claims Settlement Act (Public Law 92-203; 85 Stat. 688) which (A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or (B) is located on, or in proximity to, a Federal or State reservation or rancheria.

(c) In the case of Guam, Puerto Rico, and the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, section 422(b)(1) of such Act (as otherwise amended by subsection (a) of this section) shall be deemed to read as follows:

"(1) provide that (A) the State agency designated pursuant to section 402(a)(3) to administer or supervise the administration of the plan of the State approved under part A of this title will administer or supervise the administration of such plan for child welfare services, and (B) to the extent that child welfare services are furnished by the staff of the State agency or local agency administering such plan for child welfare services, the organizational unit in such State or local agency established pursuant to section 402(a)(15) will be responsible for furnishing such child welfare services;"

(d) Notwithstanding section 422(b)(1) of the Social Security Act (as amended by subsection (a) of this section) if on December 1, 1974, the agency of a State administering its plan for child welfare services under part B of title IV of that Act was not the agency designated pursuant to section 402(a)(3) of that Act, such section 422(b)(1) shall not apply with respect to such agency, but only so long as such agency is not the agency designated under section 2002(d)(1)(C) of that Act; and if on December 1, 1974, the local agency administering the plan of the State under part B of title IV of that Act in a subdivision of the State was not the local agency in such subdivision administering the plan of such State under part A of that title, such section 422(b)(1) shall not apply with respect to such local agency, but only so long as such local agency is not the local agency administering the program of the State for the provision of services under title XX of that Act.

(e) Section 2002(a)(8) of such Act is amended by striking out "or 422" and inserting in lieu thereof "or 423’.

(2) Section 420(b) of the Social Security Act (as added by subsection (a) of this section) shall apply only with respect to appropriation Acts which appropriate funds for fiscal years after fiscal year 1981 pursuant to the authorization contained in section 420 of the Social Security Act, enacted after the date of enactment of this Act.

TITLE II—SOCIAL SERVICES

DETERMINATION OF AMOUNT ALLOCATED TO STATES

Sec. 201. (a) Section 2002(a)(2)(A) of the Social Security Act is amended by striking out clause (ii) and inserting in lieu thereof the following:
The amount specified for purposes of clause (i) for fiscal year 1980 and each succeeding fiscal year shall be an amount not exceeding $3,300,000,000 equal to the indexed ceiling amount for that fiscal year as determined under subparagraph (B)."

(b) Section 2002(a)(2) of such Act is amended (subject to subsection (c) of this section) by striking out subparagraphs (B), (C), and (D), and by inserting after subparagraph (A) the following new subparagraph: "(E) Except as otherwise provided in clauses (ii), (iii), and (iv), the indexed ceiling amount for any fiscal year shall be an amount equal to the indexed ceiling amount for the preceding fiscal year increased or decreased (as the case may be) by an amount determined under division (II)."

(II) For purposes of division (I) the amount of the increase or decrease (as the case may be) shall be an amount equal to $2,500,000,000, multiplied by a percentage equal to the positive or negative percentage change in the Consumer Price Index prepared by the Department of Labor, and used in determining cost-of-living adjustments under section 215(i) of this Act, for the second quarter of the preceding fiscal year as compared to such index for the second quarter of the second preceding fiscal year (rounded to the nearest one-tenth of 1 per centum). For purposes of this clause the Consumer Price Index for any quarter shall be the arithmetic mean of such index for the three months in such quarter.

(ii) If the percentage increase in the Consumer Price Index as determined under clause (i)(II) for any fiscal year exceeds the inflation rate for that fiscal year as shown for that year (or, if no rate is shown for that year, for the most recent preceding year for which a rate is shown) in the table which appears on page 25 of Senate Budget Committee Report Numbered 96-311, then for such fiscal year such inflation rate shall be used in making the determination under clause (i)(II) instead of the percentage increase in the Consumer Price Index.

(iii) The indexed ceiling amount determined under clause (i) shall, if not a multiple of $100,000,000, be rounded to the nearest lesser amount that is a multiple of $100,000,000.

(iv) The indexed ceiling amount for fiscal year 1979 shall be $2,500,000,000.

