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(Original Signature of Member)

108TH CONGRESS  
1ST SESSION

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

To improve the program of temporary Federal fiscal assistance to States.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mr. KING of Iowa introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To improve the program of temporary Federal fiscal  
assistance to States.

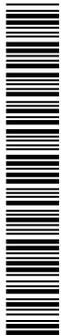
1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Assistance Ac-  
5 countability Act”.

6 **SEC. 2. FUNDING LIMITATIONS AND CRITERIA.**

7 Section 601(d)(2) of the Social Security Act (42  
8 U.S.C. 801(d)(2)) is amended to read as follows:



1           “(2) LIMITATION.—A State may use funds pro-  
2           vided under this section only for types of expendi-  
3           tures authorized under—

4                   “(A) the budget of the State for the fiscal  
5                   year for which the funds are to be expended  
6                   that, as of May 28, 2003, was most recently ap-  
7                   proved by the State legislature; or

8                   “(B) in the absence of such a budget, the  
9                   budget of the State for the fiscal year for which  
10                  the funds are to be expended that, as of May  
11                  28, 2003, was at the furthest stage of develop-  
12                  ment by the State legislature.”.

13 **SEC. 3. STATE CERTIFICATION.**

14           Section 601(e) of the Social Security Act (42 U.S.C.  
15 801(e)) is amended to read as follows:

16           “(e) CERTIFICATION.—In order to receive a payment  
17 under this section for a fiscal year, the State shall provide  
18 the Secretary of the Treasury with a certification that the  
19 State will use the payment in accordance with subsection  
20 (d). The certification shall include a detailed report on  
21 how the payment will be being expended.”.

22 **SEC. 4. AUDIT AND REMITTANCE.**

23           Section 601 of the Social Security Act (42 U.S.C.  
24 801) is amended by redesignating subsections (f) and (g)



1 as subsections (i) and (j), respectively, and by inserting  
2 after subsection (e) the following:

3 “(f) AUDIT.—At the end of any State fiscal year for  
4 which a State expends funds provided under this section,  
5 the Secretary of the Treasury shall conduct an audit to  
6 ensure that the funds were spent in accordance with sub-  
7 section (d) and the certification required by subsection (e).

8 “(g) REMITTANCE OF IMPROPERLY EXPENDED  
9 FUNDS.—If the Secretary of the Treasury determines that  
10 a State has expended funds provided under this section,  
11 in a manner inconsistent with subsection (d) or the certifi-  
12 cation required by subsection (e), the State shall remit to  
13 the Treasury of the United States an amount equal to the  
14 amount so determined to have been inappropriately ex-  
15 pended plus a 10 percent penalty, plus interest at a rate  
16 of 10 percent per annum.

17 “(h) GUIDANCE ON ESSENTIAL GOVERNMENT SERV-  
18 ICE.—In making a determination as to whether a State  
19 has expended funds provided under this section on an es-  
20 sential government service, the Secretary of the Treasury  
21 shall take into consideration whether the service—

22 “(1) appears on any list of essential government  
23 services most recently issued by the State before  
24 May 28, 2003;



1           “(2) is similar to a service provided by the Fed-  
2           eral Government in the absence of appropriations as  
3           listed in the Office of Management and Budget  
4           Memorandum to the Heads of Executive Depart-  
5           ments and Agencies dated September 30, 1980; or

6           “(3) is a service continued by the State in the  
7           absence of appropriations.”.

8   **SEC. 5. DEFINITION OF ESSENTIAL GOVERNMENT SERVICE.**

9           Section 601 of the Social Security Act (42 U.S.C.  
10          801), as amended by section 4 of this Act, is amended  
11         by redesignating subsection (j) as subsection (k) and by  
12         inserting after subsection (i) the following:

13         “(j) **ESSENTIAL GOVERNMENT SERVICE.**—In this  
14         section, the term ‘essential government service’, with re-  
15         spect to a State, includes reduction in the amount of debt  
16         held or planned to be held by the State, and does not in-  
17         clude any activity that was not funded by the State in  
18         the preceding fiscal year of the State.”.