(c) With respect to fiscal year 1980 only—

(1) subparagraphs (B) and (E) of section 2002(a)(2) of such Act (as in effect immediately prior to the enactment of this Act) shall continue in effect, redesignated as subparagraphs (D) and (E), respectively;

(2) the subparagraph of such section 2002(a)(2) which is redesignated as subparagraph (E) and continued in effect by paragraph (1) of this subsection is amended by striking out "subparagraph (B)" and "subparagraph (D)" and inserting in lieu thereof "subparagraph (D)" and "subparagraph (F)", respectively; and

(3) subparagraph (D) of such section 2002(a)(2) (as in effect immediately prior to the enactment of this Act) shall continue in effect, redesignated as subparagraph (F) and amended to read as follows:

"(F) The amounts made available pursuant to subparagraph (E) for allotment in fiscal year 1980 shall be allotted by the Secretary to the States which have certified under subparagraph (D) that the amounts of their limitations for such fiscal year are less than their need for such year. The amount of such allotment to any State (which shall be in addition to any payments made to the State under subparagraph (A)) shall bear the same ratio to
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the total amount available for allotment in such year under this subparagraph as the population of such State bears to the population of the fifty States and the District of Columbia, but shall in no case exceed the amount by which such State certified that its limitation is less than its need for such fiscal year."

EXTENSION OF 100-PERCENT FEDERAL MATCHING FOR CHILD DAY CARE EXPENDITURES

Sec. 202. (a) Section 2002(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(17) (A) The total payment to a State under this section with respect to expenditures during any fiscal year for the provision of child day care services under this title (including expenditures for grants to qualified providers under section 2007) shall be equal to 100 per centum of such expenditures to the extent that such expenditures (during that fiscal year) do not exceed—

"(i) an amount which bears the same ratio to $200,000,000 as the amount of the State's limitation under paragraph (2)(A) bears to the indexed ceiling amount for such fiscal year, in the case of fiscal year 1980 and fiscal year 1981; or

"(ii) 8 per centum of the State's limitation under paragraph (2)(A) for such fiscal year, in the case of fiscal year 1982 and any subsequent fiscal year.

"(B) Federal funds payable to a State under this title (with respect to expenditures for child day care services) at the rate specified in subparagraph (A) shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services."

(b) Section 2002(a)(1) of such Act is amended by striking out "100 per centum" and all that follows down through "2007" and inserting in lieu thereof "100 per centum of the expenditures during that quarter for child day care services (including expenditures for grants to qualified providers under section 2007) to the extent permitted by paragraph (17)".

LIMITATION ON FUNDS FOR TRAINING

Sec. 203. (a) The first sentence of section 2002(a)(2)(A)(1) of the Social Security Act is amended by striking out "in excess of an amount" and all that precedes it, and inserting in lieu thereof "Except as provided in clause (iii), no payment may be made under this section to any State for any fiscal year in excess of an amount."

(b) Section 2002(a)(2)(A) of such Act is further amended by adding after clause (ii) the following new clause:

"(iii) Payment with respect to expenditures for personnel training or retraining directly related to the provision of services under this title shall be made to a State in excess of the limitation for such State promulgated under clause (i) for any fiscal year and without regard to such limitation; except that—

"(1) notwithstanding any other provision of law, payment to a State with respect to such expenditures for fiscal years 1980 and 1981 may not exceed an amount equal to 4 per centum of such State's limitation (for the fiscal year involved) under clause (i), or, if greater, an amount equal to the amount of the payment made under this title to such State with respect to such expendi-
tures for fiscal year 1979, or equal to (a) the amount which would be payable without regard to this subclause with respect to expenditures pursuant to an appropriation made prior to October 1, 1979, by such State for fiscal year 1980, or, if less, (b) the amount determined under division (a) of this subclause reduced to the extent necessary and on a proportional basis so as to assure that the aggregate of the additional amounts payable to all States as a result of such division (a) does not exceed $5,000,000; and

"(II) payment to a State with respect to such expenditures for fiscal year 1982 or any succeeding fiscal year may be made only if the State has submitted to the Secretary in accordance with paragraph (15) (prior to the beginning of the fiscal year involved) a training plan specifying how its funds expended for such training or retraining in that fiscal year will be used, and only with respect to expenditures included in such plan which are approved by the Secretary in accordance with criteria prescribed by him."

(c) Section 2002(a) of such Act is amended by adding after paragraph (17) (as added by section 2002(a) of this Act) the following new paragraph:

"(18) Effective October 1, 1981, no payment may be made under this section for training or retraining expenditures except in accordance with a training plan approved by the Secretary which, at a minimum—

"(A) describes how training needs were assessed and how the assessment was used to structure the training programs, the individuals to be trained, and the training resources to be used;

"(B) demonstrates that the training activities have a direct relationship to the title XX services program and to the State's staffing needs to carry out the title XX services program; and

"(C) describes the State agency's plan to monitor training programs and to evaluate the agency's overall staff training and development program."

- USE OF RESTRICTED PRIVATE FUNDS FOR TRAINING PROGRAMS

SEC. 204. (a) Section 2002(a)(7)(D)(ii) of the Social Security Act is amended by striking out "and" at the end thereof and inserting in lieu thereof the following: "except that during fiscal years 1980 and 1981 the provisions of this clause shall not apply with respect to funds that are donated for the purpose of training or retraining as provided in subsection (a)(1), if such training or retraining is carried out by a public or nonprofit entity, and"

- EMERGENCY SHELTER

SEC. 205. (a) Section 2002(a)(11) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "and"; and

(3) by adding at the end thereof the following new subparagraph:

"(E) any expenditure for the provision of emergency shelter, for not in excess of thirty days in any six-month period, provided as a
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(a) the amount which would be required in a fiscal year to provide the services and facilities which would otherwise be provided in the fiscal year under the program for services described in section 1126, including the capital acquisition costs of equipment or other services, through the operation of subparagraph (C); or
(b) an amount equal to amounts otherwise payable under that subparagraph for the period, provided as a

MUTY YEAR PLAN: CHOICE OF FISCAL YEAR

Sec. 206. (a) Section 2004(1) of the Social Security Act is amended to read as follows:

“(1) for each services program period, the beginning of the fiscal year of the Federal Government, the State government, or the political subdivisions of such State is established as the beginning of the State’s services program period, and the end of such fiscal year, the succeeding fiscal year, or the second succeeding fiscal year as established by the Secretary of the Treasury as the end of the State’s services program period; and”.

(b) Section 2004 of such Act is further amended—

(1) by striking “services program year” each place it appears and inserting in lieu thereof in each instance “services program period”;

(2) by striking “annual” in paragraph (2) (in the matter preceding subparagraph (A)) and in paragraph (4);

(3) by striking “during that year” in paragraph (2) (in the matter preceding subparagraph (A)) and inserting in lieu thereof “during that period”;

(4) by striking the period at the end of paragraph (5) and inserting in lieu thereof “; and”;

(5) by adding at the end thereof the following new paragraph:

“(6) in the case of a State that adopts a services program planning period of longer than one year, the State agency publishes and makes generally available such information concerning the comprehensive services program at such times as the Secretary may by regulation require.”.

(c) Section 2003(b) of such Act is amended—

(1) by striking “each services program year” and inserting in lieu thereof “each fiscal year (as selected by the State under section 2004(1)) within each services program period”;

(2) by striking “any services program year” and inserting in lieu thereof “any services program period”.

(d) Sections 2003(d)(1) and 2005 of such Act are each amended by striking “services program year” and inserting in lieu thereof “services program period”.

(e) Section 2002(a)(1) of such Act is amended by striking out “annual”.

(f) The amendments made by this section shall be effective with respect to services program periods beginning after the date of the enactment of this Act.

SOCIAL SERVICES FUNDING FOR TERRITORIES

Sec. 207. (a) Section 2002(a)(2) of the Social Security Act is amended by adding after subparagraph (B) (as added by section 201(b) of this Act) the following new subparagraph:

“(C) From the amounts made available under section 2001 for any fiscal year beginning with fiscal year 1980 (in addition to any sums appropriated for purposes of payments under the preceding provisions of this subsection), the Secretary shall allocate—
“(i) to the jurisdictions of Puerto Rico, Guam, and the Virgin Islands, for purposes of payments under sections 3(a) (4) and (5), 408(a)(3), 1008(a)(3) and (4), 1408(a)(3) and (4), and 1608(a)(4) and (5), with respect to services, the sums of $15,000,000, $500,000 and $500,000, respectively, and
“(ii) to the jurisdiction of the Northern Mariana Islands, for purposes of payments under section 408(a)(3), with respect to services and for services programs for other individuals as defined by the Secretary, the sum of $100,000, in addition to any amounts otherwise available to such jurisdictions under this Act.”

(b) The last sentence of section 2001 of such Act is amended by inserting before the period at the end thereof the following: “(and to territorial jurisdictions as described in subsection (a)(2)(C) thereof)’.

(c) Section 1108(a) of such Act is amended by striking out “section 2002(a)(2)(D)” and inserting in lieu thereof “section 2002(a)(2)(C)”.

PERMANENT EXTENSION OF PROVISIONS RELATING TO CHILD DAY CARE SERVICES AND WIN TAX CREDIT

Sec. 208. (a) Section 4(d) of Public Law 96–178 is amended by striking out “during the period beginning October 1, 1979, and ending March 31, 1980” and inserting in lieu thereof “on or after October 1, 1979”.

(b)(1) Section 508(1) of the Internal Revenue Code of 1954 (relating to special rules with respect to employment of day care workers) is amended to read as follows:

“(1) Special Rules with Respect to Employment of Day Care Workers.—

“(1) Eligible Employee.—An individual who would be an ‘eligible employee’ (as that term is defined for purposes of this section) except for the fact that such individual’s employment is not on a substantially full-time basis, shall be deemed to be an eligible employee as so defined, if such employee’s employment is related to the provision of child day care services and is performed on either a full-time or part-time basis.

“(2) Alternative Computation with Respect to Child Day Care Services Eligible Employees Paid from Funds Made Available under Title XX of the Social Security Act.—The amount of the credit allowed a taxpayer under section 40, as determined under section 50A and the preceding provisions of this section, with respect to work incentive program expenses paid or incurred by him with respect to an eligible employee whose services are performed in connection with a child day care services program conducted by the taxpayer, and with respect to whom the taxpayer is reimbursed (in whole or in part) from funds made available pursuant to section 2007 of the Social Security Act, at the option of the taxpayer shall be equal to 100 percent of the unreimbursed wages paid or incurred by the taxpayer with respect to such employee, but not more than the amount of the limitation in paragraph (4).

“(3) Unreimbursed Wages.—For purposes of this subsection, the term ‘unreimbursed wages’ means work incentive program expenses for which the taxpayer was not reimbursed under section 2007 of the Social Security Act or under any other grant or program.
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“(4) LIMITATION.—The amount of the credit, as determined under paragraph (2), with respect to any employee shall not exceed the lesser of—

“(A) an amount equal to $6,000 minus the amount of the funds reimbursed to the taxpayer with respect to such employee from funds made available pursuant to section 2007 of the Social Security Act; or

“(B) with respect to work incentive program expenses attributable to service rendered—

“(i) during the one-year period which begins on the day such employee begins work for the taxpayer, an amount equal to the lesser of—

“(I) $3,000, or

“(II) 50 percent of the sum of the amount of the unreimbursed wages of such employee and the amount reimbursed to the taxpayer with respect to such employee from funds made available pursuant to section 2007 of the Social Security Act; or

“(ii) during the one-year period which begins on the day after the last day of the one-year period described in clause (i), an amount equal to the lesser of—

“(I) $1,500, or

“(II) 25 percent of the sum of the amount of the unreimbursed wages of such employee and the amount reimbursed to the taxpayer with respect to such employee from funds made available pursuant to section 2007 of the Social Security Act.”.  

(2) Section 50B(h)(1)(B) of such Code is amended by inserting “(except as provided in subsection (d) after “full-time basis”.

(3)(A) The amendments made by paragraphs (1) and (2) shall be effective with respect to taxable years beginning after December 31, 1979.

(B) The redesignation of subsection (i) of section 50B of the Internal Revenue Code of 1954 as subsection (i) by section 8(a)(1) of Public Law 96-178, shall remain in effect with respect to taxable years beginning after December 31, 1979.

PERMANENT EXTENSION OF PROVISIONS RELATING TO SERVICES FOR ALCOHOLICS AND DRUG ADDICTS

Sec. 209. Section 5(b) of Public Law 96-178 is amended by striking out “during the period beginning October 1, 1978, and ending March 31, 1980” and inserting in lieu thereof “on or after October 1, 1978”.

TITLE III—OTHER SOCIAL SECURITY ACT PROVISIONS

PERMANENT EXTENSION OF PROVISIONS RELATING TO CHILD SUPPORT ENFORCEMENT

Sec. 301. (a) Section 2(b) of Public Law 96-178 is amended by striking out “during the period beginning October 1, 1978, and ending March 31, 1980” and inserting in lieu thereof “on or after October 1, 1978”.

(b) Section 452(a)(10) of the Social Security Act is amended by adding at the end thereof (after and below subparagraph (H)) the following new sentence: