

**PERSONAL RESPONSIBILITY  
AND WORK OPPORTUNITY  
RECONCILIATION ACT  
OF 1996**

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**H.R. 3734**

**PUBLIC LAW 104-193  
104TH CONGRESS**

**Volumes 1 to 19**

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**BILLS, REPORTS,  
DEBATES, AND ACT**

**Social Security Administration**

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**Office of the Deputy Commissioner for  
Legislation and Congressional Affairs**

## PREFACE

This 19-volume compilation contains historical documents pertaining to P.L. 104-193, the "Personal Responsibility and Work Opportunity Act of 1996." The books contain congressional debates, a chronological compilation of documents pertinent to the legislative history of the public law and relevant reference materials.

Pertinent documents include:

- o Differing versions of key bills
- o Committee reports
- o Excerpts from the Congressional Record
- o The Public Law

This history is prepared by the Office of the Deputy Commissioner for Legislation and Congressional Affairs and is designed to serve as a helpful resource tool for those charged with interpreting laws administered by the Social Security Administration.

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- F. H.R. 1214, "Personal Responsibility Act of 1995," introduced March 13, 1995 (excerpts). This bill was developed by the three committees with primary jurisdiction (Committees on Ways and Means, Agriculture, and Economic and Educational Opportunities). In addition, the Committee on Commerce worked with Ways and Means staff to draft language for H.R. 1214 as it related to provisions within the Commerce Committee's jurisdiction including ineligibility of illegal aliens for certain public benefits, SSI cash benefits, and SSI service benefits. H.R. 1214 was considered as the base text for floor consideration of welfare reform legislation.
- G. H.R. 1250, "Family Stability and Work Act of 1995," introduced March 15, 1995 (excerpts). This bill was offered as a Democratic substitute for H.R. 4/H.R. 1214. It failed to pass the House on March 23, 1995 by a vote of 96-336.
- H. H.R. 1267, "Individual Responsibility Act of 1995" introduced March 21, 1995 (excerpts). This bill was offered as a Democratic substitute for H.R. 4/H.R. 1214 that maintained several key Republican welfare reform provisions while also keeping the Federal entitlement for cash benefits, school lunches and other social programs. It failed to pass the House on March 23, 1995 by a vote of 205-228.
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- C. H.R. 3832, "Bipartisan Welfare Reform Act of 1996) as introduced July 17, 1996 (excerpts). This bill was offered as a substitute amendment to H.R. 3734 but failed to pass the House on July 18, 1996 by a vote of 168-228. H.R. 3832 was similar to H.R. 3266 introduced earlier in 1996.
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3. Legislative Bulletin 104-3, House Ways and Means Chairman Bill Archer Introduces Two New Contract With America Bills Affecting SSI and Aliens, RET and Taxation of Benefits--March 21, 1995
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5. Legislative Bulletin 104-6, The Senate Finance Committee Reports a Welfare Reform Bill, The "Family Self-Sufficiency Act of 1995"--June 2, 1995
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8. Legislative Bulletin 104-10, The Senate Passes H.R. 4, The "Work Opportunity Act of 1995"--September 26, 1995
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11. Legislative Bulletin 104-18, Provisions of the Balanced Budget Act of 1995 (H.R. 2491) as Vetoed by The President on December 6, 1995--February 2, 1996
  12. Legislative Bulletin 104-25, House Committee on Ways and Means Markup of H.R. 3507, The "Personal Responsibility and Work Opportunity Act of 1996"--June 25, 1996
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  14. Legislative Bulletin 104-27, House Passes H.R. 3734, The "Welfare Reform Reconciliation Act of 1996"--July 26, 1996
  15. Legislative Bulletin 104-29, Senate Passes H.R. 3734, The "Welfare Reform Reconciliation Act of 1996"--July 31, 1996
  16. Legislative Bulletin 104-30, Congress Reaches Agreement on H.R. 3734, "The "Personal Responsibility and Work Opportunity Act of 1996"--August 2, 1996
  17. Legislative Bulletin 104-32, The President Signs H.R. 3734, The "Personal Responsibility and Work Opportunity Act of 1996"--August 22, 1996
- B. "Major Welfare Reforms Enacted in 1996", Social Security Bulletin, Volume 59, No.3, Fall 1996
- C. Other House Bills
1. H.R. 2903, "Balanced Budget Act of 1995 for Economic Growth and Fairness"--as introduced January 26, 1996 (excerpts). This was the text of President Clinton's balanced-budget plan. It included some provisions of interest, but did not include major welfare reform provisions.
  2. H.R. 2915, "Personal Responsibility and Work Opportunity Act"--as introduced January 31, 1996 (excerpts). Companion bill to S. 1823. These bills reflect proposals presented in a bipartisan plan by the National Governors Association in early 1996.

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3. H.R. 3266, "Bipartisan Welfare Reform Act of 1996"--as introduced on April 17, 1996 (excerpts). Companion bill to S. 1867. These bills are a compromise between H.R. 4, which was vetoed, and proposals presented in a bipartisan plan by the National Governors Association in early 1996.

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4. H.R. 3507, "Personal Responsibility and Work Opportunity Act of 1996"--as introduced--May 22, 1996 (excerpts). Companion bill to S. 1795.
5. H.R. 3612, "Work First and Personal Responsibility Act of 1996"--as introduced June 4, 1996 (excerpts). Administration Welfare Reform Bill--companion bill to S. 1841.

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- D. Ways and Means Committee Print 104-15 "Summary of Welfare Reforms Made by Public Law 104-193"--November 6, 1996 (text only)
- E. Administration Welfare Reform Bill--103rd Congress (1994-1995)

H.R. 4605, "Work Responsibility Act of 1994"--as introduced June 21, 1994 (excerpts). This bill and the Senate companion bill (S. 2224) were the Administration's Welfare Reform proposals in the 103rd Congress.

104TH CONGRESS  
2D SESSION

# H. R. 3829

To provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 17, 1996

Mr. KASICH introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Agriculture, Commerce, Economic and Educational Opportunities, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997.

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 "Welfare Reform Rec-  
5 onciliation Act of 1996".

6 **SEC. 2. TABLE OF TITLES.**

7 The table of titles of this Act is as follows:

Title I—Committee on Agriculture

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Title II—Committee on Commerce

Title III—Committee on Economic and Educational Opportunities

Title IV—Committee on Ways and Means

1           **TITLE I—COMMITTEE ON**  
2                           **AGRICULTURE**

3   **SEC. 1001. SHORT TITLE.**

4           This title may be cited as the “Food Stamp Reform  
5 and Commodity Distribution Act of 1996”.

6   **SEC. 1002. TABLE OF CONTENTS.**

7           The table of contents of this title is as follows:

Sec. 1001. Short title.

Sec. 1002. Table of contents.

  Subtitle A—Food Stamp Program

Sec. 1011. Definition of certification period.

Sec. 1012. Definition of coupon.

Sec. 1013. Treatment of children living at home.

Sec. 1014. Optional additional criteria for separate household determinations.

Sec. 1015. Adjustment of thrifty food plan.

Sec. 1016. Definition of homeless individual.

Sec. 1017. State option for eligibility standards.

Sec. 1018. Earnings of students.

Sec. 1019. Energy assistance.

Sec. 1020. Deductions from income.

Sec. 1021. Vehicle allowance.

Sec. 1022. Vendor payments for transitional housing counted as income.

Sec. 1023. Doubled penalties for violating food stamp program requirements.

Sec. 1024. Disqualification of convicted individuals.

Sec. 1025. Disqualification.

Sec. 1026. Caretaker exemption.

Sec. 1027. Employment and training.

Sec. 1028. Comparable treatment for disqualification.

Sec. 1029. Disqualification for receipt of multiple food stamp benefits.

Sec. 1030. Disqualification of fleeing felons.

Sec. 1031. Cooperation with child support agencies.

Sec. 1032. Disqualification relating to child support arrears.

Sec. 1033. Work requirement.

Sec. 1034. Encourage electronic benefit transfer systems.

Sec. 1035. Value of minimum allotment.

Sec. 1036. Benefits on recertification.

Sec. 1037. Optional combined allotment for expedited households.

Sec. 1038. Failure to comply with other means-tested public assistance programs.

Sec. 1039. Allotments for households residing in centers.



- Sec. 1040. Condition precedent for approval of retail food stores and wholesale food concerns.
- Sec. 1041. Authority to establish authorization periods.
- Sec. 1042. Information for verifying eligibility for authorization.
- Sec. 1043. Waiting period for stores that fail to meet authorization criteria.
- Sec. 1044. Operation of food stamp offices.
- Sec. 1045. State employee and training standards.
- Sec. 1046. Exchange of law enforcement information.
- Sec. 1047. Expedited coupon service.
- Sec. 1048. Withdrawing fair hearing requests.
- Sec. 1049. Income, eligibility, and immigration status verification systems.
- Sec. 1050. Disqualification of retailers who intentionally submit falsified applications.
- Sec. 1051. Disqualification of retailers who are disqualified under the WIC program.
- Sec. 1052. Collection of overissuances.
- Sec. 1053. Authority to suspend stores violating program requirements pending administrative and judicial review.
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- Sec. 1061. Reauthorization.
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- Sec. 1063. State food assistance block grant.
- Sec. 1064. A study of the use of food stamps to purchase vitamins and minerals.
- Sec. 1065. Investigations.
- Sec. 1066. Food stamp eligibility.
- Sec. 1067. Report by the Secretary.
- Sec. 1068. Deficit reduction.

#### Subtitle B—Commodity Distribution Programs

- Sec. 1071. Emergency food assistance program.
- Sec. 1072. Food bank demonstration project.
- Sec. 1073. Hunger prevention programs.
- Sec. 1074. Report on entitlement commodity processing.

#### Subtitle C—Electronic Benefit Transfer Systems

- Sec. 1091. Provisions to encourage electronic benefit transfer systems.

## 1     **Subtitle A—Food Stamp Program**

### 2     **SEC. 1011. DEFINITION OF CERTIFICATION PERIOD.**

3         Section 3(c) of the Food Stamp Act of 1977 (7  
4     U.S.C. 2012(c)) is amended by striking “Except as pro-  
5     vided” and all that follows and inserting the following:

1 “The certification period shall not exceed 12 months, ex-  
2 cept that the certification period may be up to 24 months  
3 if all adult household members are elderly or disabled. A  
4 State agency shall have at least 1 contact with each cer-  
5 tified household every 12 months.”.

6 **SEC. 1012. DEFINITION OF COUPON.**

7 Section 3(d) of the Food Stamp Act of 1977 (7  
8 U.S.C. 2012(d)) is amended by striking “or type of certifi-  
9 cate” and inserting “type of certificate, authorization  
10 card, cash or check issued in lieu of a coupon, or an access  
11 device, including an electronic benefit transfer card or per-  
12 sonal identification number,”.

13 **SEC. 1013. TREATMENT OF CHILDREN LIVING AT HOME.**

14 The second sentence of section 3(i) of the Food  
15 Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by  
16 striking “(who are not themselves parents living with their  
17 children or married and living with their spouses)”.

18 **SEC. 1014. OPTIONAL ADDITIONAL CRITERIA FOR SEPA-  
19 RATE HOUSEHOLD DETERMINATIONS.**

20 Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C.  
21 2012(i)) is amended by inserting after the third sentence  
22 the following: “Notwithstanding the preceding sentences,  
23 a State may establish criteria that prescribe when individ-  
24 uals who live together, and who would be allowed to par-  
25 ticipate as separate households under the preceding sen-

1 tences, shall be considered a single household, without re-  
2 gard to the common purchase of food and preparation of  
3 meals.”.

4 **SEC. 1015. ADJUSTMENT OF THRIFTY FOOD PLAN.**

5 The second sentence of section 3(o) of the Food  
6 Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

7 (1) by striking “shall (1) make” and inserting  
8 the following: “shall—

9 “(1) make”;

10 (2) by striking “scale, (2) make” and inserting  
11 “scale;

12 “(2) make”;

13 (3) by striking “Alaska, (3) make” and insert-  
14 ing the following: “Alaska;

15 “(3) make”; and

16 (4) by striking “Columbia, (4) through” and all  
17 that follows through the end of the subsection and  
18 inserting the following: “Columbia; and

19 “(4) on October 1, 1996, and each October 1  
20 thereafter, adjust the cost of the diet to reflect the  
21 cost of the diet, in the preceding June, and round  
22 the result to the nearest lower dollar increment for  
23 each household size, except that on October 1, 1996,  
24 the Secretary may not reduce the cost of the diet  
25 in effect on September 30, 1996.”.

1 **SEC. 1016. DEFINITION OF HOMELESS INDIVIDUAL.**

2 Section 3(s)(2)(C) of the Food Stamp Act of 1977  
3 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting “for not  
4 more than 90 days” after “temporary accommodation”.

5 **SEC. 1017. STATE OPTION FOR ELIGIBILITY STANDARDS.**

6 Section 5(b) of the Food Stamp Act of 1977 (7  
7 U.S.C. 2014(d)) is amended by striking “(b) The Sec-  
8 retary” and inserting the following:

9 “(b) **ELIGIBILITY STANDARDS.**—Except as otherwise  
10 provided in this Act, the Secretary”.

11 **SEC. 1018. EARNINGS OF STUDENTS.**

12 Section 5(d)(7) of the Food Stamp Act of 1977 (7  
13 U.S.C. 2014(d)(7)) is amended by striking “21” and in-  
14 serting “19”.

15 **SEC. 1019. ENERGY ASSISTANCE.**

16 (a) **IN GENERAL.**—Section 5(d) of the Food Stamp  
17 Act of 1977 (7 U.S.C. 2014(d)) is amended by striking  
18 paragraph (11) and inserting the following: “(11) a 1-time  
19 payment or allowance made under a Federal or State law  
20 for the costs of weatherization or emergency repair or re-  
21 placement of an unsafe or inoperative furnace or other  
22 heating or cooling device,”.

23 (b) **CONFORMING AMENDMENTS.**—

24 (1) Section 5(k) of the Act (7 U.S.C. 2014(k))  
25 is amended—

26 (A) in paragraph (1)—

1 (i) in subparagraph (A), by striking  
2 “plan for aid to families with dependent  
3 children approved” and inserting “program  
4 funded”; and

5 (ii) in subparagraph (B), by striking  
6 “, not including energy or utility-cost as-  
7 sistance,”;

8 (B) in paragraph (2), by striking subpara-  
9 graph (C) and inserting the following:

10 “(C) a payment or allowance described in sub-  
11 section (d)(11);” and

12 (C) by adding at the end the following:

13 “(4) THIRD PARTY ENERGY ASSISTANCE PAY-  
14 MENTS.—

15 “(A) ENERGY ASSISTANCE PAYMENTS.—  
16 For purposes of subsection (d)(1), a payment  
17 made under a Federal or State law to provide  
18 energy assistance to a household shall be con-  
19 sidered money payable directly to the house-  
20 hold.

21 “(B) ENERGY ASSISTANCE EXPENSES.—  
22 For purposes of subsection (e)(7), an expense  
23 paid on behalf of a household under a Federal  
24 or State law to provide energy assistance shall

1           be considered an out-of-pocket expense incurred  
2           and paid by the household.”.

3           (2) Section 2605(f) of the Low-Income Home  
4           Energy Assistance Act of 1981 (42 U.S.C. 8624(f))  
5           is amended—

6                   (A) by striking “(f)(1) Notwithstanding”  
7                   and inserting “(f) Notwithstanding”;

8                   (B) in paragraph (1), by striking “food  
9                   stamps,”; and

10                   (C) by striking paragraph (2).

11 **SEC. 1020. DEDUCTIONS FROM INCOME.**

12           (a) IN GENERAL.—Section 5 of the Food Stamp Act  
13 of 1977 (7 U.S.C. 2014) is amended by striking sub-  
14 section (e) and inserting the following:

15           “(e) DEDUCTIONS FROM INCOME.—

16                   “(1) STANDARD DEDUCTION.—The Secretary  
17                   shall allow a standard deduction for each household  
18                   in the 48 contiguous States and the District of Co-  
19                   lumbia, Alaska, Hawaii, Guam, and the Virgin Is-  
20                   lands of the United States of \$134, \$229, \$189,  
21                   \$269, and \$118, respectively.

22                   “(2) EARNED INCOME DEDUCTION.—

23                           “(A) DEFINITION OF EARNED INCOME.—

24                           In this paragraph, the term ‘earned income’  
25                           does not include income excluded by subsection

1 (d) or any portion of income earned under a  
2 work supplementation or support program, as  
3 defined under section 16(b), that is attributable  
4 to public assistance.

5 “(B) DEDUCTION.—Except as provided in  
6 subparagraph (C), a household with earned in-  
7 come shall be allowed a deduction of 20 percent  
8 of all earned income to compensate for taxes,  
9 other mandatory deductions from salary, and  
10 work expenses.

11 “(C) EXCEPTION.—The deduction de-  
12 scribed in subparagraph (B) shall not be al-  
13 lowed with respect to determining an overissu-  
14 ance due to the failure of a household to report  
15 earned income in a timely manner.

16 “(3) DEPENDENT CARE DEDUCTION.—

17 “(A) IN GENERAL.—A household shall be  
18 entitled, with respect to expenses (other than  
19 excluded expenses described in subparagraph  
20 (B)) for dependent care, to a dependent care  
21 deduction, the maximum allowable level of  
22 which shall be \$200 per month for each depend-  
23 ent child under 2 years of age and \$175 per  
24 month for each other dependent, for the actual  
25 cost of payments necessary for the care of a de-

1           pendent if the care enables a household member  
2           to accept or continue employment, or training  
3           or education that is preparatory for employ-  
4           ment.

5           “(B) EXCLUDED EXPENSES.—The ex-  
6           cluded expenses referred to in subparagraph  
7           (A) are—

8                   “(i) expenses paid on behalf of the  
9                   household by a third party;

10                   “(ii) amounts made available and ex-  
11                   cluded for the expenses referred to in sub-  
12                   paragraph (A) under subsection (d)(3);  
13                   and

14                   “(iii) expenses that are paid under  
15                   section 6(d)(4).

16           “(4) DEDUCTION FOR CHILD SUPPORT PAY-  
17           MENTS.—

18                   “(A) IN GENERAL.—A household shall be  
19                   entitled to a deduction for child support pay-  
20                   ments made by a household member to or for  
21                   an individual who is not a member of the  
22                   household if the household member is legally  
23                   obligated to make the payments.

24                   “(B) METHODS FOR DETERMINING  
25                   AMOUNT.—The Secretary may prescribe by reg-



1           ulation the methods, including calculation on a  
2           retrospective basis, that a State agency shall  
3           use to determine the amount of the deduction  
4           for child support payments.

5           “(5) HOMELESS SHELTER ALLOWANCE.—A  
6           State agency may develop a standard homeless shel-  
7           ter allowance, which shall not exceed \$143 per  
8           month, for such expenses as may reasonably be ex-  
9           pected to be incurred by households in which all  
10          members are homeless individuals but are not receiv-  
11          ing free shelter throughout the month. A State agen-  
12          cy that develops the allowance may use the allow-  
13          ance in determining eligibility and allotments for the  
14          households, except that the State agency may pro-  
15          hibit the use of the allowance for households with  
16          extremely low shelter costs.

17          “(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

18                 “(A) IN GENERAL.—A household contain-  
19                 ing an elderly or disabled member shall be enti-  
20                 tled, with respect to expenses other than ex-  
21                 penses paid on behalf of the household by a  
22                 third party, to an excess medical expense de-  
23                 duction for the portion of the actual costs of al-  
24                 lowable medical expenses, incurred by the elder-

1 ly or disabled member, exclusive of special diets,  
2 that exceeds \$35 per month.

3 “(B) METHOD OF CLAIMING DEDUC-  
4 TION.—

5 “(i) IN GENERAL.—A State agency  
6 shall offer an eligible household under sub-  
7 paragraph (A) a method of claiming a de-  
8 duction for recurring medical expenses that  
9 are initially verified under the excess medi-  
10 cal expense deduction in lieu of submitting  
11 information or verification on actual ex-  
12 penses on a monthly basis.

13 “(ii) METHOD.—The method de-  
14 scribed in clause (i) shall—

15 “(I) be designed to minimize the  
16 burden for the eligible elderly or dis-  
17 abled household member choosing to  
18 deduct the recurrent medical expenses  
19 of the member pursuant to the meth-  
20 od;

21 “(II) rely on reasonable estimates  
22 of the expected medical expenses of  
23 the member for the certification pe-  
24 riod (including changes that can be  
25 reasonably anticipated based on avail-

1           able information about the medical  
2           condition of the member, public or  
3           private medical insurance coverage,  
4           and the current verified medical ex-  
5           penses incurred by the member); and

6                   “(III) not require further report-  
7           ing or verification of a change in med-  
8           ical expenses if such a change has  
9           been anticipated for the certification  
10          period.

11           “(7) EXCESS SHELTER EXPENSE DEDUC-  
12          TION.—

13                   “(A) IN GENERAL.—A household shall be  
14          entitled, with respect to expenses other than ex-  
15          penses paid on behalf of the household by a  
16          third party, to an excess shelter expense deduc-  
17          tion to the extent that the monthly amount ex-  
18          pended by a household for shelter exceeds an  
19          amount equal to 50 percent of monthly house-  
20          hold income after all other applicable deduc-  
21          tions have been allowed.

22                   “(B) MAXIMUM AMOUNT OF DEDUC-  
23          TION.—In the case of a household that does not  
24          contain an elderly or disabled individual, the ex-

1           cess shelter expense deduction shall not ex-  
2           ceed—

3                   “(i) in the 48 contiguous States and  
4                   the District of Columbia, \$247 per month;  
5                   and

6                   “(ii) in Alaska, Hawaii, Guam, and  
7                   the Virgin Islands of the United States,  
8                   \$429, \$353, \$300, and \$182 per month,  
9                   respectively.

10           “(C) STANDARD UTILITY ALLOWANCE.—

11                   “(i) IN GENERAL.—In computing the  
12                   excess shelter expense deduction, a State  
13                   agency may use a standard utility allow-  
14                   ance in accordance with regulations pro-  
15                   mulgated by the Secretary, except that a  
16                   State agency may use an allowance that  
17                   does not fluctuate within a year to reflect  
18                   seasonal variations.

19                   “(ii) RESTRICTIONS ON HEATING AND  
20                   COOLING EXPENSES.—An allowance for a  
21                   heating or cooling expense may not be used  
22                   in the case of a household that—

23                           “(I) does not incur a heating or  
24                           cooling expense, as the case may be;

1           “(II) does incur a heating or  
2 cooling expense but is located in a  
3 public housing unit that has central  
4 utility meters and charges households,  
5 with regard to the expense, only for  
6 excess utility costs; or

7           “(III) shares the expense with,  
8 and lives with, another individual not  
9 participating in the food stamp pro-  
10 gram, another household participating  
11 in the food stamp program, or both,  
12 unless the allowance is prorated be-  
13 tween the household and the other in-  
14 dividual, household, or both.

15           “(iii) MANDATORY ALLOWANCE.—

16           “(I) IN GENERAL.—A State  
17 agency may make the use of a stand-  
18 ard utility allowance mandatory for all  
19 households with qualifying utility  
20 costs if—

21           “(aa) the State agency has  
22 developed 1 or more standards  
23 that include the cost of heating  
24 and cooling and 1 or more stand-

1 ards that do not include the cost  
2 of heating and cooling; and

3 “(bb) the Secretary finds  
4 that the standards will not result  
5 in an increased cost to the Sec-  
6 retary.

7 “(II) HOUSEHOLD ELECTION.—

8 A State agency that has not made the  
9 use of a standard utility allowance  
10 mandatory under subclause (I) shall  
11 allow a household to switch, at the  
12 end of a certification period, between  
13 the standard utility allowance and a  
14 deduction based on the actual utility  
15 costs of the household.

16 “(iv) AVAILABILITY OF ALLOWANCE  
17 TO RECIPIENTS OF ENERGY ASSISTANCE.—

18 “(I) IN GENERAL.—Subject to  
19 subclause (II), if a State agency elects  
20 to use a standard utility allowance  
21 that reflects heating or cooling costs,  
22 the standard utility allowance shall be  
23 made available to households receiving  
24 a payment, or on behalf of which a  
25 payment is made, under the Low-In-

1 come Home Energy Assistance Act of  
2 1981 (42 U.S.C. 8621 et seq.) or  
3 other similar energy assistance pro-  
4 gram, if the household still incurs out-  
5 of-pocket heating or cooling expenses  
6 in excess of any assistance paid on be-  
7 half of the household to an energy  
8 provider.

9 “(II) SEPARATE ALLOWANCE.—A  
10 State agency may use a separate  
11 standard utility allowance for house-  
12 holds on behalf of which a payment  
13 described in subclause (I) is made,  
14 but may not be required to do so.

15 “(III) STATES NOT ELECTING TO  
16 USE SEPARATE ALLOWANCE.—A State  
17 agency that does not elect to use a  
18 separate allowance but makes a single  
19 standard utility allowance available to  
20 households incurring heating or cool-  
21 ing expenses (other than a household  
22 described in subclause (I) or (II) of  
23 subparagraph (C)(ii)) may not be re-  
24 quired to reduce the allowance due to  
25 the provision (directly or indirectly) of

1 assistance under the Low-Income  
2 Home Energy Assistance Act of 1981  
3 (42 U.S.C. 8621 et seq.).

4 “(IV) PRORATION OF ASSIST-  
5 ANCE.—For the purpose of the food  
6 stamp program, assistance provided  
7 under the Low-Income Home Energy  
8 Assistance Act of 1981 (42 U.S.C.  
9 8621 et seq.) shall be considered to be  
10 prorated over the entire heating or  
11 cooling season for which the assist-  
12 ance was provided.”.

13 (b) CONFORMING AMENDMENT.—Section 11(e)(3) of  
14 the Act (7 U.S.C. 2020(e)(3)) is amended by striking  
15 “Under rules prescribed” and all that follows through  
16 “verifies higher expenses;”.

17 **SEC. 1021. VEHICLE ALLOWANCE.**

18 Section 5(g) of the Food Stamp Act of 1977 (7  
19 U.S.C. 2014(g)) is amended by striking paragraph (2) and  
20 inserting the following:

21 “(2) INCLUDED ASSETS.—

22 “(A) IN GENERAL.—Subject to the other  
23 provisions of this paragraph, the Secretary  
24 shall, in prescribing inclusions in, and exclu-  
25 sions from, financial resources, follow the regu-



1           lations in force as of June 1, 1982 (other than  
2           those relating to licensed vehicles and inacces-  
3           sible resources).

4           “(B) ADDITIONAL INCLUDED ASSETS.—  
5           The Secretary shall include in financial re-  
6           sources—

7                   “(i) any boat, snowmobile, or airplane  
8                   used for recreational purposes;

9                   “(ii) any vacation home;

10                   “(iii) any mobile home used primarily  
11                   for vacation purposes;

12                   “(iv) subject to subparagraph (C), any  
13                   licensed vehicle that is used for household  
14                   transportation or to obtain or continue em-  
15                   ployment to the extent that the fair market  
16                   value of the vehicle exceeds \$4,600; and

17                   “(v) any savings or retirement ac-  
18                   count (including an individual account), re-  
19                   gardless of whether there is a penalty for  
20                   early withdrawal.

21           “(C) EXCLUDED VEHICLES.—A vehicle  
22           (and any other property, real or personal, to the  
23           extent the property is directly related to the  
24           maintenance or use of the vehicle) shall not be

1 included in financial resources under this para-  
2 graph if the vehicle is—

3 “(i) used to produce earned income;

4 “(ii) necessary for the transportation  
5 of a physically disabled household member;

6 or

7 “(iii) depended on by a household to  
8 carry fuel for heating or water for home  
9 use and provides the primary source of fuel  
10 or water, respectively, for the household.”.

11 **SEC. 1022. VENDOR PAYMENTS FOR TRANSITIONAL HOUS-**  
12 **ING COUNTED AS INCOME.**

13 Section 5(k)(2) of the Food Stamp Act of 1977 (7  
14 U.S.C. 2014(k)(2)) is amended—

15 (1) by striking subparagraph (F); and

16 (2) by redesignating subparagraphs (G) and  
17 (H) as subparagraphs (F) and (G), respectively.

18 **SEC. 1023. DOUBLED PENALTIES FOR VIOLATING FOOD**  
19 **STAMP PROGRAM REQUIREMENTS.**

20 Section 6(b)(1) of the Food Stamp Act of 1977 (7  
21 U.S.C. 2015(b)(1)) is amended—

22 (1) in clause (i), by striking “six months” and  
23 inserting “1 year”; and

24 (2) in clause (ii), by striking “1 year” and in-  
25 serting “2 years”.

1 **SEC. 1024. DISQUALIFICATION OF CONVICTED INDIVID-**  
2 **UALS.**

3 Section 6(b)(1)(iii) of the Food Stamp Act of 1977  
4 (7 U.S.C. 2015(b)(1)(iii)) is amended—

5 (1) in subclause (II), by striking “or” at the  
6 end;

7 (2) in subclause (III), by striking the period at  
8 the end and inserting “; or”; and

9 (3) by inserting after subclause (III) the follow-  
10 ing:

11 “(IV) a conviction of an offense under sub-  
12 section (b) or (c) of section 15 involving an  
13 item covered by subsection (b) or (c) of section  
14 15 having a value of \$500 or more.”.

15 **SEC. 1025. DISQUALIFICATION.**

16 (a) **IN GENERAL.**—Section 6(d) of the Food Stamp  
17 Act of 1977 (7 U.S.C. 2015(d)) is amended by striking  
18 “(d)(1) Unless otherwise exempted by the provisions” and  
19 all that follows through the end of paragraph (1) and in-  
20 serting the following:

21 “(d) **CONDITIONS OF PARTICIPATION.**—

22 “(1) **WORK REQUIREMENTS.**—

23 “(A) **IN GENERAL.**—No physically and  
24 mentally fit individual over the age of 15 and  
25 under the age of 60 shall be eligible to partici-

1           pate in the food stamp program if the individ-  
2           ual—

3                   “(i) refuses, at the time of application  
4                   and every 12 months thereafter, to register  
5                   for employment in a manner prescribed by  
6                   the Secretary;

7                   “(ii) refuses without good cause to  
8                   participate in an employment and training  
9                   program under paragraph (4), to the ex-  
10                  tent required by the State agency;

11                  “(iii) refuses without good cause to  
12                  accept an offer of employment, at a site or  
13                  plant not subject to a strike or lockout at  
14                  the time of the refusal, at a wage not less  
15                  than the higher of—

16                   “(I) the applicable Federal or  
17                   State minimum wage; or

18                   “(II) 80 percent of the wage that  
19                   would have governed had the mini-  
20                   mum hourly rate under section  
21                   6(a)(1) of the Fair Labor Standards  
22                   Act of 1938 (29 U.S.C. 206(a)(1))  
23                   been applicable to the offer of employ-  
24                   ment;

1           “(iv) refuses without good cause to  
2           provide a State agency with sufficient in-  
3           formation to allow the State agency to de-  
4           termine the employment status or the job  
5           availability of the individual;

6           “(v) voluntarily and without good  
7           cause—

8                     “(I) quits a job; or

9                     “(II) reduces work effort and,  
10           after the reduction, the individual is  
11           working less than 30 hours per week;

12           or

13                     “(vi) fails to comply with section 20.

14           “(B) HOUSEHOLD INELIGIBILITY.—If an  
15           individual who is the head of a household be-  
16           comes ineligible to participate in the food stamp  
17           program under subparagraph (A), the house-  
18           hold shall, at the option of the State agency,  
19           become ineligible to participate in the food  
20           stamp program for a period, determined by the  
21           State agency, that does not exceed the lesser  
22           of—

23                     “(i) the duration of the ineligibility of  
24           the individual determined under subpara-  
25           graph (C); or

1                   “(ii) 180 days.

2                   “(C) DURATION OF INELIGIBILITY.—

3                   “(i) FIRST VIOLATION.—The first  
4 time that an individual becomes ineligible  
5 to participate in the food stamp program  
6 under subparagraph (A), the individual  
7 shall remain ineligible until the later of—

8                   “(I) the date the individual be-  
9 comes eligible under subparagraph  
10 (A);

11                   “(II) the date that is 1 month  
12 after the date the individual became  
13 ineligible; or

14                   “(III) a date determined by the  
15 State agency that is not later than 3  
16 months after the date the individual  
17 became ineligible.

18                   “(ii) SECOND VIOLATION.—The sec-  
19 ond time that an individual becomes ineli-  
20 gible to participate in the food stamp pro-  
21 gram under subparagraph (A), the individ-  
22 ual shall remain ineligible until the later  
23 of—

1           “(I) the date the individual be-  
2 comes eligible under subparagraph  
3 (A);

4           “(II) the date that is 3 months  
5 after the date the individual became  
6 ineligible; or

7           “(III) a date determined by the  
8 State agency that is not later than 6  
9 months after the date the individual  
10 became ineligible.

11           “(iii) THIRD OR SUBSEQUENT VIOLA-  
12 TION.—The third or subsequent time that  
13 an individual becomes ineligible to partici-  
14 pate in the food stamp program under sub-  
15 paragraph (A), the individual shall remain  
16 ineligible until the later of—

17           “(I) the date the individual be-  
18 comes eligible under subparagraph  
19 (A);

20           “(II) the date that is 6 months  
21 after the date the individual became  
22 ineligible;

23           “(III) a date determined by the  
24 State agency; or

1                   “(IV) at the option of the State  
2                   agency, permanently.

3                   “(D) ADMINISTRATION.—

4                   “(i) GOOD CAUSE.—The Secretary  
5                   shall determine the meaning of good cause  
6                   for the purpose of this paragraph.

7                   “(ii) VOLUNTARY QUIT.—The Sec-  
8                   retary shall determine the meaning of vol-  
9                   untarily quitting and reducing work effort  
10                  for the purpose of this paragraph.

11                  “(iii) DETERMINATION BY STATE  
12                  AGENCY.—

13                  “(I) IN GENERAL.—Subject to  
14                  subclause (II) and clauses (i) and (ii),  
15                  a State agency shall determine—

16                         “(aa) the meaning of any  
17                         term in subparagraph (A);

18                         “(bb) the procedures for de-  
19                         termining whether an individual  
20                         is in compliance with a require-  
21                         ment under subparagraph (A);  
22                         and

23                         “(cc) whether an individual  
24                         is in compliance with a require-  
25                         ment under subparagraph (A).



1                   “(II) NOT LESS RESTRICTIVE.—  
2                   A State agency may not determine a  
3                   meaning, procedure, or determination  
4                   under subclause (I) to be less restric-  
5                   tive than a comparable meaning, pro-  
6                   cedure, or determination under a  
7                   State program funded under part A of  
8                   title IV of the Social Security Act (42  
9                   U.S.C. 601 et seq.).

10                   “(iv) STRIKE AGAINST THE GOVERN-  
11                   MENT.—For the purpose of subparagraph  
12                   (A)(v), an employee of the Federal Govern-  
13                   ment, a State, or a political subdivision of  
14                   a State, who is dismissed for participating  
15                   in a strike against the Federal Govern-  
16                   ment, the State, or the political subdivision  
17                   of the State shall be considered to have  
18                   voluntarily quit without good cause.

19                   “(v) SELECTING A HEAD OF HOUSE-  
20                   HOLD.—

21                   “(I) IN GENERAL.—For the pur-  
22                   pose of this paragraph, the State  
23                   agency shall allow the household to se-  
24                   lect any adult parent of a child in the  
25                   household as the head of the house-

1 hold if all adult household members  
2 making application under the food  
3 stamp program agree to the selection.

4 “(II) TIME FOR MAKING DES-  
5 IGNATION.—A household may des-  
6 ignate the head of the household  
7 under subclause (I) each time the  
8 household is certified for participation  
9 in the food stamp program, but may  
10 not change the designation during a  
11 certification period unless there is a  
12 change in the composition of the  
13 household.

14 “(vi) CHANGE IN HEAD OF HOUSE-  
15 HOLD.—If the head of a household leaves  
16 the household during a period in which the  
17 household is ineligible to participate in the  
18 food stamp program under subparagraph  
19 (B)—

20 “(I) the household shall, if other-  
21 wise eligible, become eligible to par-  
22 ticipate in the food stamp program;  
23 and

24 “(II) if the head of the household  
25 becomes the head of another house-

1 hold, the household that becomes  
2 headed by the individual shall become  
3 ineligible to participate in the food  
4 stamp program for the remaining pe-  
5 riod of ineligibility.”.

6 (b) CONFORMING AMENDMENT.—

7 (1) The second sentence of section 17(b)(2) of  
8 the Act (7 U.S.C. 2026(b)(2)) is amended by strik-  
9 ing “6(d)(1)(i)” and inserting “6(d)(1)(A)(i)”.

10 (2) Section 20 of the Act (7 U.S.C. 2029) is  
11 amended by striking subsection (f) and inserting the  
12 following:

13 “(f) DISQUALIFICATION.—An individual or a house-  
14 hold may become ineligible under section 6(d)(1) to par-  
15 ticipate in the food stamp program for failing to comply  
16 with this section.”.

17 **SEC. 1026. CARETAKER EXEMPTION.**

18 Section 6(d)(2) of the Food Stamp Act of 1977 (7  
19 U.S.C. 2015(d)(2)) is amended by striking subparagraph  
20 (B) and inserting the following: “(B) a parent or other  
21 member of a household with responsibility for the care of  
22 (i) a dependent child under the age of 6 or any lower age  
23 designated by the State agency that is not under the age  
24 of 1, or (ii) an incapacitated person;”.

1 **SEC. 1027. EMPLOYMENT AND TRAINING.**

2 (a) IN GENERAL.—Section 6(d)(4) of the Food  
3 Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

4 (1) in subparagraph (A)—

5 (A) by striking “Not later than April 1,  
6 1987, each” and inserting “Each”;

7 (B) by inserting “work,” after “skills,  
8 training,”; and

9 (C) by adding at the end the following:  
10 “Each component of an employment and train-  
11 ing program carried out under this paragraph  
12 shall be delivered through a statewide workforce  
13 development system, unless the component is  
14 not available locally through the statewide  
15 workforce development system.”;

16 (2) in subparagraph (B)—

17 (A) in the matter preceding clause (i), by  
18 striking the colon at the end and inserting the  
19 following: “, except that the State agency shall  
20 retain the option to apply employment require-  
21 ments prescribed under this subparagraph to a  
22 program applicant at the time of application.”;

23 (B) in clause (i), by striking “with terms  
24 and conditions” and all that follows through  
25 “time of application”; and

26 (C) in clause (iv)—

- 1 (i) by striking subclauses (I) and (II);  
2 and  
3 (ii) by redesignating subclauses (III)  
4 and (IV) as subclauses (I) and (II), respec-  
5 tively;
- 6 (3) in subparagraph (D)—  
7 (A) in clause (i), by striking “to which the  
8 application” and all that follows through “30  
9 days or less”;
- 10 (B) in clause (ii), by striking “but with re-  
11 spect” and all that follows through “child  
12 care”; and
- 13 (C) in clause (iii), by striking “, on the  
14 basis of” and all that follows through “clause  
15 (ii)” and inserting “the exemption continues to  
16 be valid”;
- 17 (4) in subparagraph (E), by striking the third  
18 sentence;
- 19 (5) in subparagraph (G)—  
20 (A) by striking “(G)(i) The State” and in-  
21 serting “(G) The State”; and  
22 (B) by striking clause (ii);
- 23 (6) in subparagraph (H), by striking “(H)(i)  
24 The Secretary” and all that follows through “(ii)  
25 Federal funds” and inserting “(H) Federal funds”;

1           (7) in subparagraph (I)(i)(II), by striking “, or  
2           was in operation,” and all that follows through “So-  
3           cial Security Act” and inserting the following: “),  
4           except that no such payment or reimbursement shall  
5           exceed the applicable local market rate”;

6           (8)(A) by striking subparagraphs (K) and (L)  
7           and inserting the following:

8                   “(K) LIMITATION ON FUNDING.—Notwith-  
9                   standing any other provision of this paragraph,  
10                  the amount of funds a State agency uses to  
11                  carry out this paragraph (including under sub-  
12                  paragraph (I)) for participants who are receiv-  
13                  ing benefits under a State program funded  
14                  under part A of title IV of the Social Security  
15                  Act (42 U.S.C. 601 et seq.) shall not exceed the  
16                  amount of funds the State agency used in fiscal  
17                  year 1995 to carry out this paragraph for par-  
18                  ticipants who were receiving benefits in fiscal  
19                  year 1995 under a State program funded under  
20                  part A of title IV of the Act (42 U.S.C. 601 et  
21                  seq.)”; and

22           (B) by redesignating subparagraphs (M) and  
23           (N) as subparagraphs (L) and (M), respectively; and

24           (9) in subparagraph (L), as redesignated by  
25           paragraph (8)(B)—

1 (A) by striking “(L)(i) The Secretary” and  
2 inserting “(L) The Secretary”; and

3 (B) by striking clause (ii).

4 (b) FUNDING.—Section 16(h) of the Act (7 U.S.C.  
5 2025(h)) is amended by striking “(h)(1)(A) The Sec-  
6 retary” and all that follows through the end of paragraph  
7 (1) and inserting the following:

8 “(h) FUNDING OF EMPLOYMENT AND TRAINING  
9 PROGRAMS.—

10 “(1) IN GENERAL.—

11 “(A) AMOUNTS.—To carry out employ-  
12 ment and training programs, the Secretary  
13 shall reserve for allocation to State agencies  
14 from funds made available for each fiscal year  
15 under section 18(a)(1) the amount of—

16 “(i) for fiscal year 1996, \$75,000,000;

17 “(ii) for fiscal year 1997,  
18 \$79,000,000;

19 “(iii) for fiscal year 1998,  
20 \$81,000,000;

21 “(iv) for fiscal year 1999,  
22 \$84,000,000;

23 “(v) for fiscal year 2000,  
24 \$86,000,000;

1                   “(vi) for fiscal year 2001,  
2                   \$88,000,000; and

3                   “(vii) for fiscal year 2002,  
4                   \$90,000,000.

5                   “(B) ALLOCATION.—The Secretary shall  
6                   allocate the amounts reserved under subpara-  
7                   graph (A) among the State agencies using a  
8                   reasonable formula (as determined by the Sec-  
9                   retary) that gives consideration to the popu-  
10                  lation in each State affected by section 6(o).

11                  “(C) REALLOCATION.—

12                  “(i) NOTIFICATION.—A State agency  
13                  shall promptly notify the Secretary if the  
14                  State agency determines that the State  
15                  agency will not expend all of the funds al-  
16                  located to the State agency under subpara-  
17                  graph (B).

18                  “(ii) REALLOCATION.—On notification  
19                  under clause (i), the Secretary shall reallo-  
20                  cate the funds that the State agency will  
21                  not expend as the Secretary considers ap-  
22                  propriate and equitable.

23                  “(D) MINIMUM ALLOCATION.—Notwith-  
24                  standing subparagraphs (A) through (C), the  
25                  Secretary shall ensure that each State agency



1 operating an employment and training program  
2 shall receive not less than \$50,000 in each fis-  
3 cal year.”.

4 (c) **ADDITIONAL MATCHING FUNDS.**—Section  
5 16(h)(2) of the Act (7 U.S.C. 2025(h)(2)) is amended by  
6 inserting before the period at the end the following: “, in-  
7 cluding the costs for case management and casework to  
8 facilitate the transition from economic dependency to self-  
9 sufficiency through work”.

10 (d) **REPORTS.**—Section 16(h) of the Act (7 U.S.C.  
11 2025(h)) is amended—

12 (1) in paragraph (5)—

13 (A) by striking “(5)(A) The Secretary”  
14 and inserting “(5) The Secretary”; and

15 (B) by striking subparagraph (B); and

16 (2) by striking paragraph (6).

17 **SEC. 1028. COMPARABLE TREATMENT FOR DISQUALIFICA-**  
18 **TION.**

19 (a) **IN GENERAL.**—Section 6 of the Food Stamp Act  
20 of 1977 (7 U.S.C. 2015) is amended by adding at the end  
21 the following:

22 “(i) **COMPARABLE TREATMENT FOR DISQUALIFICA-**  
23 **TION.**—

24 “(1) **IN GENERAL.**—If a disqualification is im-  
25 posed on a member of a household for a failure of

1 the member to perform an action required under a  
2 Federal, State, or local law relating to a means-test-  
3 ed public assistance program, the State agency may  
4 impose the same disqualification on the member of  
5 the household under the food stamp program.

6 “(2) RULES AND PROCEDURES.—If a disquali-  
7 fication is imposed under paragraph (1) for a failure  
8 of an individual to perform an action required under  
9 part A of title IV of the Social Security Act (42  
10 U.S.C. 601 et seq.), the State agency may use the  
11 rules and procedures that apply under part A of title  
12 IV of the Act to impose the same disqualification  
13 under the food stamp program.

14 “(3) APPLICATION AFTER DISQUALIFICATION  
15 PERIOD.—A member of a household disqualified  
16 under paragraph (1) may, after the disqualification  
17 period has expired, apply for benefits under this Act  
18 and shall be treated as a new applicant, except that  
19 a prior disqualification under subsection (d) shall be  
20 considered in determining eligibility.”

21 (b) STATE PLAN PROVISIONS.—Section 11(e) of the  
22 Act (7 U.S.C. 2020(e)) is amended—

23 (1) in paragraph (24), by striking “and” at the  
24 end;

1           (2) in paragraph (25), by striking the period at  
2           the end and inserting a semicolon; and

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

4           “(26) the guidelines the State agency uses in  
5           carrying out section 6(i); and”.

6           (c) CONFORMING AMENDMENT.—Section 6(d)(2)(A)  
7 of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by strik-  
8 ing “that is comparable to a requirement of paragraph  
9 (1)”.

10 **SEC. 1029. DISQUALIFICATION FOR RECEIPT OF MULTIPLE**  
11 **FOOD STAMP BENEFITS.**

12           Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
13 2015), as amended by section 1028, is amended by adding  
14 at the end the following:

15           “(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE  
16 FOOD STAMP BENEFITS.—An individual shall be ineligible  
17 to participate in the food stamp program as a member  
18 of any household for a 10-year period if the individual is  
19 found by a State agency to have made, or is convicted  
20 in a Federal or State court of having made, a fraudulent  
21 statement or representation with respect to the identity  
22 or place of residence of the individual in order to receive  
23 multiple benefits simultaneously under the food stamp  
24 program.”.

1 **SEC. 1030. DISQUALIFICATION OF FLEEING FELONS.**

2 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
3 2015), as amended by sections 1028 and 1029, is amend-  
4 ed by adding at the end the following:

5 “(k) DISQUALIFICATION OF FLEEING FELONS.—No  
6 member of a household who is otherwise eligible to partici-  
7 pate in the food stamp program shall be eligible to partici-  
8 pate in the program as a member of that or any other  
9 household during any period during which the individual  
10 is—

11 “(1) fleeing to avoid prosecution, or custody or  
12 confinement after conviction, under the law of the  
13 place from which the individual is fleeing, for a  
14 crime, or attempt to commit a crime, that is a felony  
15 under the law of the place from which the individual  
16 is fleeing or that, in the case of New Jersey, is a  
17 high misdemeanor under the law of New Jersey; or

18 “(2) violating a condition of probation or parole  
19 imposed under a Federal or State law.”.

20 **SEC. 1031. COOPERATION WITH CHILD SUPPORT AGENCIES.**

21 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
22 2015), as amended by sections 1028 through 1030, is  
23 amended by adding at the end the following:

24 “(l) CUSTODIAL PARENT’S COOPERATION WITH  
25 CHILD SUPPORT AGENCIES.—

1           “(1) IN GENERAL.—At the option of a State  
2           agency, subject to paragraphs (2) and (3), no natu-  
3           ral or adoptive parent or other individual (collec-  
4           tively referred to in this subsection as ‘the individ-  
5           ual’) who is living with and exercising parental con-  
6           trol over a child under the age of 18 who has an ab-  
7           sent parent shall be eligible to participate in the food  
8           stamp program unless the individual cooperates with  
9           the State agency administering the program estab-  
10          lished under part D of title IV of the Social Security  
11          Act (42 U.S.C. 651 et seq.)—

12                   “(A) in establishing the paternity of the  
13                   child (if the child is born out of wedlock); and

14                   “(B) in obtaining support for—

15                           “(i) the child; or

16                           “(ii) the individual and the child.

17           “(2) GOOD CAUSE FOR NONCOOPERATION.—  
18           Paragraph (1) shall not apply to the individual if  
19           good cause is found for refusing to cooperate, as de-  
20           termined by the State agency in accordance with  
21           standards prescribed by the Secretary in consulta-  
22           tion with the Secretary of Health and Human Serv-  
23           ices. The standards shall take into consideration cir-  
24           cumstances under which cooperation may be against  
25           the best interests of the child.

1           “(3) FEES.—Paragraph (1) shall not require  
2           the payment of a fee or other cost for services pro-  
3           vided under part D of title IV of the Social Security  
4           Act (42 U.S.C. 651 et seq.).

5           “(m) NONCUSTODIAL PARENT’S COOPERATION WITH  
6 CHILD SUPPORT AGENCIES.—

7           “(1) IN GENERAL.—At the option of a State  
8           agency, subject to paragraphs (2) and (3), a puta-  
9           tive or identified noncustodial parent of a child  
10          under the age of 18 (referred to in this subsection  
11          as ‘the individual’) shall not be eligible to participate  
12          in the food stamp program if the individual refuses  
13          to cooperate with the State agency administering the  
14          program established under part D of title IV of the  
15          Social Security Act (42 U.S.C. 651 et seq.)—

16                  “(A) in establishing the paternity of the  
17          child (if the child is born out of wedlock); and

18                  “(B) in providing support for the child.

19          “(2) REFUSAL TO COOPERATE.—

20                  “(A) GUIDELINES.—The Secretary, in con-  
21          sultation with the Secretary of Health and  
22          Human Services, shall develop guidelines on  
23          what constitutes a refusal to cooperate under  
24          paragraph (1).

1           “(B) PROCEDURES.—The State agency  
2           shall develop procedures, using guidelines devel-  
3           oped under subparagraph (A), for determining  
4           whether an individual is refusing to cooperate  
5           under paragraph (1).

6           “(3) FEES.—Paragraph (1) shall not require  
7           the payment of a fee or other cost for services pro-  
8           vided under part D of title IV of the Social Security  
9           Act (42 U.S.C. 651 et seq.).

10          “(4) PRIVACY.—The State agency shall provide  
11          safeguards to restrict the use of information col-  
12          lected by a State agency administering the program  
13          established under part D of title IV of the Social Se-  
14          curity Act (42 U.S.C. 651 et seq.) to purposes for  
15          which the information is collected.”.

16 **SEC. 1032. DISQUALIFICATION RELATING TO CHILD SUP-**  
17 **PORT ARREARS.**

18          Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
19 2015), as amended by sections 1028 through 1031, is  
20 amended by adding at the end the following:

21          “(n) DISQUALIFICATION FOR CHILD SUPPORT AR-  
22 REARS.—

23                 “(1) IN GENERAL.—At the option of the State  
24                 agency, no individual shall be eligible to participate  
25                 in the food stamp program as a member of any

1 household during any month that the individual is  
2 delinquent in any payment due under a court order  
3 for the support of a child of the individual.

4 “(?) EXCEPTIONS.—Paragraph (1) shall not  
5 apply if—

6 “(A) a court is allowing the individual to  
7 delay payment; or

8 “(B) the individual is complying with a  
9 payment plan approved by a court or the State  
10 agency designated under part D of title IV of  
11 the Social Security Act (42 U.S.C. 651 et seq.)  
12 to provide support for the child of the individ-  
13 ual.”.

14 **SEC. 1033. WORK REQUIREMENT.**

15 (a) IN GENERAL.—Section 6 of the Food Stamp Act  
16 of 1977 (7 U.S.C. 2015), as amended by sections 1028  
17 through 1032, is amended by adding at the end the follow-  
18 ing:

19 “(o) WORK REQUIREMENT.—

20 “(1) DEFINITION OF WORK PROGRAM.—In this  
21 subsection, the term ‘work program’ means—

22 “(A) a program under the Job Training  
23 Partnership Act (29 U.S.C. 1501 et seq.);

24 “(B) a program under section 236 of the  
25 Trade Act of 1974 (19 U.S.C. 2296); or



1           “(C) a program of employment and train-  
2           ing operated or supervised by a State or politi-  
3           cal subdivision of a State that meets standards  
4           approved by the Governor of the State, includ-  
5           ing a program under section 6(d)(4), other than  
6           a job search program or a job search training  
7           program.

8           “(2) WORK REQUIREMENT.—Subject to the  
9           other provisions of this subsection, no individual  
10          shall be eligible to participate in the food stamp pro-  
11          gram as a member of any household if, during the  
12          preceding 12-month period, the individual received  
13          food stamp benefits for not less than 4 months dur-  
14          ing which the individual did not—

15                 “(A) work 20 hours or more per week,  
16                 averaged monthly; or

17                 “(B) participate in and comply with the re-  
18                 quirements of a work program for 20 hours or  
19                 more per week, as determined by the State  
20                 agency; or

21                 “(C) participate in a program under sec-  
22                 tion 20 or a comparable program established by  
23                 a State or political subdivision of a State.

24           “(3) EXCEPTION.—Paragraph (2) shall not  
25          apply to an individual if the individual is—

1           “(A) under 18 or over 50 years of age;

2           “(B) medically certified as physically or  
3           mentally unfit for employment;

4           “(C) a parent or other member of a house-  
5           hold with responsibility for a dependent child;

6           “(D) otherwise exempt under section  
7           6(d)(2); or

8           “(E) a pregnant woman.

9           “(4) WAIVER.—

10           “(A) IN GENERAL.—On the request of a  
11           State agency, the Secretary may waive the ap-  
12           plicability of paragraph (2) to any group of in-  
13           dividuals in the State if the Secretary makes a  
14           determination that the area in which the indi-  
15           viduals reside—

16                   “(i) has an unemployment rate of over  
17                   10 percent; or

18                   “(ii) does not have a sufficient num-  
19                   ber of jobs to provide employment for the  
20                   individuals.

21           “(B) REPORT.—The Secretary shall report  
22           the basis for a waiver under subparagraph (A)  
23           to the Committee on Agriculture of the House  
24           of Representatives and the Committee on Agri-  
25           culture, Nutrition, and Forestry of the Senate.

1           “(5) SUBSEQUENT ELIGIBILITY.—

2           “(A) IN GENERAL.—Paragraph (2) shall  
3           cease to apply to an individual if, during a 30-  
4           day period, the individual—

5                   “(i) works 80 or more hours;

6                   “(ii) participates in and complies with  
7                   the requirements of a work program for 80  
8                   or more hours, as determined by a State  
9                   agency; or

10                   “(iii) participates in a program under  
11                   section 20 or a comparable program estab-  
12                   lished by a State or political subdivision of  
13                   a State.

14           “(B) LIMITATION.—During the subsequent  
15           12-month period, the individual shall be eligible  
16           to participate in the food stamp program for  
17           not more than 4 months during which the indi-  
18           vidual does not—

19                   “(i) work 20 hours or more per week,  
20                   averaged monthly;

21                   “(ii) participate in and comply with  
22                   the requirements of a work program for 20  
23                   hours or more per week, as determined by  
24                   the State agency; or

1                   “(iii) participate in a program under  
2                   section 20 or a comparable program estab-  
3                   lished by a State or political subdivision of  
4                   a State.”.

5           (b) **TRANSITION PROVISION.**—Prior to 1 year after  
6 the date of enactment of this Act, the term “preceding  
7 12-month period” in section 6(o) of the Food Stamp Act  
8 of 1977, as amended by subsection (a), means the preced-  
9 ing period that begins on the date of enactment of this  
10 Act.

11 **SEC. 1034. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**  
12 **SYSTEMS.**

13           (a) **IN GENERAL.**—Section 7(i) of the Food Stamp  
14 Act of 1977 (7 U.S.C. 2016(i)) is amended—

15                   (1) by striking paragraph (1) and inserting the  
16 following:

17                   “(1) **ELECTRONIC BENEFIT TRANSFERS.**—

18                           “(A) **IMPLEMENTATION.**—Each State  
19 agency shall implement an electronic benefit  
20 transfer system in which household benefits de-  
21 termined under section 8(a) or 26 are issued  
22 from and stored in a central databank before  
23 October 1, 2002, unless the Secretary provides  
24 a waiver for a State agency that faces unusual

1 barriers to implementing an electronic benefit  
2 transfer system.

3 “(B) TIMELY IMPLEMENTATION.—State  
4 agencies are encouraged to implement an elec-  
5 tronic benefit transfer system under subpara-  
6 graph (A) as soon as practicable.

7 “(C) STATE FLEXIBILITY.—Subject to  
8 paragraph (2), a State agency may procure and  
9 implement an electronic benefit transfer system  
10 under the terms, conditions, and design that  
11 the State agency considers appropriate.

12 “(D) OPERATION.—An electronic benefit  
13 transfer system should take into account gen-  
14 erally accepted standard operating rules based  
15 on—

16 “(i) commercial electronic funds  
17 transfer technology;

18 “(ii) the need to permit interstate op-  
19 eration and law enforcement monitoring;  
20 and

21 “(iii) the need to permit monitoring  
22 and investigations by authorized law en-  
23 forcement agencies.”;

24 (2) in paragraph (2)—

1 (A) by striking “effective no later than  
2 April 1, 1992,”;

3 (B) in subparagraph (A)—

4 (i) by striking “, in any 1 year,”; and

5 (ii) by striking “on-line”;

6 (C) by striking subparagraph (D) and in-  
7 serting the following:

8 “(D)(i) measures to maximize the security of a  
9 system using the most recent technology available  
10 that the State agency considers appropriate and cost  
11 effective and which may include personal identifica-  
12 tion numbers, photographic identification on elec-  
13 tronic benefit transfer cards, and other measures to  
14 protect against fraud and abuse; and

15 “(ii) effective not later than 2 years after the  
16 effective date of this clause, to the extent prac-  
17 ticable, measures that permit a system to differen-  
18 tiate items of food that may be acquired with an al-  
19 lotment from items of food that may not be acquired  
20 with an allotment.”;

21 (D) in subparagraph (G), by striking  
22 “and” at the end;

23 (E) in subparagraph (H), by striking the  
24 period at the end and inserting “; and”; and

25 (F) by adding at the end the following:

1 “(I) procurement standards.”; and

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

3 “(7) REPLACEMENT OF BENEFITS.—Regula-  
4 tions issued by the Secretary regarding the replace-  
5 ment of benefits and liability for replacement of ben-  
6 efits under an electronic benefit transfer system  
7 shall be similar to the regulations in effect for a  
8 paper food stamp issuance system.

9 “(8) REPLACEMENT CARD FEE.—A State agen-  
10 cy may collect a charge for replacement of an elec-  
11 tronic benefit transfer card by reducing the monthly  
12 allotment of the household receiving the replacement  
13 card.

14 “(9) OPTIONAL PHOTOGRAPHIC IDENTIFICA-  
15 TION.—

16 “(A) IN GENERAL.—A State agency may  
17 require that an electronic benefit card contain  
18 a photograph of 1 or more members of a house-  
19 hold.

20 “(B) OTHER AUTHORIZED USERS.—If a  
21 State agency requires a photograph on an elec-  
22 tronic benefit card under subparagraph (A), the  
23 State agency shall establish procedures to en-  
24 sure that any other appropriate member of the

1 household or any authorized representative of  
2 the household may utilize the card.

3 “(10) APPLICATION OF ANTI-TYING RESTRIC-  
4 TIONS TO ELECTRONIC BENEFIT TRANSFER SYS-  
5 TEMS.—

6 “(A) IN GENERAL.—A company shall not  
7 sell or provide electronic benefit transfer serv-  
8 ices, or fix or vary the consideration for such  
9 services, on the condition or requirement that  
10 the customer—

11 “(i) obtain some additional point-of-  
12 sale service from the company or any affili-  
13 ate of the company; or

14 “(ii) not obtain some additional point-  
15 of-sale service from a competitor of the  
16 company or competitor of any affiliate of  
17 the company.

18 “(B) DEFINITIONS.—In this paragraph—

19 “(i) AFFILIATE.—The term ‘affiliate’  
20 shall have the same meaning as in section  
21 2(k) of the Bank Holding Company Act.

22 “(ii) COMPANY.—The term ‘company’  
23 shall have the same meaning as in section  
24 106(a) of the Bank Holding Company Act  
25 Amendments of 1970, but shall not include



1 a bank, bank holding company, or any sub-  
2 subsidiary of a bank holding company.

3 “(iii) ELECTRONIC BENEFIT TRANS-  
4 FER SERVICE.—The term ‘electronic bene-  
5 fit transfer service’ means the processing  
6 of electronic transfers of household bene-  
7 fits determined under section 8(a) or 26  
8 where the benefits are—

9 “(I) issued from and stored in a  
10 central databank;

11 “(II) electronically accessed by  
12 household members at the point of  
13 sale; and

14 “(III) provided by a Federal or  
15 state government.

16 “(iv) POINT-OF-SALE SERVICE.—The  
17 term ‘point-of-sale service’ means any  
18 product or service related to the electronic  
19 authorization and processing of payments  
20 for merchandise at a retail food store, in-  
21 cluding but not limited to credit or debit  
22 card services, automated teller machines,  
23 point-of-sale terminals, or access to on-line  
24 systems.



1           “(3) OPTIONAL COMBINED ALLOTMENT FOR  
2           EXPEDITED HOUSEHOLDS.—A State agency may  
3           provide to an eligible household applying after the  
4           15th day of a month, in lieu of the initial allotment  
5           of the household and the regular allotment of the  
6           household for the following month, an allotment that  
7           is equal to the total amount of the initial allotment  
8           and the first regular allotment. The allotment shall  
9           be provided in accordance with section 11(e)(3) in  
10          the case of a household that is not entitled to expe-  
11          dited service and in accordance with paragraphs (3)  
12          and (9) of section 11(e) in the case of a household  
13          that is entitled to expedited service.”.

14 **SEC. 1038. FAILURE TO COMPLY WITH OTHER MEANS-**  
15 **TESTED PUBLIC ASSISTANCE PROGRAMS.**

16          Section 8 of the Food Stamp Act of 1977 (7 U.S.C.  
17 2017) is amended by striking subsection (d) and inserting  
18 the following:

19          “(d) REDUCTION OF PUBLIC ASSISTANCE BENE-  
20 FITS.—

21                 “(1) IN GENERAL.—If the benefits of a house-  
22                 hold are reduced under a Federal, State, or local law  
23                 relating to a means-tested public assistance program  
24                 for the failure of a member of the household to per-

1 form an action required under the law or program,  
 2 for the duration of the reduction—

3 “(A) the household may not receive an in-  
 4 creased allotment as the result of a decrease in  
 5 the income of the household to the extent that  
 6 the decrease is the result of the reduction; and

7 “(B) the State agency may reduce the al-  
 8 lotment of the household by not more than 25  
 9 percent.

10 “(2) RULES AND PROCEDURES.—If the allot-  
 11 ment of a household is reduced under this subsection  
 12 for a failure to perform an action required under  
 13 part A of title IV of the Social Security Act (42  
 14 U.S.C. 601 et seq.), the State agency may use the  
 15 rules and procedures that apply under part A of title  
 16 IV of the Act to reduce the allotment under the food  
 17 stamp program.”.

18 **SEC. 1039. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN**  
 19 **CENTERS.**

20 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.  
 21 2017) is amended by adding at the end the following:

22 “(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN  
 23 CENTERS.—

24 “(1) IN GENERAL.—In the case of an individual  
 25 who resides in a center for the purpose of a drug or

1 alcoholic treatment program described in the last  
2 sentence of section 3(i), a State agency may provide  
3 an allotment for the individual to—

4 “(A) the center as an authorized represent-  
5 ative of the individual for a period that is less  
6 than 1 month; and

7 “(B) the individual, if the individual leaves  
8 the center.

9 “(2) DIRECT PAYMENT.—A State agency may  
10 require an individual referred to in paragraph (1) to  
11 designate the center in which the individual resides  
12 as the authorized representative of the individual for  
13 the purpose of receiving an allotment.”.

14 **SEC. 1040. CONDITION PRECEDENT FOR APPROVAL OF RE-**  
15 **TAIL FOOD STORES AND WHOLESALE FOOD**  
16 **CONCERNS.**

17 Section 9(a)(1) of the Food Stamp Act of 1977 (7  
18 U.S.C. 2018(a)(1)) is amended by adding at the end the  
19 following: “No retail food store or wholesale food concern  
20 of a type determined by the Secretary, based on factors  
21 that include size, location, and type of items sold, shall  
22 be approved to be authorized or reauthorized for participa-  
23 tion in the food stamp program unless an authorized em-  
24 ployee of the Department of Agriculture, a designee of the  
25 Secretary, or, if practicable, an official of the State or local

1 government designated by the Secretary has visited the  
2 store or concern for the purpose of determining whether  
3 the store or concern should be approved or reauthorized,  
4 as appropriate.”.

5 **SEC. 1041. AUTHORITY TO ESTABLISH AUTHORIZATION PE-**  
6 **RIODS.**

7 Section 9(a) of the Food Stamp Act of 1977 (7  
8 U.S.C. 2018(a)) is amended by adding at the end the fol-  
9 lowing:

10 “(3) AUTHORIZATION PERIODS.—The Secretary  
11 shall establish specific time periods during which au-  
12 thorization to accept and redeem coupons, or to re-  
13 deem benefits through an electronic benefit transfer  
14 system, shall be valid under the food stamp pro-  
15 gram.”.

16 **SEC. 1042. INFORMATION FOR VERIFYING ELIGIBILITY FOR**  
17 **AUTHORIZATION.**

18 Section 9(c) of the Food Stamp Act of 1977 (7  
19 U.S.C. 2018(c)) is amended—

20 (1) in the first sentence, by inserting “, which  
21 may include relevant income and sales tax filing doc-  
22 uments,” after “submit information”; and

23 (2) by inserting after the first sentence the fol-  
24 lowing: “The regulations may require retail food  
25 stores and wholesale food concerns to provide writ-

1       ten authorization for the Secretary to verify all rel-  
2       evant tax filings with appropriate agencies and to  
3       obtain corroborating documentation from other  
4       sources so that the accuracy of information provided  
5       by the stores and concerns may be verified.”.

6       **SEC. 1043. WAITING PERIOD FOR STORES THAT FAIL TO**  
7                                   **MEET AUTHORIZATION CRITERIA.**

8       Section 9(d) of the Food Stamp Act of 1977 (7  
9       U.S.C. 2018(d)) is amended by adding at the end the fol-  
10      lowing: “A retail food store or wholesale food concern that  
11      is denied approval to accept and redeem coupons because  
12      the store or concern does not meet criteria for approval  
13      established by the Secretary may not, for at least 6  
14      months, submit a new application to participate in the  
15      program. The Secretary may establish a longer time pe-  
16      riod under the preceding sentence, including permanent  
17      disqualification, that reflects the severity of the basis of  
18      the denial.”.

19      **SEC. 1044. OPERATION OF FOOD STAMP OFFICES.**

20      Section 11 of the Food Stamp Act of 1977 (7 U.S.C.  
21      2020), as amended by sections 1020(b) and 1028(b), is  
22      amended—

23                   (1) in subsection (e)—

24                           (A) by striking paragraph (2) and insert-  
25                   ing the following:

1           “(2)(A) that the State agency shall establish  
2           procedures governing the operation of food stamp of-  
3           fices that the State agency determines best serve  
4           households in the State, including households with  
5           special needs, such as households with elderly or dis-  
6           abled members, households in rural areas with low-  
7           income members, homeless individuals, households  
8           residing on reservations, and households in areas in  
9           which a substantial number of members of low-in-  
10          come households speak a language other than Eng-  
11          lish;

12          “(B) that in carrying out subparagraph (A), a  
13          State agency—

14                  “(i) shall provide timely, accurate, and fair  
15                  service to applicants for, and participants in,  
16                  the food stamp program;

17                  “(ii) shall develop an application contain-  
18                  ing the information necessary to comply with  
19                  this Act;

20                  “(iii) shall permit an applicant household  
21                  to apply to participate in the program on the  
22                  same day that the household first contacts a  
23                  food stamp office in person during office hours;

24                  “(iv) shall consider an application that  
25                  contains the name, address, and signature of



1 the applicant to be filed on the date the appli-  
2 cant submits the application;

3 “(v) shall require that an adult representa-  
4 tive of each applicant household certify in writ-  
5 ing, under penalty of perjury, that—

6 “(I) the information contained in the  
7 application is true; and

8 “(II) all members of the household  
9 are citizens or are aliens eligible to receive  
10 food stamps under section 6(f);

11 “(vi) shall provide a method of certifying  
12 and issuing coupons to eligible homeless individ-  
13 uals, to ensure that participation in the food  
14 stamp program is limited to eligible households;  
15 and

16 “(vii) may establish operating procedures  
17 that vary for local food stamp offices to reflect  
18 regional and local differences within the State;

19 “(C) that nothing in this Act shall prohibit the  
20 use of signatures provided and maintained electroni-  
21 cally, storage of records using automated retrieval  
22 systems only, or any other feature of a State agen-  
23 cy’s application system that does not rely exclusively  
24 on the collection and retention of paper applications  
25 or other records;

1           “(D) that the signature of any adult under this  
2 paragraph shall be considered sufficient to comply  
3 with any provision of Federal law requiring a house-  
4 hold member to sign an application or statement;”;

5           (B) in paragraph (3), as amended by sec-  
6 tion 1020(b)—

7           (i) by striking “shall—” and all that  
8 follows through “provide each” and insert-  
9 ing “shall provide each”; and

10          (ii) by striking “(B) assist” and all  
11 that follows through “representative of the  
12 State agency;”;

13          (C) by striking paragraphs (14) and (25);

14          (D)(i) by redesignating paragraphs (15)  
15 through (24) as paragraphs (14) through (23),  
16 respectively; and

17          (ii) by redesignating paragraph (26), as  
18 added by section 1028(b), as paragraph (24);  
19 and

20          (2) in subsection (i)—

21           (A) by striking “(i) Notwithstanding” and  
22 all that follows through “(2)” and inserting the  
23 following:

24          “(i) APPLICATION AND DENIAL PROCEDURES.—

1           “(1) APPLICATION PROCEDURES.—Notwith-  
2 standing any other provision of law,”; and

3           (B) by striking “; (3) households” and all  
4 that follows through “title IV of the Social Se-  
5 curity Act. No” and inserting a period and the  
6 following:

7           “(2) DENIAL AND TERMINATION.—Other than  
8 in a case of disqualification as a penalty for failure  
9 to comply with a public assistance program rule or  
10 regulation, no”.

11 **SEC. 1045. STATE EMPLOYEE AND TRAINING STANDARDS.**

12       Section 11(e)(6) of the Food Stamp Act of 1977 (7  
13 U.S.C. 2020(e)(6)) is amended—

14           (1) by striking “that (A) the” and inserting  
15 “that—

16           “(A) the”;

17           (2) by striking “Act; (B) the” and inserting  
18 “Act; and

19           “(B) the”;

20           (3) in subparagraph (B), by striking “United  
21 States Civil Service Commission” and inserting “Of-  
22 fice of Personnel Management”; and

23           (4) by striking subparagraphs (C) through (E).

1 **SEC. 1046. EXCHANGE OF LAW ENFORCEMENT INFORMA-**  
2 **TION.**

3 Section 11(e)(8) of the Food Stamp Act of 1977 (7  
4 U.S.C. 2020(e)(8)) is amended—

5 (1) by striking “that (A) such” and inserting  
6 the following: “that—

7 “(A) the”;

8 (2) by striking “law, (B) notwithstanding” and  
9 inserting the following: “law;

10 “(B) notwithstanding”;

11 (3) by striking “Act, and (C) such” and insert-  
12 ing the following: “Act;

13 “(C) the”; and

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

15 “(D) notwithstanding any other provision  
16 of law, the address, social security number, and,  
17 if available, photograph of any member of a  
18 household shall be made available, on request,  
19 to any Federal, State, or local law enforcement  
20 officer if the officer furnishes the State agency  
21 with the name of the member and notifies the  
22 agency that—

23 “(i) the member—

24 “(I) is fleeing to avoid prosecu-  
25 tion, or custody or confinement after  
26 conviction, for a crime (or attempt to

1                   commit a crime) that, under the law  
 2                   of the place the member is fleeing, is  
 3                   a felony (or, in the case of New Jer-  
 4                   sey, a high misdemeanor), or is violat-  
 5                   ing a condition of probation or parole  
 6                   imposed under Federal or State law;  
 7                   or

8                   “(II) has information that is nec-  
 9                   essary for the officer to conduct an of-  
 10                  ficial duty related to subclause (I);

11                  “(ii) locating or apprehending the  
 12                  member is an official duty; and

13                  “(iii) the request is being made in the  
 14                  proper exercise of an official duty; and

15                  “(E) the safeguards shall not prevent com-  
 16                  pliance with paragraph (16);”.

17 **SEC. 1047. EXPEDITED COUPON SERVICE.**

18                  Section 11(e)(9) of the Food Stamp Act of 1977 (7  
 19 U.S.C. 2020(e)(9)) is amended—

20                  (1) in subparagraph (A)—

21                          (A) by striking “five days” and inserting  
 22                          “7 days”; and

23                          (B) by inserting “and” at the end;

24                  (2) by striking subparagraphs (B) and (C);

1           (3) by redesignating subparagraph (D) as sub-  
2           paragraph (B); and

3           (4) in subparagraph (B), as redesignated by  
4           paragraph (3), by striking “, (B), or (C)”.

5 **SEC. 1048. WITHDRAWING FAIR HEARING REQUESTS.**

6           Section 11(e)(10) of the Food Stamp Act of 1977 (7  
7 U.S.C. 2020(e)(10)) is amended by inserting before the  
8 semicolon at the end a period and the following: “At the  
9 option of a State, at any time prior to a fair hearing deter-  
10 mination under this paragraph, a household may with-  
11 draw, orally or in writing, a request by the household for  
12 the fair hearing. If the withdrawal request is an oral re-  
13 quest, the State agency shall provide a written notice to  
14 the household confirming the withdrawal request and pro-  
15 viding the household with an opportunity to request a  
16 hearing”.

17 **SEC. 1049. INCOME, ELIGIBILITY, AND IMMIGRATION STA-**  
18 **TUS VERIFICATION SYSTEMS.**

19           Section 11 of the Food Stamp Act of 1977 (7 U.S.C.  
20 2020) is amended—

21           (1) in subsection (e)(18), as redesignated by  
22           section 1044(1)(D)—

23                   (A) by striking “that information is” and  
24                   inserting “at the option of the State agency,  
25                   that information may be”; and

1 (B) by striking “shall be requested” and  
2 inserting “may be requested”; and

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

4 “(p) STATE VERIFICATION OPTION.—Notwithstand-  
5 ing any other provision of law, in carrying out the food  
6 stamp program, a State agency shall not be required to  
7 use an income and eligibility or an immigration status ver-  
8 ification system established under section 1137 of the So-  
9 cial Security Act (42 U.S.C. 1320b-7).”.

10 **SEC. 1050. DISQUALIFICATION OF RETAILERS WHO INTEN-**  
11 **TIONALLY SUBMIT FALSIFIED APPLICATIONS.**

12 Section 12(b) of the Food Stamp Act of 1977 (7  
13 U.S.C. 2021(b)) is amended—

14 (1) in paragraph (2), by striking “and” at the  
15 end;

16 (2) in paragraph (3), by striking the period at  
17 the end and inserting “; and”; and

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

19 “(4) for a reasonable period of time to be deter-  
20 mined by the Secretary, including permanent dis-  
21 qualification, on the knowing submission of an appli-  
22 cation for the approval or reauthorization to accept  
23 and redeem coupons that contains false information  
24 about a substantive matter that was a part of the  
25 application.”.

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

2 “(18) SUSPENSION OF STORES PENDING RE-  
3 VIEW.—Notwithstanding any other provision of this  
4 subsection, any permanent disqualification of a retail  
5 food store or wholesale food concern under para-  
6 graph (3) or (4) of section 12(b) shall be effective  
7 from the date of receipt of the notice of disqualifica-  
8 tion. If the disqualification is reversed through ad-  
9 ministrative or judicial review, the Secretary shall  
10 not be liable for the value of any sales lost during  
11 the disqualification period.”.

12 **SEC. 1054. EXPANDED CRIMINAL FORFEITURE FOR VIOLA-**  
13 **TIONS.**

14 (a) FORFEITURE OF ITEMS EXCHANGED IN FOOD  
15 STAMP TRAFFICKING.—The first sentence of section  
16 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g))  
17 is amended by striking “or intended to be furnished”.

18 (b) CRIMINAL FORFEITURE.—Section 15 of the Act  
19 (7 U.S.C. 2024) is amended by adding at the end the fol-  
20 lowing:

21 “(h) CRIMINAL FORFEITURE.—

22 “(1) IN GENERAL.—In imposing a sentence on  
23 a person convicted of an offense in violation of sub-  
24 section (b) or (c), a court shall order, in addition to  
25 any other sentence imposed under this subsection,



1 that the person forfeit to the United States all prop-  
2 erty described in paragraph (2).

3 “(2) PROPERTY SUBJECT TO FORFEITURE.—All  
4 property, real and personal, used in a transaction or  
5 attempted transaction, to commit, or to facilitate the  
6 commission of, a violation (other than a mis-  
7 demeanor) of subsection (b) or (c), or proceeds  
8 traceable to a violation of subsection (b) or (c), shall  
9 be subject to forfeiture to the United States under  
10 paragraph (1).

11 “(3) INTEREST OF OWNER.—No interest in  
12 property shall be forfeited under this subsection as  
13 the result of any act or omission established by the  
14 owner of the interest to have been committed or  
15 omitted without the knowledge or consent of the  
16 owner.

17 “(4) PROCEEDS.—The proceeds from any sale  
18 of forfeited property and any monies forfeited under  
19 this subsection shall be used—

20 “(A) first, to reimburse the Department of  
21 Justice for the costs incurred by the Depart-  
22 ment to initiate and complete the forfeiture pro-  
23 ceeding;

24 “(B) second, to reimburse the Department  
25 of Agriculture Office of Inspector General for

1 any costs the Office incurred in the law enforce-  
2 ment effort resulting in the forfeiture;

3 “(C) third, to reimburse any Federal or  
4 State law enforcement agency for any costs in-  
5 curred in the law enforcement effort resulting  
6 in the forfeiture; and

7 “(D) fourth, by the Secretary to carry out  
8 the approval, reauthorization, and compliance  
9 investigations of retail stores and wholesale  
10 food concerns under section 9.”.

11 **SEC. 1055. LIMITATION OF FEDERAL MATCH.**

12 Section 16(a)(4) of the Food Stamp Act of 1977 (7  
13 U.S.C. 2025(a)(4)) is amended by inserting after the  
14 comma at the end the following: “but not including re-  
15 cruitment activities,”.

16 **SEC. 1056. STANDARDS FOR ADMINISTRATION.**

17 (a) **IN GENERAL.**—Section 16 of the Food Stamp Act  
18 of 1977 (7 U.S.C. 2025) is amended by striking sub-  
19 section (b).

20 (b) **CONFORMING AMENDMENTS.**—

21 (1) The first sentence of section 11(g) of the  
22 Act (7 U.S.C. 2020(g)) is amended by striking “the  
23 Secretary’s standards for the efficient and effective  
24 administration of the program established under sec-  
25 tion 16(b)(1) or”.

1           (2) Section 16(c)(1)(B) of the Act (7 U.S.C.  
2           2025(c)(1)(B)) is amended by striking “pursuant to  
3           subsection (b)”.

4 **SEC. 1057. WORK SUPPLEMENTATION OR SUPPORT PRO-**  
5 **GRAM.**

6           Section 16 of the Food Stamp Act of 1977 (7 U.S.C.  
7           2025), as amended by section 1056(a), is amended by in-  
8           serting after subsection (a) the following:

9           “(b) WORK SUPPLEMENTATION OR SUPPORT PRO-  
10          GRAM.—

11           “(1) DEFINITION OF WORK SUPPLEMENTATION  
12          OR SUPPORT PROGRAM.—In this subsection, the  
13          term ‘work supplementation or support program’  
14          means a program under which, as determined by the  
15          Secretary, public assistance (including any benefits  
16          provided under a program established by the State  
17          and the food stamp program) is provided to an em-  
18          ployer to be used for hiring and employing a public  
19          assistance recipient who was not employed by the  
20          employer at the time the public assistance recipient  
21          entered the program.

22           “(2) PROGRAM.—A State agency may elect to  
23          use an amount equal to the allotment that would  
24          otherwise be issued to a household under the food  
25          stamp program, but for the operation of this sub-

1 section, for the purpose of subsidizing or supporting  
2 a job under a work supplementation or support pro-  
3 gram established by the State.

4 “(3) PROCEDURE.—If a State agency makes an  
5 election under paragraph (2) and identifies each  
6 household that participates in the food stamp pro-  
7 gram that contains an individual who is participat-  
8 ing in the work supplementation or support pro-  
9 gram---

10 “(A) the Secretary shall pay to the State  
11 agency an amount equal to the value of the al-  
12 lotment that the household would be eligible to  
13 receive but for the operation of this subsection;

14 “(B) the State agency shall expend the  
15 amount received under subparagraph (A) in ac-  
16 cordance with the work supplementation or sup-  
17 port program in lieu of providing the allotment  
18 that the household would receive but for the op-  
19 eration of this subsection;

20 “(C) for purposes of—

21 “(i) sections 5 and 8(a), the amount  
22 received under this subsection shall be ex-  
23 cluded from household income and re-  
24 sources; and

1                   “(ii) section 8(b), the amount received  
2                   under this subsection shall be considered to  
3                   be the value of an allotment provided to  
4                   the household; and

5                   “(D) the household shall not receive an al-  
6                   lotment from the State agency for the period  
7                   during which the member continues to partici-  
8                   pate in the work supplementation or support  
9                   program.

10                  “(4) OTHER WORK REQUIREMENTS.—No indi-  
11                  vidual shall be excused, by reason of the fact that  
12                  a State has a work supplementation or support pro-  
13                  gram, from any work requirement under section  
14                  6(d), except during the periods in which the individ-  
15                  ual is employed under the work supplementation or  
16                  support program.

17                  “(5) LENGTH OF PARTICIPATION.—A State  
18                  agency shall provide a description of how the public  
19                  assistance recipients in the program shall, within a  
20                  specific period of time, be moved from supplemented  
21                  or supported employment to employment that is not  
22                  supplemented or supported.

23                  “(6) DISPLACEMENT.—A work supplementation  
24                  or support program shall not displace the employ-

1 ment of individuals who are not supplemented or  
2 supported.”.

3 **SEC. 1058. WAIVER AUTHORITY.**

4 Section 17(b)(1) of the Food Stamp Act of 1977 (7  
5 U.S.C. 2026(b)(1)) is amended—

6 (1) by redesignating subparagraph (B) as sub-  
7 paragraph (C); and

8 (2) in subparagraph (A)—

9 (A) by striking the second sentence; and

10 (B) by striking “benefits to eligible house-  
11 holds, including” and inserting the following:  
12 “benefits to eligible households, and may waive  
13 any requirement of this Act to the extent nec-  
14 essary for the project to be conducted.

15 “(B) PROJECT REQUIREMENTS.—

16 “(i) PROGRAM GOAL.—The Secretary  
17 may not conduct a project under subpara-  
18 graph (A) unless the project is consistent  
19 with the goal of the food stamp program of  
20 providing food assistance to raise levels of  
21 nutrition among low-income individuals.

22 “(ii) PERMISSIBLE PROJECTS.—The  
23 Secretary may conduct a project under  
24 subparagraph (A) to—

1                   “(I) improve program adminis-  
2                   tration;

3                   “(II) increase the self-sufficiency  
4                   of food stamp recipients;

5                   “(III) test innovative welfare re-  
6                   form strategies; and

7                   “(IV) allow greater conformity  
8                   with the rules of other programs than  
9                   would be allowed but for this para-  
10                  graph.

11                  “(iii) IMPERMISSIBLE PROJECTS.—  
12                  The Secretary may not conduct a project  
13                  under subparagraph (A) that—

14                         “(I) involves the payment of the  
15                         value of an allotment in the form of  
16                         cash, unless the project was approved  
17                         prior to the date of enactment of this  
18                         subparagraph;

19                         “(II) substantially transfers  
20                         funds made available under this Act  
21                         to services or benefits provided pri-  
22                         marily through another public assist-  
23                         ance program; or

24                         “(III) is not limited to a specific  
25                         time period.

1                   “(iv)        ADDITIONAL        INCLUDED  
2                   PROJECTS.—Pilot or experimental projects  
3                   may include”.

4 **SEC. 1059. RESPONSE TO WAIVERS.**

5       Section 17(b)(1) of the Food Stamp Act of 1977 (7  
6 U.S.C. 2026(b)(1)), as amended by section 1058, is  
7 amended by adding at the end the following:

8                   “(D) RESPONSE TO WAIVERS.—

9                   “(i) RESPONSE.—Not later than 60  
10                  days after the date of receiving a request  
11                  for a waiver under subparagraph (A), the  
12                  Secretary shall provide a response that—

13                       “(I) approves the waiver request;

14                       “(II) denies the waiver request  
15                       and explains any modification needed  
16                       for approval of the waiver request;

17                       “(III) denies the waiver request  
18                       and explains the grounds for the de-  
19                       nial; or

20                       “(IV) requests clarification of the  
21                       waiver request.

22                   “(ii) FAILURE TO RESPOND.—If the  
23                   Secretary does not provide a response in  
24                   accordance with clause (i), the waiver shall



1 be considered approved, unless the ap-  
2 proval is specifically prohibited by this Act.

3 “(iii) NOTICE OF DENIAL.—On denial  
4 of a waiver request under clause (i)(III),  
5 the Secretary shall provide a copy of the  
6 waiver request and a description of the  
7 reasons for the denial to the Committee on  
8 Agriculture of the House of Representa-  
9 tives and the Committee on Agriculture,  
10 Nutrition, and Forestry of the Senate.”.

11 **SEC. 1060. EMPLOYMENT INITIATIVES PROGRAM.**

12 Section 17 of the Food Stamp Act of 1977 (7 U.S.C.  
13 2026) is amended by striking subsection (d) and inserting  
14 the following:

15 “(d) EMPLOYMENT INITIATIVES PROGRAM.—

16 “(1) ELECTION TO PARTICIPATE.—

17 “(A) IN GENERAL.—Subject to the other  
18 provisions of this subsection, a State may elect  
19 to carry out an employment initiatives program  
20 under this subsection.

21 “(B) REQUIREMENT.—A State shall be eli-  
22 gible to carry out an employment initiatives  
23 program under this subsection only if not less  
24 than 50 percent of the households that received  
25 food stamp benefits during the summer of 1993

1 also received benefits under a State program  
2 funded under part A of title IV of the Social  
3 Security Act (42 U.S.C. 601 et seq.) during the  
4 summer of 1993.

5 “(2) PROCEDURE.—

6 “(A) IN GENERAL.—A State that has  
7 elected to carry out an employment initiatives  
8 program under paragraph (1) may use amounts  
9 equal to the food stamp allotments that would  
10 otherwise be issued to a household under the  
11 food stamp program, but for the operation of  
12 this subsection, to provide cash benefits in lieu  
13 of the food stamp allotments to the household  
14 if the household is eligible under paragraph (3).

15 “(B) PAYMENT.—The Secretary shall pay  
16 to each State that has elected to carry out an  
17 employment initiatives program under para-  
18 graph (1) an amount equal to the value of the  
19 allotment that each household would be eligible  
20 to receive under this Act but for the operation  
21 of this subsection.

22 “(C) OTHER PROVISIONS.—For purposes  
23 of the food stamp program (other than this  
24 subsection)—

1           “(i) cash assistance under this sub-  
2           section shall be considered to be an allot-  
3           ment; and

4           “(ii) each household receiving cash  
5           benefits under this subsection shall not re-  
6           ceive any other food stamp benefit for the  
7           period for which the cash assistance is pro-  
8           vided.

9           “(D)    ADDITIONAL    PAYMENTS.—Each  
10          State that has elected to carry out an employ-  
11          ment initiatives program under paragraph (1)  
12          shall—

13               “(i) increase the cash benefits pro-  
14               vided to each household under this sub-  
15               section to compensate for any State or  
16               local sales tax that may be collected on  
17               purchases of food by any household receiv-  
18               ing cash benefits under this subsection, un-  
19               less the Secretary determines on the basis  
20               of information provided by the State that  
21               the increase is unnecessary on the basis of  
22               the limited nature of the items subject to  
23               the State or local sales tax; and

24               “(ii) pay the cost of any increase in  
25               cash benefits required by clause (i).

1           “(3) ELIGIBILITY.—A household shall be eligi-  
2 ble to receive cash benefits under paragraph (2) if  
3 an adult member of the household—

4           “(A) has worked in unsubsidized employ-  
5 ment for not less than the preceding 90 days;

6           “(B) has earned not less than \$350 per  
7 month from the employment referred to in sub-  
8 paragraph (A) for not less than the preceding  
9 90 days;

10           “(C)(i) is receiving benefits under a State  
11 program funded under part A of title IV of the  
12 Social Security Act (42 U.S.C. 601 et seq.); or

13           “(ii) was receiving benefits under a State  
14 program funded under part A of title IV of the  
15 Social Security Act (42 U.S.C. 601 et seq.) at  
16 the time the member first received cash benefits  
17 under this subsection and is no longer eligible  
18 for the State program because of earned in-  
19 come;

20           “(D) is continuing to earn not less than  
21 \$350 per month from the employment referred  
22 to in subparagraph (A); and

23           “(E) elects to receive cash benefits in lieu  
24 of food stamp benefits under this subsection.

1           “(4) EVALUATION.—A State that operates a  
2           program under this subsection for 2 years shall pro-  
3           vide to the Secretary a written evaluation of the im-  
4           pact of cash assistance under this subsection. The  
5           State agency, with the concurrence of the Secretary,  
6           shall determine the content of the evaluation.”.

7 **SEC. 1061. REAUTHORIZATION.**

8           The first sentence of section 18(a)(1) of the Food  
9           Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by  
10          striking “1991 through 1997” and inserting “1996  
11          through 2002”.

12 **SEC. 1062. SIMPLIFIED FOOD STAMP PROGRAM.**

13          (a) IN GENERAL.—The Food Stamp Act of 1977 (7  
14          U.S.C. 2011 et seq.) is amended by adding at the end  
15          the following:

16 **“SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.**

17          “(a) DEFINITION OF FEDERAL COSTS.—In this sec-  
18          tion, the term ‘Federal costs’ does not include any Federal  
19          costs incurred under section 17.

20          “(b) ELECTION.—Subject to subsection (d), a State  
21          may elect to carry out a Simplified Food Stamp Program  
22          (referred to in this section as a ‘Program’), statewide or  
23          in a political subdivision of the State, in accordance with  
24          this section.

1       “(c) OPERATION OF PROGRAM.—If a State elects to  
2 carry out a Program, within the State or a political sub-  
3 division of the State—

4           “(1) a household in which all members receive  
5 assistance under a State program funded under part  
6 A of title IV of the Social Security Act (42 U.S.C.  
7 601 et seq.) shall automatically be eligible to partici-  
8 pate in the Program; and

9           “(2) subject to subsection (f), benefits under  
10 the Program shall be determined under rules and  
11 procedures established by the State under—

12           “(A) a State program funded under part A  
13 of title IV of the Social Security Act (42 U.S.C.  
14 601 et seq.);

15           “(B) the food stamp program (other than  
16 section 27); or

17           “(C) a combination of a State program  
18 funded under part A of title IV of the Social  
19 Security Act (42 U.S.C. 601 et seq.) and the  
20 food stamp program (other than section 27).

21       “(d) APPROVAL OF PROGRAM.—

22           “(1) STATE PLAN.—A State agency may not  
23 operate a Program unless the Secretary approves a  
24 State plan for the operation of the Program under  
25 paragraph (2).

1           “(2) APPROVAL OF PLAN.—The Secretary shall  
2 approve any State plan to carry out a Program if  
3 the Secretary determines that the plan—

4                   “(A) complies with this section; and

5                   “(B) contains sufficient documentation  
6 that the plan will not increase Federal costs for  
7 any fiscal year.

8           “(e) INCREASED FEDERAL COSTS.—

9                   “(1) DETERMINATION.—During each fiscal  
10 year and not later than 90 days after the end of  
11 each fiscal year, the Secretary shall determine  
12 whether a Program being carried out by a State  
13 agency is increasing Federal costs under this Act  
14 above the Federal costs incurred under the food  
15 stamp program in operation in the State or political  
16 subdivision of the State for the fiscal year prior to  
17 the implementation of the Program, adjusted for any  
18 changes in—

19                   “(A) participation;

20                   “(B) the income of participants in the food  
21 stamp program that is not attributable to pub-  
22 lic assistance; and

23                   “(C) the thrifty food plan under section  
24 3(o).

1           “(2) NOTIFICATION.—If the Secretary deter-  
2           mines that the Program has increased Federal costs  
3           under this Act for any fiscal year or any portion of  
4           any fiscal year, the Secretary shall notify the State  
5           not later than 30 days after the Secretary makes the  
6           determination under paragraph (1).

7           “(3) ENFORCEMENT.—

8                   “(A) CORRECTIVE ACTION.—Not later  
9                   than 90 days after the date of a notification  
10                  under paragraph (2), the State shall submit a  
11                  plan for approval by the Secretary for prompt  
12                  corrective action that is designed to prevent the  
13                  Program from increasing Federal costs under  
14                  this Act.

15                  “(B) TERMINATION.—If the State does not  
16                  submit a plan under subparagraph (A) or carry  
17                  out a plan approved by the Secretary, the Sec-  
18                  retary shall terminate the approval of the State  
19                  agency operating the Program and the State  
20                  agency shall be ineligible to operate a future  
21                  Program.

22           “(f) RULES AND PROCEDURES.—

23                   “(1) IN GENERAL.—In operating a Program, a  
24                  State or political subdivision of a State may follow  
25                  the rules and procedures established by the State or



1 political subdivision under a State program funded  
2 under part A of title IV of the Social Security Act  
3 (42 U.S.C. 601 et seq.) or under the food stamp  
4 program.

5 “(2) STANDARDIZED DEDUCTIONS.—In operat-  
6 ing a Program, a State or political subdivision of a  
7 State may standardize the deductions provided  
8 under section 5(e). In developing the standardized  
9 deduction, the State shall consider the work ex-  
10 penses, dependent care costs, and shelter costs of  
11 participating households.

12 “(3) REQUIREMENTS.—In operating a Pro-  
13 gram, a State or political subdivision shall comply  
14 with the requirements of—

15 “(A) subsections (a) through (g) of section  
16 7;

17 “(B) section 8(a) (except that the income  
18 of a household may be determined under a  
19 State program funded under part A of title IV  
20 of the Social Security Act (42 U.S.C. 601 et  
21 seq.));

22 “(C) subsection (b) and (d) of section 8;

23 “(D) subsections (a), (c), (d), and (n) of  
24 section 11;

1           “(E) paragraphs (8), (12), (16), (18),  
2           (20), (24), and (25) of section 11(e);

3           “(F) section 11(e)(10) (or a comparable  
4           requirement established by the State under a  
5           State program funded under part A of title IV  
6           of the Social Security Act (42 U.S.C. 601 et  
7           seq.)); and

8           “(G) section 16.

9           “(4) LIMITATION ON ELIGIBILITY.—Notwith-  
10          standing any other provision of this section, a house-  
11          hold may not receive benefits under this section as  
12          a result of the eligibility of the household under a  
13          State program funded under part A of title IV of the  
14          Social Security Act (42 U.S.C. 601 et seq.), unless  
15          the Secretary determines that any household with in-  
16          come above 130 percent of the poverty guidelines is  
17          not eligible for the program.”.

18          (b) STATE PLAN PROVISIONS.—Section 11(e) of the  
19          Act (7 U.S.C. 2020(e)), as amended by sections 1020(b),  
20          1028(b), and 1044, is amended by adding at the end the  
21          following:

22                 “(25) if a State elects to carry out a Simplified  
23          Food Stamp Program under section 26, the plans of  
24          the State agency for operating the program, includ-  
25          ing—

1           “(A) the rules and procedures to be fol-  
2           lowed by the State agency to determine food  
3           stamp benefits;

4           “(B) how the State agency will address the  
5           needs of households that experience high shelter  
6           costs in relation to the incomes of the house-  
7           holds; and

8           “(C) a description of the method by which  
9           the State agency will carry out a quality control  
10          system under section 16(e).”.

11       (e) CONFORMING AMENDMENTS.—

12           (1) Section 8 of the Act (7 U.S.C. 2017), as  
13       amended by section 1039, is amended—

14           (A) by striking subsection (e); and

15           (B) by redesignating subsection (f) as sub-  
16       section (e).

17           (2) Section 17 of the Act (7 U.S.C. 2026) is  
18       amended—

19           (A) by striking subsection (i); and

20           (B) by redesignating subsections (j)  
21       through (l) as subsections (i) through (k), re-  
22       spectively.

1           “(B) has a payment error rate under sec-  
2           tion 16(c) that is not more than 6 percent as  
3           announced most recently by the Secretary; or

4           “(C) has a payment error rate in excess of  
5           6 percent and agrees to contribute non-Federal  
6           funds for the fiscal year of the grant, for bene-  
7           fits and administration of the State’s food as-  
8           sistance program, the amount determined under  
9           paragraph (2).

10          “(2) STATE MANDATORY CONTRIBUTIONS.—

11           “(A) IN GENERAL.—In the case of a State  
12           that elects to participate in the program under  
13           paragraph (1)(C), the State shall agree to con-  
14           tribute, for a fiscal year, an amount equal to—

15                   “(i) the benefits issued in the State;  
16                   multiplied by

17                   “(ii) the payment error rate of the  
18                   State; minus

19                   “(B)(i) the benefits issued in the State;  
20                   multiplied by

21                   “(ii) 6 percent.

22           “(B) DETERMINATION.—Notwithstanding  
23           sections 13 and 14, the calculation of the con-  
24           tribution shall be based solely on the determina-  
25           tion of the Secretary of the payment error rate.

1           “(C) DATA.—For purposes of implement-  
2           ing subparagraph (A) for a fiscal year, the Sec-  
3           retary shall use the data for the most recent  
4           fiscal year available.

5           “(3) ELECTION LIMITATION.—

6           “(A) RE-ENTERING FOOD STAMP PRO-  
7           GRAM.—A State that elects to participate in the  
8           program under paragraph (1) may in a subse-  
9           quent year decline to elect to participate in the  
10          program and instead participate in the food  
11          stamp program in accordance with the other  
12          sections of this Act.

13          “(B) LIMITATION.—Subsequent to re-en-  
14          tering the food stamp program under subpara-  
15          graph (A), the State shall only be eligible to  
16          participate in the food stamp program in ac-  
17          cordance with the other sections of this Act and  
18          shall not be eligible to elect to participate in the  
19          program established under subsection (b).

20          “(4) PROGRAM EXCLUSIVE.—

21          “(A) IN GENERAL.—A State that is par-  
22          ticipating in the program established under sub-  
23          section (b) shall not be subject to, or receive  
24          any benefit under, this Act except as provided  
25          in this section.

1           “(B) CONTRACT WITH FEDERAL GOVERN-  
2           MENT.—Nothing in this section shall prohibit a  
3           State from contracting with the Federal Gov-  
4           ernment for the provision of services or mate-  
5           rials necessary to carry out a program under  
6           this section.

7           “(d) LEAD AGENCY.—A State desiring to receive a  
8           grant under this section shall designate, in an application  
9           submitted to the Secretary under subsection (e)(1), an ap-  
10          propriate State agency responsible for the administration  
11          of the program under this section as the lead agency.

12          “(e) APPLICATION AND PLAN.—

13               “(1) APPLICATION.—To be eligible to receive  
14               assistance under this section, a State shall prepare  
15               and submit to the Secretary an application at such  
16               time, in such manner, and containing such informa-  
17               tion as the Secretary shall by regulation require, in-  
18               cluding—

19                       “(A) an assurance that the State will com-  
20                       ply with the requirements of this section;

21                       “(B) a State plan that meets the require-  
22                       ments of paragraph (3); and

23                       “(C) an assurance that the State will com-  
24                       ply with the requirements of the State plan  
25                       under paragraph (3).

1           “(2) ANNUAL PLAN.—The State plan contained  
2           in the application under paragraph (1) shall be sub-  
3           mitted for approval annually.

4           “(3) REQUIREMENTS OF PLAN.—

5           “(A) LEAD AGENCY.—The State plan shall  
6           identify the lead agency.

7           “(B) USE OF BLOCK GRANT FUNDS.—The  
8           State plan shall provide that the State shall use  
9           the amounts provided to the State for each fis-  
10          cal year under this section—

11           “(i) to provide food assistance to  
12           needy individuals and families residing in  
13           the State, other than residents of institu-  
14           tions who are ineligible for food stamps  
15           under section 3(i); and

16           “(ii) to pay administrative costs in-  
17           curred in providing the assistance.

18           “(C) GROUPS SERVED.—The State plan  
19           shall describe how and to what extent the pro-  
20           gram will serve specific groups of individuals  
21           and families and how the treatment will differ  
22           from treatment under the food stamp program  
23           under the other sections of this Act of the indi-  
24           viduals and families, including—

25           “(i) elderly individuals and families;

1                   “(ii) migrants or seasonal farm-  
2 workers;

3                   “(iii) homeless individuals and fami-  
4 lies;

5                   “(iv) individuals and families who live  
6 in institutions eligible under section 3(i);

7                   “(v) individuals and families with  
8 earnings; and

9                   “(vi) members of Indian tribes or trib-  
10 al organizations.

11                   “(D) ASSISTANCE FOR ENTIRE STATE.—  
12 The State plan shall provide that benefits under  
13 this section shall be available throughout the  
14 entire State.

15                   “(E) NOTICE AND HEARINGS.—The State  
16 plan shall provide that an individual or family  
17 who applies for, or receives, assistance under  
18 this section shall be provided with notice of, and  
19 an opportunity for a hearing on, any action  
20 under this section that adversely affects the in-  
21 dividual or family.

22                   “(F) ASSESSMENT OF NEEDS.—The State  
23 plan shall assess the food and nutrition needs  
24 of needy persons residing in the State.



1           “(G) ELIGIBILITY STANDARDS.—The State  
2           plan shall describe the income, resource, and  
3           other eligibility standards that are established  
4           for the receipt of assistance under this section.

5           “(H) DISQUALIFICATION OF FLEEING FEL-  
6           ONS.—The State plan shall provide for the dis-  
7           qualification of any individual who would be  
8           disqualified from participating in the food  
9           stamp program under section 6(k).

10           “(I) RECEIVING BENEFITS IN MORE THAN  
11           1 JURISDICTION.—The State plan shall estab-  
12           lish a system for the exchange of information  
13           with other States to verify the identity and re-  
14           ceipt of benefits by recipients.

15           “(J) PRIVACY.—The State plan shall pro-  
16           vide for safeguarding and restricting the use  
17           and disclosure of information about any individ-  
18           ual or family receiving assistance under this  
19           section.

20           “(K) OTHER INFORMATION.—The State  
21           plan shall contain such other information as  
22           may be required by the Secretary.

23           “(4) APPROVAL OF APPLICATION AND PLAN.—  
24           The Secretary shall approve an application and

1 State plan that satisfies the requirements of this  
2 section.

3 “(f) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO  
4 ASSISTANCE.—Nothing in this section—

5 “(1) entitles any individual or family to assist-  
6 ance under this section; or

7 “(2) limits the right of a State to impose addi-  
8 tional limitations or conditions on assistance under  
9 this section.

10 “(g) BENEFITS FOR ALIENS.—

11 “(1) ELIGIBILITY.—No individual who is an  
12 alien shall be eligible to receive benefits under a  
13 State plan approved under subsection (e)(4) if the  
14 individual is not eligible to participate in the food  
15 stamp program due to the alien status of the indi-  
16 vidual.

17 “(2) INCOME.—The State plan shall provide  
18 that the income of an alien shall be determined in  
19 accordance with section 5(i).

20 “(h) EMPLOYMENT AND TRAINING.—

21 “(1) WORK REQUIREMENTS.—No individual or  
22 household shall be eligible to receive benefits under  
23 a State plan funded under this section if the individ-  
24 ual or household is not eligible to participate in the

1 food stamp program under subsection (d) or (o) of  
2 section 6.

3 “(2) WORK PROGRAMS.—Each State shall im-  
4 plement an employment and training program in ac-  
5 cordance with the terms and conditions of section  
6 6(d)(4) for individuals under the program and shall  
7 be eligible to receive funding under section 16(h).

8 “(i) ENFORCEMENT.—

9 “(1) REVIEW OF COMPLIANCE WITH STATE  
10 PLAN.—The Secretary shall review and monitor  
11 State compliance with this section and the State  
12 plan approved under subsection (e)(4).

13 “(2) NONCOMPLIANCE.—

14 “(A) IN GENERAL.—If the Secretary, after  
15 reasonable notice to a State and opportunity for  
16 a hearing, finds that—

17 “(i) there has been a failure by the  
18 State to comply substantially with any pro-  
19 vision or requirement set forth in the State  
20 plan approved under subsection (e)(4); or

21 “(ii) in the operation of any program  
22 or activity for which assistance is provided  
23 under this section, there is a failure by the  
24 State to comply substantially with any pro-  
25 vision of this section;

1 the Secretary shall notify the State of the find-  
2 ing and that no further grants will be made to  
3 the State under this section (or, in the case of  
4 noncompliance in the operation of a program or  
5 activity, that no further grants to the State will  
6 be made with respect to the program or activ-  
7 ity) until the Secretary is satisfied that there is  
8 no longer any failure to comply or that the non-  
9 compliance will be promptly corrected.

10 “(B) OTHER PENALTIES.—In the case of a  
11 finding of noncompliance made pursuant to  
12 subparagraph (A), the Secretary may, in addi-  
13 tion to, or in lieu of, imposing the penalties de-  
14 scribed in subparagraph (A), impose other ap-  
15 propriate penalties, including recoupment of  
16 money improperly expended for purposes pro-  
17 hibited or not authorized by this section and  
18 disqualification from the receipt of financial as-  
19 sistance under this section.

20 “(C) NOTICE.—The notice required under  
21 subparagraph (A) shall include a specific identi-  
22 fication of any additional penalty being imposed  
23 under subparagraph (B).

24 “(3) ISSUANCE OF REGULATIONS.—The Sec-  
25 retary shall establish by regulation procedures for—

1 and mineral supplements commercially available; the pur-  
2 chasing habits of low income populations with regard to  
3 vitamins and minerals; the impact on the food purchases  
4 of low income households; and the economic impact on ag-  
5 ricultural commodities. The Secretary shall report the re-  
6 sults of the study to the Committee on Agriculture of the  
7 U.S. House of Representatives not later than December  
8 15, 1996.”.

9 **SEC. 1065. INVESTIGATIONS.**

10 Section 12(a) of the Food Stamp Act of 1977 (7  
11 U.S.C. 2021(a)) is amended by adding at the end the fol-  
12 lowing:

13 “Regulations issued pursuant to this Act shall provide cri-  
14 teria for the finding of violations and the suspension or  
15 disqualification of a retail food store or wholesale food con-  
16 cern on the basis of evidence which may include, but is  
17 not limited to, facts established through on-site investiga-  
18 tions, inconsistent redemption data or evidence obtained  
19 through transaction reports under electronic benefit trans-  
20 fer systems.”.

21 **SEC. 1066. FOOD STAMP ELIGIBILITY.**

22 Section 6(f) of the Food Stamp Act of 1977 (7  
23 U.S.C. 2015(f)) is amended by striking the third sentence  
24 and inserting the following:

1 “The State agency shall, at its option, consider either all  
2 income and financial resources of the individual rendered  
3 ineligible to participate in the food stamp program under  
4 this subsection, or such income, less a pro rata share, and  
5 the financial resources of the ineligible individual, to deter-  
6 mine the eligibility and the value of the allotment of the  
7 household of which such individual is a member.”.

8 **SEC. 1067. REPORT BY THE SECRETARY.**

9       The Secretary of Agriculture may report to the Com-  
10 mittee on Agriculture of the House of Representatives, not  
11 later than January 1, 2000, on the effect of the food  
12 stamp reforms in the Welfare and Medicaid Reform Act  
13 of 1996 and the ability of State and local governments  
14 to deal with people in poverty. The report must answer  
15 the question: “Did people become more personally respon-  
16 sible and were work opportunities provided such that pov-  
17 erty in America is better managed?”.

18 **SEC. 1068. DEFICIT REDUCTION.**

19       It is the sense of the Committee on Agriculture of  
20 the House of Representatives that reductions in outlays  
21 resulting from this title shall not be taken into account  
22 for purposes of section 552 of the Balanced Budget and  
23 Emergency Deficit Control Act of 1985.

1 **SEC. 1074. REPORT ON ENTITLEMENT COMMODITY PROC-**  
2 **ESSING.**

3 Section 1773 of the Food, Agriculture, Conservation,  
4 and Trade Act of 1990 (Public Law 101-624; 7 U.S.C.  
5 612c note) is amended by striking subsection (f).

6 **Subtitle C—Electronic Benefit**  
7 **Transfer Systems**

8 **SEC. 1091. PROVISIONS TO ENCOURAGE ELECTRONIC BEN-**  
9 **EFIT TRANSFER SYSTEMS.**

10 Section 904 of the Electronic Fund Transfer Act (15  
11 U.S.C. 1693b) is amended—

12 (1) by striking “(d) In the event” and inserting  
13 “(d) APPLICABILITY TO SERVICE PROVIDERS  
14 OTHER THAN CERTAIN FINANCIAL INSTITU-  
15 TIONS.—

16 “(1) IN GENERAL.—In the event”; and

17 (2) by adding at the end the following new  
18 paragraph:

19 “(2) STATE AND LOCAL GOVERNMENT ELEC-  
20 TRONIC BENEFIT TRANSFER PROGRAMS.—

21 “(A) EXEMPTION GENERALLY.—The dis-  
22 closures, protections, responsibilities, and rem-  
23 edies established under this title, and any regu-  
24 lation prescribed or order issued by the Board  
25 in accordance with this title, shall not apply to  
26 any electronic benefit transfer program estab-

1           lished under State or local law or administered  
2           by a State or local government.

3           “(B) EXCEPTION FOR DIRECT DEPOSIT  
4           INTO RECIPIENT’S ACCOUNT.—Subparagraph  
5           (A) shall not apply with respect to any elec-  
6           tronic funds transfer under an electronic benefit  
7           transfer program for deposits directly into a  
8           consumer account held by the recipient of the  
9           benefit.

10          “(C) RULE OF CONSTRUCTION.—No provi-  
11          sion of this paragraph may be construed as—

12                 “(i) affecting or altering the protec-  
13                 tions otherwise applicable with respect to  
14                 benefits established by Federal, State, or  
15                 local law; or

16                 “(ii) otherwise superseding the appli-  
17                 cation of any State or local law.

18          “(D) ELECTRONIC BENEFIT TRANSFER  
19          PROGRAM DEFINED.—For purposes of this  
20          paragraph, the term ‘electronic benefit transfer  
21          program’—

22                 “(i) means a program under which a  
23                 government agency distributes needs-tested  
24                 benefits by establishing accounts to be  
25                 accessed by recipients electronically, such



1 as through automated teller machines, or  
2 point-of-sale terminals; and

3 “(ii) does not include employment-re-  
4 lated payments, including salaries and pen-  
5 sion, retirement, or unemployment benefits  
6 established by Federal, State, or local gov-  
7 ernments.”.

8 **TITLE II—COMMITTEE ON**  
9 **COMMERCE**

10 **SEC. 2000. TABLE OF CONTENTS.**

11 The table of contents of this title is as follows:

Sec. 2000. Table of contents.

Subtitle A—Involvement of Commerce Committee in Federal Government  
Position Reductions

Sec. 2001. Involvement of Commerce Committee in Federal government posi-  
tion reductions.

Subtitle B—Restricting Public Benefits for Aliens

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

Sec. 2101. Aliens who are not qualified aliens ineligible for Federal public bene-  
fits.

Sec. 2102. Five-year limited eligibility of qualified aliens for Federal means-  
tested public benefit.

Sec. 2103. Notification.

CHAPTER 2—GENERAL PROVISIONS

Sec. 2111. Definitions.

Sec. 2112. Verification of eligibility for Federal public benefits.

Subtitle C—Energy Assistance

Sec. 2201. Energy assistance.

Subtitle D—Abstinence Education

Sec. 2301. Abstinence education.

1 **Subtitle A—Involvement of Com-**  
2 **merce Committee in Federal**  
3 **Government Position Reduc-**  
4 **tions**

5 **SEC. 2001. INVOLVEMENT OF COMMERCE COMMITTEE IN**  
6 **FEDERAL GOVERNMENT POSITION REDUC-**  
7 **TIONS.**

8 In any provision of law that provides for consultation  
9 with (or a report to) a relevant committee of Congress  
10 respecting reductions in Federal Government positions, a  
11 reference to the Committee on Commerce of the House  
12 of Representatives shall be deemed to have been made in  
13 relation to matters within the jurisdiction of such Commit-  
14 tee.

15 **Subtitle B—Restricting Public**  
16 **Benefits for Aliens**

17 **CHAPTER 1—ELIGIBILITY FOR FEDERAL**  
18 **BENEFITS**

19 **SEC. 2101. ALIENS WHO ARE NOT QUALIFIED ALIENS INELI-**  
20 **GIBLE FOR FEDERAL PUBLIC BENEFITS.**

21 (a) IN GENERAL.—Notwithstanding any other provi-  
22 sion of law and except as provided in subsection (b), an  
23 alien who is not a qualified alien (as defined in section  
24 2111) is not eligible for any Federal public benefit (as de-  
25 fined in subsection (c)).

1 (b) EXCEPTIONS.—Subsection (a) shall not apply  
2 with respect to the following Federal public benefits:

3 (1) Emergency medical services under title XIX  
4 of the Social Security Act.

5 (2)(A) Public health assistance for immuniza-  
6 tions.

7 (B) Public health assistance for testing and  
8 treatment of a serious communicable disease if the  
9 Secretary of Health and Human Services determines  
10 that it is necessary to prevent the spread of such  
11 disease.

12 (c) FEDERAL PUBLIC BENEFIT DEFINED.—

13 (1) Except as provided in paragraph (2), for  
14 purposes of this part, the term “Federal public ben-  
15 efit” means—

16 (A) any grant, contract, loan, professional  
17 license, or commercial license provided by an  
18 agency of the United States or by appropriated  
19 funds of the United States; and

20 (B) any retirement, welfare, health, dis-  
21 ability, or any other similar benefit for which  
22 payments or assistance are provided to an indi-  
23 vidual, household, or family eligibility unit by  
24 an agency of the United States or by appro-  
25 priated funds of the United States,

1 but only if such grant, contract, loan, or license  
2 under subparagraph (A) or program providing bene-  
3 fits under subparagraph (B) is under the jurisdic-  
4 tion of the Committee on Commerce of the House of  
5 Representatives.

6 (2) Such term shall not apply—

7 (A) to any contract, professional license, or  
8 commercial license for a nonimmigrant whose  
9 visa for entry is related to such employment in  
10 the United States; or

11 (B) with respect to benefits for an alien  
12 who as a work authorized nonimmigrant or as  
13 an alien lawfully admitted for permanent resi-  
14 dence under the Immigration and Nationality  
15 Act qualified for such benefits and for whom  
16 the United States under reciprocal treaty agree-  
17 ments is required to pay benefits, as determined  
18 by the Attorney General, after consultation with  
19 the Secretary of State.

20 **SEC. 2102. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED**  
21 **ALIENS FOR FEDERAL MEANS-TESTED PUB-**  
22 **LIC BENEFIT.**

23 (a) IN GENERAL.—Notwithstanding any other provi-  
24 sion of law and except as provided in subsection (b), an  
25 alien who is a qualified alien (as defined in section 2111)

1 and who enters the United States on or after the date  
2 of the enactment of this Act is not eligible for any Federal  
3 means-tested public benefit (as defined in subsection (c))  
4 for a period of five years beginning on the date of the  
5 alien's entry into the United States with a status within  
6 the meaning of the term "qualified alien".

7 (b) EXCEPTIONS.—The limitation under subsection  
8 (a) shall not apply to the following aliens:

9 (1) EXCEPTION FOR REFUGEES AND  
10 ASYLEES.—

11 (A) An alien who is admitted to the United  
12 States as a refugee under section 207 of the  
13 Immigration and Nationality Act.

14 (B) An alien who is granted asylum under  
15 section 208 of such Act.

16 (C) An alien whose deportation is being  
17 withheld under section 243(h) of such Act.

18 (2) VETERAN AND ACTIVE DUTY EXCEPTION.—  
19 An alien who is lawfully residing in any State and  
20 is—

21 (A) a veteran (as defined in section 101 of  
22 title 38, United States Code) with a discharge  
23 characterized as an honorable discharge and not  
24 on account of alienage,

1 (B) on active duty (other than active duty  
2 for training) in the Armed Forces of the United  
3 States, or

4 (C) the spouse or unmarried dependent  
5 child of an individual described in subparagraph  
6 (A) or (B).

7 (c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DE-  
8 FINED.—

9 (1) Except as provided in paragraph (2), for  
10 purposes of this part, the term “Federal means-test-  
11 ed public benefit” means a Federal public benefit  
12 described in section 2101(c) in which the eligibility  
13 of an individual, household, or family eligibility unit  
14 for benefits, or the amount of such benefits, or both  
15 are determined on the basis of income, resources, or  
16 financial need of the individual, household, or unit.

17 (2) Such term does not include the following:

18 (A) Emergency medical services under title  
19 XIX of the Social Security Act.

20 (B)(i) Public health assistance for immuni-  
21 zations.

22 (ii) Public health assistance for testing and  
23 treatment of a serious communicable disease if  
24 the Secretary of Health and Human Services

1           determines that it is necessary to prevent the  
2           spread of such disease.

3 **SEC. 2103. NOTIFICATION.**

4           Each Federal agency that administers a program to  
5 which section 2101 or 2102 applies shall, directly or  
6 through the States, post information and provide general  
7 notification to the public and to program recipients of the  
8 changes regarding eligibility for any such program pursu-  
9 ant to this subpart.

10           **CHAPTER 2—GENERAL PROVISIONS**

11 **SEC. 2111. DEFINITIONS.**

12           (a) **IN GENERAL.**—Except as otherwise provided in  
13 this part, the terms used in this part have the same mean-  
14 ing given such terms in section 101(a) of the Immigration  
15 and Nationality Act.

16           (b) **QUALIFIED ALIEN.**—For purposes of this part,  
17 the term “qualified alien” means an alien who, at the time  
18 the alien applies for, receives, or attempts to receive a  
19 Federal public benefit, is—

20                   (1) an alien who is lawfully admitted for perma-  
21                   nent residence under the Immigration and National-  
22                   ity Act,

23                   (2) an alien who is granted asylum under sec-  
24                   tion 208 of such Act,

1           (3) a refugee who is admitted to the United  
2 States under section 207 of such Act,

3           (4) an alien who is paroled into the United  
4 States under section 212(d)(5) of such Act for a pe-  
5 riod of at least 1 year,

6           (5) an alien whose deportation is being withheld  
7 under section 243(h) of such Act, or

8           (6) an alien who is granted conditional entry  
9 pursuant to section 203(a)(7) of such Act as in ef-  
10 fect prior to April 1, 1980.

11 **SEC. 2112. VERIFICATION OF ELIGIBILITY FOR FEDERAL**  
12 **PUBLIC BENEFITS.**

13       (a) IN GENERAL.—Not later than 18 months after  
14 the date of the enactment of this Act, the Attorney Gen-  
15 eral of the United States, after consultation with the Sec-  
16 retary of Health and Human Services, shall promulgate  
17 regulations requiring verification that a person applying  
18 for a Federal public benefit (as defined in section  
19 2101(c)), to which the limitation under section 2101 ap-  
20 plies, is a qualified alien and is eligible to receive such  
21 benefit. Such regulations shall, to the extent feasible, re-  
22 quire that information requested and exchanged be similar  
23 in form and manner to information requested and ex-  
24 changed under section 1137 of the Social Security Act.



1 (b) STATE COMPLIANCE.—Not later than 24 months  
2 after the date the regulations described in subsection (a)  
3 are adopted, a State that administers a program that pro-  
4 vides a Federal public benefit shall have in effect a ver-  
5 ification system that complies with the regulations.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
7 are authorized to be appropriated such sums as may be  
8 necessary to carry out the purpose of this section.

## 9 **Subtitle C—Energy Assistance**

### 10 **SEC. 2201. ENERGY ASSISTANCE.**

11 Section 2605(f) of the Low-Income Home Energy As-  
12 sistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

13 (1) by striking “(f)(1) Notwithstanding” and  
14 inserting “(f) Notwithstanding”; and

15 (2) by striking paragraph (2).

## 16 **Subtitle D—Abstinence Education**

### 17 **SEC. 2301. ABSTINENCE EDUCATION.**

18 (a) INCREASES IN FUNDING.—Section 501(a) of the  
19 Social Security Act (42 U.S.C. 701(a)) is amended in the  
20 matter preceding paragraph (1) by striking “Fiscal year  
21 1990 and each fiscal year thereafter” and inserting “Fis-  
22 cal years 1990 through 1995 and \$761,000,000 for fiscal  
23 year 1996 and each fiscal year thereafter”.

24 (b) ABSTINENCE EDUCATION.—Section 501(a)(1) of  
25 such Act (42 U.S.C. 701(a)(1)) is amended—

1           (1) in subparagraph (C), by striking “and” at  
2           the end;

3           (2) in subparagraph (D), by adding “and” at  
4           the end; and

5           (3) by adding at the end the following new sub-  
6           paragraph:

7                   “(E) to provide abstinence education, and  
8                   at the option of the State, where appropriate,  
9                   mentoring, counseling, and adult supervision to  
10                  promote abstinence from sexual activity, with a  
11                  focus on those groups which are most likely to  
12                  bear children out-of-wedlock.”.

13          (c) ABSTINENCE EDUCATION DEFINED.—Section  
14          501(b) of such Act (42 U.S.C. 701(b)) is amended by add-  
15          ing at the end the following new paragraph:

16                   “(5) ABSTINENCE EDUCATION.—For purposes  
17                  of this subsection, the term ‘abstinence education’  
18                  means an educational or motivational program  
19                  which—

20                           “(A) has as its exclusive purpose, teaching  
21                           the social, psychological, and health gains to be  
22                           realized by abstaining from sexual activity;

23                           “(B) teaches abstinence from sexual activ-  
24                           ity outside marriage as the expected standard  
25                           for all school age children;

1           “(C) teaches that abstinence from sexual  
2 activity is the only certain way to avoid out-of-  
3 wedlock pregnancy, sexually transmitted dis-  
4 eases, and other associated health problems;

5           “(D) teaches that a mutually faithful  
6 monogamous relationship in context of marriage  
7 is the expected standard of human sexual activ-  
8 ity;

9           “(E) teaches that sexual activity outside of  
10 the context of marriage is likely to have harm-  
11 ful psychological and physical effects;

12           “(F) teaches that bearing children out-of-  
13 wedlock is likely to have harmful consequences  
14 for the child, the child’s parents, and society;

15           “(G) teaches young people how to reject  
16 sexual advances and how alcohol and drug use  
17 increases vulnerability to sexual advances; and

18           “(H) teaches the importance of attaining  
19 self-sufficiency before engaging in sexual activ-  
20 ity.”.

21 (d) SET-ASIDE.—

22           (1) IN GENERAL.—Section 502(c) of such Act  
23 (42 U.S.C. 702(c)) is amended in the matter preced-  
24 ing paragraph (1) by striking “From” and inserting  
25 “Except as provided in subsection (e), from”.

1           (2) SET-ASIDE.—Section 502 of such Act (42  
2           U.S.C. 702) is amended by adding at the end the  
3           following new subsection:

4           “(e) Of the amounts appropriated under section  
5           501(a) for any fiscal year, the Secretary shall set aside  
6           \$75,000,000 for abstinence education in accordance with  
7           section 501(a)(1)(E).”.

8           **TITLE III—COMMITTEE ON ECO-**  
9           **NOMIC AND EDUCATIONAL**  
10          **OPPORTUNITIES**

11          **SEC. 3001. SHORT TITLE.**

12          This title may be cited as the “Personal Responsibil-  
13          ity and Work Opportunity Act of 1996”.

14          **SEC. 3002. TABLE OF CONTENTS.**

15          The table of contents of this title is as follows:

Sec. 3001. Short title.

Sec. 3002. Table of contents.

                                Subtitle A—Child Care

Sec. 3101. Short title and references.

Sec. 3102. Goals.

Sec. 3103. Authorization of appropriations and entitlement authority.

Sec. 3104. Lead agency.

Sec. 3105. Application and plan.

Sec. 3106. Limitation on State allotments.

Sec. 3107. Activities to improve the quality of child care.

Sec. 3108. Repeal of early childhood development and before- and after-school  
                                care requirement.

Sec. 3109. Administration and enforcement.

Sec. 3110. Payments.

Sec. 3111. Annual report and audits.

Sec. 3112. Report by the Secretary.

Sec. 3113. Allotments.

Sec. 3114. Definitions.

Sec. 3115. Repeals.

Sec. 3116. Effective date.

1 (1) shall revisit the provisions of this title, or  
 2 the amendments made by this title, which caused  
 3 such increase; and

4 (2) shall, as soon as practicable thereafter, pass  
 5 legislation that stops the continuation of such in-  
 6 crease.

## 7 **TITLE IV—COMMITTEE ON WAYS** 8 **AND MEANS**

### 9 **SEC. 4001. SHORT TITLE.**

10 This title may be cited as the “Personal Responsibil-  
 11 ity and Work Opportunity Act of 1996”.

### 12 **SEC. 4002. TABLE OF CONTENTS.**

13 The table of contents of this title is as follows:

Sec. 4001. Short title.

Sec. 4002. Table of contents.

#### Subtitle A—Block Grants for Temporary Assistance for Needy Families

Sec. 4101. Findings.

Sec. 4102. Reference to Social Security Act.

Sec. 4103. Block grants to States.

Sec. 4104. Services provided by charitable, religious, or private organizations.

Sec. 4105. Census data on grandparents as primary caregivers for their grand-  
 children.

Sec. 4106. Report on data processing.

Sec. 4107. Study on alternative outcomes measures.

Sec. 4108. Conforming amendments to the Social Security Act.

Sec. 4109. Conforming amendments to the Food Stamp Act of 1977 and relat-  
 ed provisions.

Sec. 4110. Conforming amendments to other laws.

Sec. 4111. Development of prototype of counterfeit-resistant social security  
 card required.

Sec. 4112. Disclosure of receipt of Federal funds.

Sec. 4113. Modifications to the job opportunities for certain low-income individ-  
 uals program.

Sec. 4114. Secretarial submission of legislative proposal for technical and con-  
 forming amendments.

Sec. 4115. Conforming amendments to medicaid program.

Sec. 4116. Effective date; transition rule.

Subtitle B—Supplemental Security Income

Sec. 4200. Reference to Social Security Act.

CHAPTER 1—ELIGIBILITY RESTRICTIONS

- Sec. 4201. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
- Sec. 4202. Denial of SSI benefits for fugitive felons and probation and parole violators.
- Sec. 4203. Treatment of prisoners.
- Sec. 4204. Effective date of application for benefits.

CHAPTER 2—BENEFITS FOR DISABLED CHILDREN

- Sec. 4211. Definition and eligibility rules.
- Sec. 4212. Eligibility redeterminations and continuing disability reviews.
- Sec. 4213. Additional accountability requirements.
- Sec. 4214. Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by private insurance.
- Sec. 4215. Regulations.

CHAPTER 3—ADDITIONAL ENFORCEMENT PROVISIONS

- Sec. 4221. Installment payment of large past-due supplemental security income benefits.
- Sec. 4222. Recovery of supplemental security income overpayments from social security benefits.
- Sec. 4223. Regulations.

CHAPTER 4—STATE SUPPLEMENTATION PROGRAMS

- Sec. 4225. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

CHAPTER 5—STUDIES REGARDING SUPPLEMENTAL SECURITY INCOME PROGRAM

- Sec. 4231. Annual report on the supplemental security income program.
- Sec. 4232. Study of disability determination process.
- Sec. 4233. Study by General Accounting Office.

CHAPTER 6—NATIONAL COMMISSION ON THE FUTURE OF DISABILITY

- Sec. 4241. Establishment.
- Sec. 4242. Duties of the commission.
- Sec. 4243. Membership.
- Sec. 4244. Staff and support services.
- Sec. 4245. Powers of commission.
- Sec. 4246. Reports.
- Sec. 4247. Termination.
- Sec. 4248. Authorization of appropriations.

Subtitle C—Child Support

Sec. 4300. Reference to Social Security Act.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

- Sec. 4301. State obligation to provide child support enforcement services.
- Sec. 4302. Distribution of child support collections.
- Sec. 4303. Privacy safeguards.
- Sec. 4304. Rights to notification of hearings.

#### CHAPTER 2—LOCATE AND CASE TRACKING

- Sec. 4311. State case registry.
- Sec. 4312. Collection and disbursement of support payments.
- Sec. 4313. State directory of new hires.
- Sec. 4314. Amendments concerning income withholding.
- Sec. 4315. Locator information from interstate networks.
- Sec. 4316. Expansion of the Federal Parent Locator Service.
- Sec. 4317. Collection and use of social security numbers for use in child support enforcement.

#### CHAPTER 3—STREAMLINING AND UNIFORMITY OF PROCEDURES

- Sec. 4321. Adoption of uniform State laws.
- Sec. 4322. Improvements to full faith and credit for child support orders.
- Sec. 4323. Administrative enforcement in interstate cases.
- Sec. 4324. Use of forms in interstate enforcement.
- Sec. 4325. State laws providing expedited procedures.

#### CHAPTER 4—PATERNITY ESTABLISHMENT

- Sec. 4331. State laws concerning paternity establishment.
- Sec. 4332. Outreach for voluntary paternity establishment.
- Sec. 4333. Cooperation by applicants for and recipients of part A assistance.

#### CHAPTER 5—PROGRAM ADMINISTRATION AND FUNDING

- Sec. 4341. Performance-based incentives and penalties.
- Sec. 4342. Federal and State reviews and audits.
- Sec. 4343. Required reporting procedures.
- Sec. 4344. Automated data processing requirements.
- Sec. 4345. Technical assistance.
- Sec. 4346. Reports and data collection by the Secretary.
- Sec. 4347. Child support delinquency penalty.

#### CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

- Sec. 4351. Simplified process for review and adjustment of child support orders.
- Sec. 4352. Furnishing consumer reports for certain purposes relating to child support.
- Sec. 4353. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

#### CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

- Sec. 4361. Internal Revenue Service collection of arrearages.
- Sec. 4362. Authority to collect support from Federal employees.
- Sec. 4363. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 4364. Voiding of fraudulent transfers.
- Sec. 4365. Work requirement for persons owing past-due child support.

- Sec. 4366. Definition of support order.
- Sec. 4367. Reporting arrearages to credit bureaus.
- Sec. 4368. Liens.
- Sec. 4369. State law authorizing suspension of licenses.
- Sec. 4370. Denial of passports for nonpayment of child support.
- Sec. 4371. International support enforcement.
- Sec. 4372. Financial institution data matches.
- Sec. 4373. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
- Sec. 4374. Nondischargeability in bankruptcy of certain debts for the support of a child.

#### CHAPTER 8—MEDICAL SUPPORT

- Sec. 4376. Correction to ERISA definition of medical child support order.
- Sec. 4377. Enforcement of orders for health care coverage.

#### CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

- Sec. 4381. Grants to States for access and visitation programs.

#### CHAPTER 10—EFFECTIVE DATES AND CONFORMING AMENDMENTS

- Sec. 4391. Effective dates and conforming amendments.

#### Subtitle D—Restricting Welfare and Public Benefits for Aliens

- Sec. 4400. Statements of national policy concerning welfare and immigration.

#### CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

- Sec. 4401. Aliens who are not qualified aliens ineligible for Federal public benefits.
- Sec. 4402. Limited eligibility of qualified aliens for certain Federal programs.
- Sec. 4403. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.
- Sec. 4404. Notification and information reporting.

#### CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

- Sec. 4411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.
- Sec. 4412. State authority to limit eligibility of qualified aliens for State public benefits.

#### CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

- Sec. 4421. Federal attribution of sponsor's income and resources to alien.
- Sec. 4422. Authority for States to provide for attribution of sponsors income and resources to the alien with respect to State programs.
- Sec. 4423. Requirements for sponsor's affidavit of support.

#### CHAPTER 4—GENERAL PROVISIONS

- Sec. 4431. Definitions.
- Sec. 4432. Verification of eligibility for Federal public benefits.
- Sec. 4433. Statutory construction.



- Sec. 4434. Communication between State and local government agencies and the Immigration and Naturalization Service.
- Sec. 4435. Qualifying quarters.

CHAPTER 5—CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING

- Sec. 4441. Conforming amendments relating to assisted housing.

CHAPTER 6—EARNED INCOME CREDIT DENIED TO UNAUTHORIZED EMPLOYEES

- Sec. 4451. Earned income credit denied to individuals not authorized to be employed in the United States.

Subtitle E—Reform of Public Housing

- Sec. 4601. Fraud under means-tested welfare and public assistance programs.

Subtitle F—Child Protection Block Grant Programs and Foster Care, Adoption Assistance, and Independent Living Programs

CHAPTER 1—CHILD PROTECTION BLOCK GRANT PROGRAM AND FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

SUBCHAPTER A—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

- Sec. 4701. Establishment of program.
- Sec. 4702. Conforming amendments.

SUBCHAPTER B—FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

- Sec. 4711. Conforming amendments to part E of title IV.

SUBCHAPTER C—MISCELLANEOUS

- Sec. 4721. Secretarial submission of legislative proposal for technical and conforming amendments.
- Sec. 4722. Sense of the Congress regarding timely adoption of children.
- Sec. 4723. Removal of barriers to interethnic adoption.
- Sec. 4724. Effective date; transition rules.

CHAPTER 2—CHILD AND FAMILY SERVICES BLOCK GRANT

- Sec. 4751. Child and family services block grant.
- Sec. 4752. Reauthorizations.
- Sec. 4753. Repeals.

Subtitle G—Reductions in Federal Government Positions

- Sec. 4801. Reductions.
- Sec. 4802. Reductions in Federal bureaucracy.
- Sec. 4803. Reducing personnel in Washington, D.C. area.

Subtitle H—Miscellaneous

- Sec. 4901. Appropriation by State legislatures.
- Sec. 4902. Sanctioning for testing positive for controlled substances.
- Sec. 4903. Reduction in block grants to States for social services.

1 **Subtitle A—Block Grants for Tem-**  
2 **porary Assistance for Needy**  
3 **Families**

4 **SEC. 4101. FINDINGS.**

5 The Congress makes the following findings:

6 (1) Marriage is the foundation of a successful  
7 society.

8 (2) Marriage is an essential institution of a suc-  
9 cessful society which promotes the interests of chil-  
10 dren.

11 (3) Promotion of responsible fatherhood and  
12 motherhood is integral to successful child rearing  
13 and the well-being of children.

14 (4) In 1992, only 54 percent of single-parent  
15 families with children had a child support order es-  
16 tablished and, of that 54 percent, only about one-  
17 half received the full amount due. Of the cases en-  
18 forced through the public child support enforcement  
19 system, only 18 percent of the caseload has a collec-  
20 tion.

21 (5) The number of individuals receiving aid to  
22 families with dependent children (in this section re-  
23 ferred to as "AFDC") has more than tripled since  
24 1965. More than two-thirds of these recipients are  
25 children. Eighty-nine percent of children receiving

1 AFDC benefits now live in homes in which no father  
2 is present.

3 (A)(i) The average monthly number of  
4 children receiving AFDC benefits—

5 (I) was 3,300,000 in 1965;

6 (II) was 6,200,000 in 1970;

7 (III) was 7,400,000 in 1980; and

8 (IV) was 9,300,000 in 1992.

9 (ii) While the number of children receiving  
10 AFDC benefits increased nearly threefold be-  
11 tween 1965 and 1992, the total number of chil-  
12 dren in the United States aged 0 to 18 has de-  
13 clined by 5.5 percent.

14 (B) The Department of Health and  
15 Human Services has estimated that 12,000,000  
16 children will receive AFDC benefits within 10  
17 years.

18 (C) The increase in the number of children  
19 receiving public assistance is closely related to  
20 the increase in births to unmarried women. Be-  
21 tween 1970 and 1991, the percentage of live  
22 births to unmarried women increased nearly  
23 threefold, from 10.7 percent to 29.5 percent.

24 (6) The increase of out-of-wedlock pregnancies  
25 and births is well documented as follows:

1 (A) It is estimated that the rate of non-  
2 marital teen pregnancy rose 23 percent from 54  
3 pregnancies per 1,000 unmarried teenagers in  
4 1976 to 66.7 pregnancies in 1991. The overall  
5 rate of nonmarital pregnancy rose 14 percent  
6 from 90.8 pregnancies per 1,000 unmarried  
7 women in 1980 to 103 in both 1991 and 1992.  
8 In contrast, the overall pregnancy rate for mar-  
9 ried couples decreased 7.3 percent between  
10 1980 and 1991, from 126.9 pregnancies per  
11 1,000 married women in 1980 to 117.6 preg-  
12 nancies in 1991.

13 (B) The total of all out-of-wedlock births  
14 between 1970 and 1991 has risen from 10.7  
15 percent to 29.5 percent and if the current trend  
16 continues, 50 percent of all births by the year  
17 2015 will be out-of-wedlock.

18 (7) The negative consequences of an out-of-wed-  
19 lock birth on the mother, the child, the family, and  
20 society are well documented as follows:

21 (A) Young women 17 and under who give  
22 birth outside of marriage are more likely to go  
23 on public assistance and to spend more years  
24 on welfare once enrolled. These combined ef-  
25 fects of "younger and longer" increase total

1 AFDC costs per household by 25 percent to 30  
2 percent for 17-year-olds.

3 (B) Children born out-of-wedlock have a  
4 substantially higher risk of being born at a very  
5 low or moderately low birth weight.

6 (C) Children born out-of-wedlock are more  
7 likely to experience low verbal cognitive attain-  
8 ment, as well as more child abuse, and neglect.

9 (D) Children born out-of-wedlock were  
10 more likely to have lower cognitive scores, lower  
11 educational aspirations, and a greater likelihood  
12 of becoming teenage parents themselves.

13 (E) Being born out-of-wedlock significantly  
14 reduces the chances of the child growing up to  
15 have an intact marriage.

16 (F) Children born out-of-wedlock are 3  
17 times more likely to be on welfare when they  
18 grow up.

19 (8) Currently 35 percent of children in single-  
20 parent homes were born out-of-wedlock, nearly the  
21 same percentage as that of children in single-parent  
22 homes whose parents are divorced (37 percent).  
23 While many parents find themselves, through divorce  
24 or tragic circumstances beyond their control, facing  
25 the difficult task of raising children alone, neverthe-

1 less, the negative consequences of raising children in  
2 single-parent homes are well documented as follows:

3 (A) Only 9 percent of married-couple fami-  
4 lies with children under 18 years of age have  
5 income below the national poverty level. In con-  
6 trast, 46 percent of female-headed households  
7 with children under 18 years of age are below  
8 the national poverty level.

9 (B) Among single-parent families, nearly  
10  $\frac{1}{2}$  of the mothers who never married received  
11 AFDC while only  $\frac{1}{5}$  of divorced mothers re-  
12 ceived AFDC.

13 (C) Children born into families receiving  
14 welfare assistance are 3 times more likely to be  
15 on welfare when they reach adulthood than chil-  
16 dren not born into families receiving welfare.

17 (D) Mothers under 20 years of age are at  
18 the greatest risk of bearing low-birth-weight ba-  
19 bies.

20 (E) The younger the single parent mother,  
21 the less likely she is to finish high school.

22 (F) Young women who have children be-  
23 fore finishing high school are more likely to re-  
24 ceive welfare assistance for a longer period of  
25 time.

1 (G) Between 1985 and 1990, the public  
2 cost of births to teenage mothers under the aid  
3 to families with dependent children program,  
4 the food stamp program, and the medicaid pro-  
5 gram has been estimated at \$120,000,000,000.

6 (H) The absence of a father in the life of  
7 a child has a negative effect on school perform-  
8 ance and peer adjustment.

9 (I) Children of teenage single parents have  
10 lower cognitive scores, lower educational aspira-  
11 tions, and a greater likelihood of becoming teen-  
12 age parents themselves.

13 (J) Children of single-parent homes are 3  
14 times more likely to fail and repeat a year in  
15 grade school than are children from intact 2-  
16 parent families.

17 (K) Children from single-parent homes are  
18 almost 4 times more likely to be expelled or sus-  
19 pended from school.

20 (L) Neighborhoods with larger percentages  
21 of youth aged 12 through 20 and areas with  
22 higher percentages of single-parent households  
23 have higher rates of violent crime.

24 (M) Of those youth held for criminal of-  
25 fenses within the State juvenile justice system,

1           only 29.8 percent lived primarily in a home with  
2           both parents. In contrast to these incarcerated  
3           youth, 73.9 percent of the 62,800,000 children  
4           in the Nation's resident population were living  
5           with both parents.

6           (9) Therefore, in light of this demonstration of  
7           the crisis in our Nation, it is the sense of the Con-  
8           gress that prevention of out-of-wedlock pregnancy  
9           and reduction in out-of-wedlock birth are very im-  
10          portant Government interests and the policy con-  
11          tained in part A of title IV of the Social Security  
12          Act (as amended by section 4103(a) of this Act) is  
13          intended to address the crisis.

14 **SEC. 4102. REFERENCE TO SOCIAL SECURITY ACT.**

15          Except as otherwise specifically provided, wherever in  
16          this subtitle an amendment is expressed in terms of an  
17          amendment to or repeal of a section or other provision,  
18          the reference shall be considered to be made to that sec-  
19          tion or other provision of the Social Security Act.

20 **SEC. 4103. BLOCK GRANTS TO STATES.**

21          (a) **IN GENERAL.**—Part A of title IV (42 U.S.C. 601  
22          et seq.) is amended—

23                  (1) by striking all that precedes section 418 (as  
24                  added by section 4803(b)(2) of this Act) and insert-  
25                  ing the following:



1       **“PART A—BLOCK GRANTS TO STATES FOR**  
2       **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

3       **“SEC. 401. PURPOSE.**

4       “(a) IN GENERAL.—The purpose of this part is to  
5 increase the flexibility of States in operating a program  
6 designed to—

7               “(1) provide assistance to needy families so that  
8 children may be cared for in their own homes or in  
9 the homes of relatives;

10              “(2) end the dependence of needy parents on  
11 government benefits by promoting job preparation,  
12 work, and marriage;

13              “(3) prevent and reduce the incidence of out-of-  
14 wedlock pregnancies and establish annual numerical  
15 goals for preventing and reducing the incidence of  
16 these pregnancies; and

17              “(4) encourage the formation and maintenance  
18 of two-parent families.

19       “(b) NO INDIVIDUAL ENTITLEMENT.—This part  
20 shall not be interpreted to entitle any individual or family  
21 to assistance under any State program funded under this  
22 part.

23       **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

24       “(a) IN GENERAL.—As used in this part, the term  
25 ‘eligible State’ means, with respect to a fiscal year, a State  
26 that, during the 2-year period immediately preceding the

1 fiscal year, has submitted to the Secretary a plan that the  
2 Secretary has found includes the following:

3           “(1) OUTLINE OF FAMILY ASSISTANCE PRO-  
4       GRAM.—

5           “(A) GENERAL PROVISIONS.—A written  
6       document that outlines how the State intends to  
7       do the following:

8           “(i) Conduct a program, designed to  
9       serve all political subdivisions in the State  
10      (not necessarily in a uniform manner),  
11      that provides assistance to needy families  
12      with (or expecting) children and provides  
13      parents with job preparation, work, and  
14      support services to enable them to leave  
15      the program and become self-sufficient.

16          “(ii) Require a parent or caretaker re-  
17      ceiving assistance under the program to  
18      engage in work (as defined by the State)  
19      once the State determines the parent or  
20      caretaker is ready to engage in work, or  
21      once the parent or caretaker has received  
22      assistance under the program for 24  
23      months (whether or not consecutive),  
24      whichever is earlier.

1           “(iii) Ensure that parents and care-  
2           takers receiving assistance under the pro-  
3           gram engage in work activities in accord-  
4           ance with section 407.

5           “(iv) Take such reasonable steps as  
6           the State deems necessary to restrict the  
7           use and disclosure of information about in-  
8           dividuals and families receiving assistance  
9           under the program attributable to funds  
10          provided by the Federal Government.

11          “(B) SPECIAL PROVISIONS.—

12                 “(i) The document shall indicate  
13                 whether the State intends to treat families  
14                 moving into the State from another State  
15                 differently than other families under the  
16                 program, and if so, how the State intends  
17                 to treat such families under the program.

18                 “(ii) The document shall indicate  
19                 whether the State intends to provide as-  
20                 sistance under the program to individuals  
21                 who are not citizens of the United States,  
22                 and if so, shall include an overview of such  
23                 assistance.

24                 “(iii) The document shall set forth ob-  
25                 jective criteria for the delivery of benefits

1                   and the determination of eligibility and for  
2                   fair and equitable treatment, including an  
3                   explanation of how the State will provide  
4                   opportunities for recipients who have been  
5                   adversely affected to be heard in a State  
6                   administrative or appeal process.

7                   “(2) CERTIFICATION THAT THE STATE WILL  
8                   OPERATE A CHILD SUPPORT ENFORCEMENT PRO-  
9                   GRAM.—A certification by the chief executive officer  
10                  of the State that, during the fiscal year, the State  
11                  will operate a child support enforcement program  
12                  under the State plan approved under part D.

13                  “(3) CERTIFICATION THAT THE STATE WILL  
14                  OPERATE A CHILD PROTECTION PROGRAM.—A cer-  
15                  tification by the chief executive officer of the State  
16                  that, during the fiscal year, the State will operate a  
17                  child protection program under the State plan ap-  
18                  proved under part B.

19                  “(4) CERTIFICATION OF THE ADMINISTRATION  
20                  OF THE PROGRAM.—A certification by the chief ex-  
21                  ecutive officer of the State specifying which State  
22                  agency or agencies will administer and supervise the  
23                  program referred to in paragraph (1) for the fiscal  
24                  year, which shall include assurances that local gov-  
25                  ernments and private sector organizations—

1           “(A) have been consulted regarding the  
2           plan and design of welfare services in the State  
3           so that services are provided in a manner ap-  
4           propriate to local populations; and

5           “(B) have had at least 45 days to submit  
6           comments on the plan and the design of such  
7           services.

8           “(5) CERTIFICATION THAT THE STATE WILL  
9           PROVIDE INDIANS WITH EQUITABLE ACCESS TO AS-  
10          SISTANCE.—A certification by the chief executive of-  
11          ficer of the State that, during the fiscal year, the  
12          State will provide each Indian who is a member of  
13          an Indian tribe in the State that does not have a  
14          tribal family assistance plan approved under section  
15          412 with equitable access to assistance under the  
16          State program funded under this part attributable to  
17          funds provided by the Federal Government.

18          “(b) PUBLIC AVAILABILITY OF STATE PLAN SUM-  
19          MARY.—The State shall make available to the public a  
20          summary of any plan submitted by the State under this  
21          section.

22          **“SEC. 403. GRANTS TO STATES.**

23          “(a) GRANTS.—

24                  “(1) FAMILY ASSISTANCE GRANT.—

1           “(A) IN GENERAL.—Each eligible State  
2 shall be entitled to receive from the Secretary,  
3 for each of fiscal years 1996, 1997, 1998,  
4 1999, 2000, and 2001 a grant in an amount  
5 equal to the State family assistance grant.

6           “(B) STATE FAMILY ASSISTANCE GRANT  
7 DEFINED.—As used in this part, the term  
8 ‘State family assistance grant’ means the great-  
9 est of—

10           “(i)  $\frac{1}{3}$  of the total amount required  
11 to be paid to the State under former sec-  
12 tion 403 (as in effect on September 30,  
13 1995) for fiscal years 1992, 1993, and  
14 1994 (other than with respect to amounts  
15 expended by the State for child care under  
16 subsection (g) or (i) of former section 402  
17 (as so in effect));

18           “(ii)(I) the total amount required to  
19 be paid to the State under former section  
20 403 for fiscal year 1994 (other than with  
21 respect to amounts expended by the State  
22 for child care under subsection (g) or (i) of  
23 former section 402 (as so in effect)); plus

24           “(II) an amount equal to 85 percent  
25 of the amount (if any) by which the total

1 amount required to be paid to the State  
2 under former section 403(a)(5) for emer-  
3 gency assistance for fiscal year 1995 ex-  
4 ceeds the total amount required to be paid  
5 to the State under former section  
6 403(a)(5) for fiscal year 1994, if, during  
7 fiscal year 1994 or 1995, the Secretary ap-  
8 proved under former section 402 an  
9 amendment to the former State plan to  
10 allow the provision of emergency assistance  
11 in the context of family preservation; or

12 “(iii)  $\frac{4}{3}$  of the total amount required  
13 to be paid to the State under former sec-  
14 tion 403 (as in effect on September 30,  
15 1995) for the 1st 3 quarters of fiscal year  
16 1995 (other than with respect to amounts  
17 expended by the State under the State  
18 plan approved under part F (as so in ef-  
19 fect) or for child care under subsection (g)  
20 or (i) of former section 402 (as so in ef-  
21 fect)), plus the total amount required to be  
22 paid to the State for fiscal year 1995  
23 under former section 403(l) (as so in ef-  
24 fect).

1           “(C) TOTAL AMOUNT REQUIRED TO BE  
2 PAID TO THE STATE UNDER FORMER SECTION  
3 403 DEFINED.—As used in this part, the term  
4 ‘total amount required to be paid to the State  
5 under former section 403’ means, with respect  
6 to a fiscal year—

7           “(i) in the case of a State to which  
8 section 1108 does not apply, the sum of—

9           “(I) the Federal share of mainte-  
10 nance assistance expenditures for the  
11 fiscal year, before reduction pursuant  
12 to subparagraph (B) or (C) of section  
13 403(b)(2) (as in effect on September  
14 30, 1995), as reported by the State on  
15 ACF Form 231;

16           “(II) the Federal share of admin-  
17 istrative expenditures (including ad-  
18 ministrative expenditures for the de-  
19 velopment of management information  
20 systems) for the fiscal year, as re-  
21 ported by the State on ACF Form  
22 231;

23           “(III) the Federal share of emer-  
24 gency assistance expenditures for the



1 fiscal year, as reported by the State  
2 on ACF Form 231;

3 “(IV) the Federal share of ex-  
4 penditures for the fiscal year with re-  
5 spect to child care pursuant to sub-  
6 sections (g) and (i) of former section  
7 402 (as in effect on September 30,  
8 1995), as reported by the State on  
9 ACF Form 231; and

10 “(V) the aggregate amount re-  
11 quired to be paid to the State for the  
12 fiscal year with respect to the State  
13 program operated under part F (as in  
14 effect on September 30, 1995), as de-  
15 termined by the Secretary, including  
16 additional obligations or reductions in  
17 obligations made after the close of the  
18 fiscal year; and

19 “(ii) in the case of a State to which  
20 section 1108 applies, the lesser of—

21 “(I) the sum described in clause  
22 (i); or

23 “(II) the total amount certified  
24 by the Secretary under former section

1                   403 (as in effect during the fiscal  
2                   year) with respect to the territory.

3                   “(D) INFORMATION TO BE USED IN DE-  
4                   TERMINING AMOUNTS.—

5                   “(i) FOR FISCAL YEARS 1992 AND  
6                   1993.—

7                   “(I) In determining the amounts  
8                   described in subclauses (I) through  
9                   (IV) of subparagraph (C)(i) for any  
10                  State for each of fiscal years 1992  
11                  and 1993, the Secretary shall use in-  
12                  formation available as of April 28,  
13                  1995.

14                  “(II) In determining the amount  
15                  described in subparagraph (C)(i)(V)  
16                  for any State for each of fiscal years  
17                  1992 and 1993, the Secretary shall  
18                  use information available as of Janu-  
19                  ary 6, 1995.

20                  “(ii) FOR FISCAL YEAR 1994.—In de-  
21                  termining the amounts described in sub-  
22                  paragraph (C)(i) for any State for fiscal  
23                  year 1994, the Secretary shall use informa-  
24                  tion available as of April 28, 1995.

25                  “(iii) FOR FISCAL YEAR 1995.—

1           “(I) In determining the amount  
2           described in subparagraph (B)(ii)(II)  
3           for any State for fiscal year 1995, the  
4           Secretary shall use the information  
5           which was reported by the States and  
6           estimates made by the States with re-  
7           spect to emergency assistance expend-  
8           itures and was available as of August  
9           11, 1995.

10           “(II) In determining the amounts  
11           described in subclauses (I) through  
12           (III) of subparagraph (C)(i) for any  
13           State for fiscal year 1995, the Sec-  
14           retary shall use information available  
15           as of October 2, 1995.

16           “(III) In determining the amount  
17           described in subparagraph (C)(i)(IV)  
18           for any State for fiscal year 1995, the  
19           Secretary shall use information avail-  
20           able as of February 28, 1996.

21           “(IV) In determining the amount  
22           described in subparagraph (C)(i)(V)  
23           for any State for fiscal year 1995, the  
24           Secretary shall use information avail-  
25           able as of October 5, 1995.

1           “(E) APPROPRIATION.—Out of any money  
2           in the Treasury of the United States not other-  
3           wise appropriated, there are appropriated for  
4           fiscal years 1996, 1997, 1998, 1999, 2000, and  
5           2001 such sums as are necessary for grants  
6           under this paragraph.

7           “(2) GRANT TO REWARD STATES THAT REDUCE  
8           OUT-OF-WEDLOCK BIRTHS.—

9           “(A) IN GENERAL.—Each eligible State  
10          shall be entitled to receive from the Secretary  
11          for fiscal year 1998 or any succeeding fiscal  
12          year, a grant in an amount equal to the State  
13          family assistance grant multiplied by—

14                 “(i) 5 percent if—

15                         “(I) the illegitimacy ratio of the  
16                         State for the fiscal year is at least 1  
17                         percentage point lower than the ille-  
18                         gitimacy ratio of the State for fiscal  
19                         year 1995; and

20                         “(II) the rate of induced preg-  
21                         nancy terminations in the State for  
22                         the fiscal year is less than the rate of  
23                         induced pregnancy terminations in the  
24                         State for fiscal year 1995; or

25                         “(ii) 10 percent if—

1           “(I) the illegitimacy ratio of the  
2           State for the fiscal year is at least 2  
3           percentage points lower than the ille-  
4           gitimacy ratio of the State for fiscal  
5           year 1995; and

6           “(II) the rate of induced preg-  
7           nancy terminations in the State for  
8           the fiscal year is less than the rate of  
9           induced pregnancy terminations in the  
10          State for fiscal year 1995.

11          “(B) ILLEGITIMACY RATIO.—As used in  
12          this paragraph, the term ‘illegitimacy ratio’  
13          means, with respect to a State and a fiscal  
14          year—

15                 “(i) the number of out-of-wedlock  
16                 births that occurred in the State during  
17                 the most recent fiscal year for which such  
18                 information is available; divided by

19                 “(ii) the number of births that oc-  
20                 curred in the State during the most recent  
21                 fiscal year for which such information is  
22                 available.

23          “(C) DISREGARD OF CHANGES IN DATA  
24          DUE TO CHANGED REPORTING METHODS.—For

1 purposes of subparagraph (A), the Secretary  
2 shall disregard—

3 “(i) any difference between the illegit-  
4 imacy ratio of a State for a fiscal year and  
5 the illegitimacy ratio of the State for fiscal  
6 year 1995 which is attributable to a  
7 change in State methods of reporting data  
8 used to calculate the illegitimacy ratio; and

9 “(ii) any difference between the rate  
10 of induced pregnancy terminations in a  
11 State for a fiscal year and such rate for  
12 fiscal year 1995 which is attributable to a  
13 change in State methods of reporting data  
14 used to calculate such rate.

15 “(D) APPROPRIATION.—Out of any money  
16 in the Treasury of the United States not other-  
17 wise appropriated, there are appropriated for  
18 fiscal year 1998 and for each succeeding fiscal  
19 year such sums as are necessary for grants  
20 under this paragraph.

21 “(3) SUPPLEMENTAL GRANT FOR POPULATION  
22 INCREASES IN CERTAIN STATES.—

23 “(A) IN GENERAL.—Each qualifying State  
24 shall, subject to subparagraph (F), be entitled  
25 to receive from the Secretary—

1           “(i) for fiscal year 1997 a grant in an  
2           amount equal to 2.5 percent of the total  
3           amount required to be paid to the State  
4           under former section 403 (as in effect dur-  
5           ing fiscal year 1994) for fiscal year 1994;  
6           and

7           “(ii) for each of fiscal years 1998,  
8           1999, and 2000, a grant in an amount  
9           equal to the sum of—

10                   “(I) the amount (if any) required  
11                   to be paid to the State under this  
12                   paragraph for the immediately preced-  
13                   ing fiscal year; and

14                   “(II) 2.5 percent of the sum of—

15                           “(aa) the total amount re-  
16                           quired to be paid to the State  
17                           under former section 403 (as in  
18                           effect during fiscal year 1994)  
19                           for fiscal year 1994; and

20                           “(bb) the amount (if any)  
21                           required to be paid to the State  
22                           under this paragraph for the fis-  
23                           cal year preceding the fiscal year  
24                           for which the grant is to be  
25                           made.

1           “(B) PRESERVATION OF GRANT WITHOUT  
2 INCREASES FOR STATES FAILING TO REMAIN  
3 QUALIFYING STATES.—Each State that is not a  
4 qualifying State for a fiscal year specified in  
5 subparagraph (A)(ii) but was a qualifying State  
6 for a prior fiscal year shall, subject to subpara-  
7 graph (F), be entitled to receive from the Sec-  
8 retary for the specified fiscal year, a grant in  
9 an amount equal to the amount required to be  
10 paid to the State under this paragraph for the  
11 most recent fiscal year for which the State was  
12 a qualifying State.

13           “(C) QUALIFYING STATE.—

14           “(i) IN GENERAL.—For purposes of  
15 this paragraph, a State is a qualifying  
16 State for a fiscal year if—

17           “(I) the level of welfare spending  
18 per poor person by the State for the  
19 immediately preceding fiscal year is  
20 less than the national average level of  
21 State welfare spending per poor per-  
22 son for such preceding fiscal year; and

23           “(II) the population growth rate  
24 of the State (as determined by the  
25 Bureau of the Census) for the most



1 recent fiscal year for which informa-  
2 tion is available exceeds the average  
3 population growth rate for all States  
4 (as so determined) for such most re-  
5 cent fiscal year.

6 “(ii) STATE MUST QUALIFY IN FISCAL  
7 YEAR 1997.—Notwithstanding clause (i), a  
8 State shall not be a qualifying State for  
9 any fiscal year after 1997 by reason of  
10 clause (i) if the State is not a qualifying  
11 State for fiscal year 1997 by reason of  
12 clause (i).

13 “(iii) CERTAIN STATES DEEMED  
14 QUALIFYING STATES.—For purposes of  
15 this paragraph, a State is deemed to be a  
16 qualifying State for fiscal years 1997,  
17 1998, 1999, and 2000 if—

18 “(I) the level of welfare spending  
19 per poor person by the State for fiscal  
20 year 1996 is less than 35 percent of  
21 the national average level of State  
22 welfare spending per poor person for  
23 fiscal year 1996; or

24 “(II) the population of the State  
25 increased by more than 10 percent

1 from April 1, 1990 to July 1, 1994,  
2 according to the population estimates  
3 in publication CB94-204 of the Bu-  
4 reau of the Census.

5 “(D) DEFINITIONS.—As used in this para-  
6 graph:

7 “(i) LEVEL OF WELFARE SPENDING  
8 PER POOR PERSON.—The term ‘level of  
9 State welfare spending per poor person’  
10 means, with respect to a State and a fiscal  
11 year—

12 “(I) the sum of—

13 “(aa) the total amount re-  
14 quired to be paid to the State  
15 under former section 403 (as in  
16 effect during fiscal year 1994)  
17 for fiscal year 1994; and

18 “(bb) the amount (if any)  
19 paid to the State under this  
20 paragraph for the immediately  
21 preceding fiscal year; divided by

22 “(II) the number of individuals,  
23 according to the 1990 decennial cen-  
24 sus, who were residents of the State

1 and whose income was below the pov-  
2 erty line.

3 “(ii) NATIONAL AVERAGE LEVEL OF  
4 STATE WELFARE SPENDING PER POOR  
5 PERSON.—The term ‘national average level  
6 of State welfare spending per poor person’  
7 means, with respect to a fiscal year, an  
8 amount equal to—

9 “(I) the total amount required to  
10 be paid to the States under former  
11 section 403 (as in effect during fiscal  
12 year 1994) for fiscal year 1994; di-  
13 vided by

14 “(II) the number of individuals,  
15 according to the 1990 decennial cen-  
16 sus, who were residents of any State  
17 and whose income was below the pov-  
18 erty line.

19 “(iii) STATE.—The term ‘State’  
20 means each of the 50 States of the United  
21 States and the District of Columbia.

22 “(E) APPROPRIATION.—Out of any money  
23 in the Treasury of the United States not other-  
24 wise appropriated, there are appropriated for  
25 fiscal years 1997, 1998, 1999, and 2000 such

1           sums as are necessary for grants under this  
2           paragraph, in a total amount not to exceed  
3           \$800,000,000.

4           “(F) GRANTS REDUCED PRO RATA IF IN-  
5           SUFFICIENT APPROPRIATIONS.—If the amount  
6           appropriated pursuant to this paragraph for a  
7           fiscal year is less than the total amount of pay-  
8           ments otherwise required to be made under this  
9           paragraph for the fiscal year, then the amount  
10          otherwise payable to any State for the fiscal  
11          year under this paragraph shall be reduced by  
12          a percentage equal to the amount so appro-  
13          priated divided by such total amount.

14          “(G) BUDGET SCORING.—Notwithstanding  
15          section 257(b)(2) of the Balanced Budget and  
16          Emergency Deficit Control Act of 1985, the  
17          baseline shall assume that no grant shall be  
18          made under this paragraph after fiscal year  
19          2000.

20          “(4) BONUS TO REWARD HIGH PERFORMANCE  
21          STATES.—

22                 “(A) IN GENERAL.—The Secretary shall  
23                 make a grant pursuant to this paragraph to  
24                 each State for each bonus year for which the  
25                 State is a high performing State.

1                   “(B) AMOUNT OF GRANT.—

2                   “ (i) IN GENERAL.—Subject to clause  
3                   (ii) of this subparagraph, the Secretary  
4                   shall determine the amount of the grant  
5                   payable under this paragraph to a high  
6                   performing State for a bonus year, which  
7                   shall be based on the score assigned to the  
8                   State under subparagraph (D)(i) for the  
9                   fiscal year that immediately precedes the  
10                  bonus year.

11                  “(ii) LIMITATION.—The amount pay-  
12                  able to a State under this paragraph for a  
13                  bonus year shall not exceed 5 percent of  
14                  the State family assistance grant.

15                  “(C) FORMULA FOR MEASURING STATE  
16                  PERFORMANCE.—Not later than 1 year after  
17                  the date of the enactment of the Personal Re-  
18                  sponsibility and Work Opportunity Act of 1996,  
19                  the Secretary, in consultation with the National  
20                  Governors’ Association and the American Pub-  
21                  lic Welfare Association, shall develop a formula  
22                  for measuring State performance in operating  
23                  the State program funded under this part so as  
24                  to achieve the goals set forth in section 401(a).

1                   “(D) SCORING OF STATE PERFORMANCE;  
2                   SETTING OF PERFORMANCE THRESHOLDS.—

3                   For each bonus year, the Secretary shall—

4                   “(i) use the formula developed under  
5                   subparagraph (C) to assign a score to each  
6                   eligible State for the fiscal year that imme-  
7                   diately precedes the bonus year; and

8                   “(ii) prescribe a performance thresh-  
9                   old in such a manner so as to ensure  
10                  that—

11                  “(I) the average annual total  
12                  amount of grants to be made under  
13                  this paragraph for each bonus year  
14                  equals \$100,000,000; and

15                  “(II) the total amount of grants  
16                  to be made under this paragraph for  
17                  all bonus years equals \$500,000,000.

18                  “(E) DEFINITIONS.—As used in this para-  
19                  graph:

20                  “(i) BONUS YEAR.—The term ‘bonus  
21                  year’ means fiscal years 1999, 2000, 2001,  
22                  2002, and 2003.

23                  “(ii) HIGH PERFORMING STATE.—The  
24                  term ‘high performing State’ means, with  
25                  respect a bonus year, an eligible State

1           whose score assigned pursuant to subpara-  
2           graph (D)(i) for the fiscal year imme-  
3           diately preceding the bonus year equals or  
4           exceeds the performance threshold pre-  
5           scribed under subparagraph (D)(ii) for  
6           such preceding fiscal year.

7           “(F) APPROPRIATION.—Out of any money  
8           in the Treasury of the United States not other-  
9           wise appropriated, there are appropriated for  
10          fiscal years 1999 through 2003 \$500,000,000  
11          for grants under this paragraph.

12          “(5) SUPPLEMENTAL GRANT FOR OPERATION  
13          OF WORK PROGRAM.—

14               “(A) APPLICATION REQUIREMENTS.—An  
15               eligible State may submit to the Secretary an  
16               application for additional funds to meet the re-  
17               quirements of section 407 with respect to a fis-  
18               cal year if the Secretary determines that—

19                       “(i) the total expenditures of the  
20                       State to meet such requirements for the  
21                       fiscal year exceed the total expenditures of  
22                       the State during fiscal year 1994 to carry  
23                       out part F (as in effect on September 30,  
24                       1994);

1           “(ii) the work programs of the State  
2           under this section are coordinated with the  
3           job training programs established by title  
4           II of the Job Training Partnership Act, or  
5           (if such title is repealed by an Act that be-  
6           comes law during the 104th Congress) the  
7           Act that repeals such title; and

8           “(iii) the State needs additional funds  
9           to meet such requirements or certifies that  
10          it intends to exceed such requirements.

11          “(B) GRANTS.—The Secretary may make  
12          a grant to any eligible State which submits an  
13          application in accordance with subparagraph  
14          (A) for a fiscal year in an amount equal to the  
15          Federal medical assistance percentage of the  
16          amount (if any) by which the total expenditures  
17          of the State to meet or exceed the requirements  
18          of section 407 for the fiscal year exceeds the  
19          total expenditures of the State during fiscal  
20          year 1994 to carry out part F (as in effect on  
21          September 30, 1994).

22          “(C) REGULATIONS.—The Secretary shall  
23          issue regulations providing for the equitable dis-  
24          tribution of funds under this paragraph.



1           “(D) AUTHORIZATION OF APPROPRIA-  
2           TIONS.—

3                   “(i) IN GENERAL.—There are author-  
4                   ized to be appropriated for grants under  
5                   this paragraph \$3,000,000,000 for fiscal  
6                   year 1999.

7                   “(ii) AVAILABILITY.—Amounts appro-  
8                   priated pursuant to clause (i) are author-  
9                   ized to remain available until expended.

10          “(b) CONTINGENCY FUND.—

11                   “(1) ESTABLISHMENT.—There is hereby estab-  
12                   lished in the Treasury of the United States a fund  
13                   which shall be known as the ‘Contingency Fund for  
14                   State Welfare Programs’ (in this section referred to  
15                   as the ‘Fund’).

16                   “(2) DEPOSITS INTO FUND.—Out of any money  
17                   in the Treasury of the United States not otherwise  
18                   appropriated, there are appropriated for fiscal years  
19                   1997, 1998, 1999, 2000, and 2001 such sums as are  
20                   necessary for payment to the Fund in a total  
21                   amount not to exceed \$2,000,000,000.

22                   “(3) GRANTS.—

23                   “(A) PROVISIONAL PAYMENTS.—If an eli-  
24                   gible State submits to the Secretary a request  
25                   for funds under this paragraph during an eligi-

1           ble month, the Secretary shall, subject to this  
2           paragraph, pay to the State, from amounts ap-  
3           propriated pursuant to paragraph (2), an  
4           amount equal to the amount of funds so re-  
5           quested.

6           “(B) PAYMENT PRIORITY.—The Secretary  
7           shall make payments under subparagraph (A)  
8           in the order in which the Secretary receives re-  
9           quests for such payments.

10          “(C) LIMITATIONS.—

11           “(i) MONTHLY PAYMENT TO A  
12           STATE.—The total amount paid to a single  
13           State under subparagraph (A) during a  
14           month shall not exceed  $\frac{1}{12}$  of 20 percent  
15           of the State family assistance grant.

16           “(ii) PAYMENTS TO ALL STATES.—  
17           The total amount paid to all States under  
18           subparagraph (A) during fiscal years 1997  
19           through 2001 shall not exceed the total  
20           amount appropriated pursuant to para-  
21           graph (2).

22          “(4) ANNUAL RECONCILIATION.—Notwithstand-  
23          ing paragraph (3), at the end of each fiscal year,  
24          each State shall remit to the Secretary an amount  
25          equal to the amount (if any) by which the total

1 amount paid to the State under paragraph (3) dur-  
2 ing the fiscal year exceeds—

3 “(A) the Federal medical assistance per-  
4 centage for the State for the fiscal year (as de-  
5 fined in section 1905(b), as in effect on Sep-  
6 tember 30, 1995) of the amount (if any) by  
7 which the expenditures under the State pro-  
8 gram funded under this part for the fiscal year  
9 exceed historic State expenditures (as defined in  
10 section 409(a)(7)(B)(iii)); multiplied by

11 “(B)  $\frac{1}{12}$  times the number of months dur-  
12 ing the fiscal year for which the Secretary  
13 makes a payment to the State under this sub-  
14 section.

15 “(5) ELIGIBLE MONTH.—As used in paragraph  
16 (3)(A), the term ‘eligible month’ means, with respect  
17 to a State, a month in the 2-month period that be-  
18 gins with any month for which the State is a needy  
19 State.

20 “(6) NEEDY STATE.—For purposes of para-  
21 graph (5), a State is a needy State for a month if—

22 “(A) the average rate of—

23 “(i) total unemployment in such State  
24 (seasonally adjusted) for the period con-  
25 sisting of the most recent 3 months for

1           which data for all States are published  
2           equals or exceeds 6.5 percent; and

3           “(ii) total unemployment in such  
4           State (seasonally adjusted) for the 3-  
5           month period equals or exceeds 110 per-  
6           cent of such average rate for either (or  
7           both) of the corresponding 3-month periods  
8           ending in the 2 preceding calendar years;  
9           or

10          “(B) as determined by the Secretary of  
11          Agriculture (in the discretion of the Secretary  
12          of Agriculture), the monthly average number of  
13          individuals (as of the last day of each month)  
14          participating in the food stamp program in the  
15          State in the then most recently concluded 3-  
16          month period for which data are available ex-  
17          ceeds by not less than 10 percent the lesser  
18          of---

19          “(i) the monthly average number of  
20          individuals (as of the last day of each  
21          month) in the State that would have par-  
22          ticipated in the food stamp program in the  
23          corresponding 3-month period in fiscal  
24          year 1994 if the amendments made by  
25          subtitles D and J of the Personal Respon-

1           sibility and Work Opportunity Act of 1996  
2           had been in effect throughout fiscal year  
3           1994; or

4           “(ii) the monthly average number of  
5           individuals (as of the last day of each  
6           month) in the State that would have par-  
7           ticipated in the food stamp program in the  
8           corresponding 3-month period in fiscal  
9           year 1995 if the amendments made by  
10          subtitles D and J of the Personal Respon-  
11          sibility and Work Opportunity Act of 1996  
12          had been in effect throughout fiscal year  
13          1995.

14          “(7) OTHER TERMS DEFINED.—As used in this  
15          subsection:

16                 “(A) STATE.—The term ‘State’ means  
17                 each of the 50 States of the United States and  
18                 the District of Columbia.

19                 “(B) SECRETARY.—The term ‘Secretary’  
20                 means the Secretary of the Treasury.

21          “(8) ANNUAL REPORTS.—The Secretary shall  
22          annually report to the Congress on the status of the  
23          Fund.

24          “(9) BUDGET SCORING.—Notwithstanding sec-  
25          tion 257(b)(2) of the Balanced Budget and Emer-

1 agency Deficit Control Act of 1985, the baseline shall  
2 assume that no grant shall be made under this sub-  
3 section after fiscal year 2001.

4 **“SEC. 404. USE OF GRANTS.**

5 “(a) GENERAL RULES.—Subject to this part, a State  
6 to which a grant is made under section 403 may use the  
7 grant—

8 “(1) in any manner that is reasonably cal-  
9 culated to accomplish the purpose of this part, in-  
10 cluding to provide low income households with as-  
11 sistance in meeting home heating and cooling costs;  
12 or

13 “(2) in any manner that the State was author-  
14 ized to use amounts received under part A or F, as  
15 such parts were in effect on September 30, 1995.

16 “(b) LIMITATION ON USE OF GRANT FOR ADMINIS-  
17 TRATIVE PURPOSES.—

18 “(1) LIMITATION.—A State to which a grant is  
19 made under section 403 shall not expend more than  
20 15 percent of the grant for administrative purposes.

21 “(2) EXCEPTION.—Paragraph (1) shall not  
22 apply to the use of a grant for information tech-  
23 nology and computerization needed for tracking or  
24 monitoring required by or under this part.

1       “(c) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

8       “(d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

10           “(1) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under section 403 for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

15                   “(A) Part B or E of this title.

16                   “(B) Title XX of this Act.

17                   “(C) The Child Care and Development Block Grant Act of 1990.

19           “(2) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified or described in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal

1 funds provided directly under the provision of law  
2 to carry out the program.

3 “(e) **AUTHORITY TO RESERVE CERTAIN AMOUNTS**  
4 **FOR ASSISTANCE.**—A State may reserve amounts paid to  
5 the State under this part for any fiscal year for the pur-  
6 pose of providing, without fiscal year limitation, assistance  
7 under the State program funded under this part.

8 “(f) **AUTHORITY TO OPERATE EMPLOYMENT PLACE-**  
9 **MENT PROGRAM.**—A State to which a grant is made under  
10 section 403 may use the grant to make payments (or pro-  
11 vide job placement vouchers) to State-approved public and  
12 private job placement agencies that provide employment  
13 placement services to individuals who receive assistance  
14 under the State program funded under this part.

15 “(g) **IMPLEMENTATION OF ELECTRONIC BENEFIT**  
16 **TRANSFER SYSTEM.**—A State to which a grant is made  
17 under section 403 is encouraged to implement an elec-  
18 tronic benefit transfer system for providing assistance  
19 under the State program funded under this part, and may  
20 use the grant for such purpose.

21 **“SEC. 405. ADMINISTRATIVE PROVISIONS.**

22 “(a) **QUARTERLY.**—The Secretary shall pay each  
23 grant payable to a State under section 403 in quarterly  
24 installments.



1       “(b) NOTIFICATION.—Not later than 3 months before  
2 the payment of any such quarterly installment to a State,  
3 the Secretary shall notify the State of the amount of any  
4 reduction determined under section 412(a)(1)(B) with re-  
5 spect to the State.

6       “(c) COMPUTATION AND CERTIFICATION OF PAY-  
7 MENTS TO STATES.—

8           “(1) COMPUTATION.—The Secretary shall esti-  
9 mate the amount to be paid to each eligible State for  
10 each quarter under this part, such estimate to be  
11 based on a report filed by the State containing an  
12 estimate by the State of the total sum to be ex-  
13 pended by the State in the quarter under the State  
14 program funded under this part and such other in-  
15 formation as the Secretary may find necessary.

16           “(2) CERTIFICATION.—The Secretary of Health  
17 and Human Services shall certify to the Secretary of  
18 the Treasury the amount estimated under paragraph  
19 (1) with respect to a State, reduced or increased to  
20 the extent of any overpayment or underpayment  
21 which the Secretary of Health and Human Services  
22 determines was made under this part to the State  
23 for any prior quarter and with respect to which ad-  
24 justment has not been made under this paragraph.

1       “(d) PAYMENT METHOD.—Upon receipt of a certifi-  
2 cation under subsection (c)(2) with respect to a State, the  
3 Secretary of the Treasury shall, through the Fiscal Service  
4 of the Department of the Treasury and before audit or  
5 settlement by the General Accounting Office, pay to the  
6 State, at the time or times fixed by the Secretary of  
7 Health and Human Services, the amount so certified.

8       “(e) COLLECTION OF STATE OVERPAYMENTS TO  
9 FAMILIES FROM FEDERAL TAX REFUNDS.—

10           “(1) IN GENERAL.—Upon receiving notice from  
11 the Secretary of Health and Human Services that a  
12 State agency administering a program funded under  
13 this part has notified the Secretary that a named in-  
14 dividual has been overpaid under the State program  
15 funded under this part, the Secretary of the Treas-  
16 ury shall determine whether any amounts as refunds  
17 of Federal taxes paid are payable to such individual,  
18 regardless of whether the individual filed a tax re-  
19 turn as a married or unmarried individual. If the  
20 Secretary of the Treasury finds that any such  
21 amount is so payable, the Secretary shall withhold  
22 from such refunds an amount equal to the overpay-  
23 ment sought to be collected by the State and pay  
24 such amount to the State agency.

1           “(2) REGULATIONS.—The Secretary of the  
2 Treasury shall issue regulations, after review by the  
3 Secretary of Health and Human services, that pro-  
4 vide—

5           “(A) that a State may only submit under  
6 paragraph (1) requests for collection of over-  
7 payments with respect to individuals—

8           “(i) who are no longer receiving as-  
9 sistance under the State program funded  
10 under this part;

11           “(ii) with respect to whom the State  
12 has already taken appropriate action under  
13 State law against the income or resources  
14 of the individuals or families involved to  
15 collect the past-due legally enforceable  
16 debt; and

17           “(iii) to whom the State agency has  
18 given notice of its intent to request with-  
19 holding by the Secretary of the Treasury  
20 from the income tax refunds of such indi-  
21 viduals;

22           “(B) that the Secretary of the Treasury  
23 will give a timely and appropriate notice to any  
24 other person filing a joint return with the indi-

1           vidual whose refund is subject to withholding  
2           under paragraph (1); and

3           “(C) the procedures that the State and the  
4           Secretary of the Treasury will follow in carrying  
5           out this subsection which, to the maximum ex-  
6           tent feasible and consistent with the provisions  
7           of this subsection, will be the same as those is-  
8           sued pursuant to section 464(b) applicable to  
9           collection of past-due child support.

10 **“SEC. 406. FEDERAL LOANS FOR STATE WELFARE PRO-**  
11 **GRAMS.**

12       “(a) LOAN AUTHORITY.—

13           “(1) IN GENERAL.—The Secretary shall make  
14       loans to any loan-eligible State, for a period to ma-  
15       turity of not more than 3 years.

16           “(2) LOAN-ELIGIBLE STATE.—As used in para-  
17       graph (1), the term ‘loan-eligible State’ means a  
18       State against which a penalty has not been imposed  
19       under section 409(a)(1).

20       “(b) RATE OF INTEREST.—The Secretary shall  
21       charge and collect interest on any loan made under this  
22       section at a rate equal to the current average market yield  
23       on outstanding marketable obligations of the United  
24       States with remaining periods to maturity comparable to  
25       the period to maturity of the loan.

1       “(c) USE OF LOAN.—A State shall use a loan made  
2 to the State under this section only for any purpose for  
3 which grant amounts received by the State under section  
4 403(a) may be used, including—

5               “(1) welfare anti-fraud activities; and

6               “(2) the provision of assistance under the State  
7 program to Indian families that have moved from  
8 the service area of an Indian tribe with a tribal fam-  
9 ily assistance plan approved under section 412.

10       “(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO  
11 A STATE.—The cumulative dollar amount of all loans  
12 made to a State under this section during fiscal years  
13 1997 through 2001 shall not exceed 10 percent of the  
14 State family assistance grant.

15       “(e) LIMITATION ON TOTAL AMOUNT OF OUTSTAND-  
16 ING LOANS.—The total dollar amount of loans outstand-  
17 ing under this section may not exceed \$1,700,000,000.

18       “(f) APPROPRIATION.—Out of any money in the  
19 Treasury of the United States not otherwise appropriated,  
20 there are appropriated such sums as may be necessary for  
21 the cost of loans under this section.

22 **“SEC. 407. MANDATORY WORK REQUIREMENTS.**

23       “(a) PARTICIPATION RATE REQUIREMENTS.—

24               “(1) ALL FAMILIES.—A State to which a grant  
25 is made under section 403 for a fiscal year shall

1 achieve the minimum participation rate specified in  
 2 the following table for the fiscal year with respect  
 3 to all families receiving assistance under the State  
 4 program funded under this part:

<b>“If the fiscal year is:</b>	<b>The minimum participation rate is:</b>
1997 .....	25
1998 .....	30
1999 .....	35
2000 .....	40
2001 .....	45
2002 or thereafter .....	50.

5 “(2) 2-PARENT FAMILIES.—A State to which a  
 6 grant is made under section 403 for a fiscal year  
 7 shall achieve the minimum participation rate speci-  
 8 fied in the following table for the fiscal year with re-  
 9 spect to 2-parent families receiving assistance under  
 10 the State program funded under this part:

<b>“If the fiscal year is:</b>	<b>The minimum participation rate is:</b>
1996 .....	50
1997 .....	75
1998 .....	75
1999 or thereafter .....	90.

11 “(b) CALCULATION OF PARTICIPATION RATES.—

12 “(1) ALL FAMILIES.—

13 “(A) AVERAGE MONTHLY RATE.—For pur-  
 14 poses of subsection (a)(1), the participation  
 15 rate for all families of a State for a fiscal year  
 16 is the average of the participation rates for all

1 families of the State for each month in the fis-  
2 cal year.

3 “(B) MONTHLY PARTICIPATION RATES.—

4 The participation rate of a State for all families  
5 of the State for a month, expressed as a per-  
6 centage, is—

7 “(i) the number of families receiving  
8 assistance under the State program funded  
9 under this part that include an adult who  
10 is engaged in work for the month; divided  
11 by

12 “(ii) the amount by which—

13 “(I) the number of families re-  
14 ceiving such assistance during the  
15 month that include an adult receiving  
16 such assistance; exceeds

17 “(II) the number of families re-  
18 ceiving such assistance that are sub-  
19 ject in such month to a penalty de-  
20 scribed in subsection (e)(1) but have  
21 not been subject to such penalty for  
22 more than 3 months within the pre-  
23 ceding 12-month period (whether or  
24 not consecutive).

25 “(2) 2-PARENT FAMILIES.—

1           “(A) AVERAGE MONTHLY RATE.—For pur-  
2           poses of subsection (a)(2), the participation  
3           rate for 2-parent families of a State for a fiscal  
4           year is the average of the participation rates for  
5           2-parent families of the State for each month in  
6           the fiscal year.

7           “(B) MONTHLY PARTICIPATION RATES.—  
8           The participation rate of a State for 2-parent  
9           families of the State for a month shall be cal-  
10          culated by use of the formula set forth in para-  
11          graph (1)(B), except that in the formula the  
12          term ‘number of 2-parent families’ shall be sub-  
13          stituted for the term ‘number of families’ each  
14          place such latter term appears.

15          “(3) PRO RATA REDUCTION OF PARTICIPATION  
16          RATE DUE TO CASELOAD REDUCTIONS NOT RE-  
17          QUIRED BY FEDERAL LAW.—

18                 “(A) IN GENERAL.—The Secretary shall  
19                 prescribe regulations for reducing the minimum  
20                 participation rate otherwise required by this  
21                 section for a fiscal year by the number of per-  
22                 centage points equal to the number of percent-  
23                 age points (if any) by which—

24                         “(i) the average monthly number of  
25                         families receiving assistance during the fis-



1 cal year under the State program funded  
2 under this part is less than

3 “(ii) the average monthly number of  
4 families that received aid under the State  
5 plan approved under part A (as in effect  
6 on September 30, 1995) during fiscal year  
7 1995.

8 The minimum participation rate shall not be re-  
9 duced to the extent that the Secretary deter-  
10 mines that the reduction in the number of fami-  
11 lies receiving such assistance is required by  
12 Federal law.

13 “(B) ELIGIBILITY CHANGES NOT COUNT-  
14 ED.—The regulations described in subpara-  
15 graph (A) shall not take into account families  
16 that are diverted from a State program funded  
17 under this part as a result of differences in eli-  
18 gibility criteria under a State program funded  
19 under this part and eligibility criteria under the  
20 State program operated under the State plan  
21 approved under part A (as such plan and such  
22 part were in effect on September 30, 1995).  
23 Such regulations shall place the burden on the  
24 Secretary to prove that such families were di-

1           verted as a direct result of differences in such  
2           eligibility criteria.

3           “(4) STATE OPTION TO INCLUDE INDIVIDUALS  
4           RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY  
5           ASSISTANCE PLAN.—For purposes of paragraphs  
6           (1)(B) and (2)(B), a State may, at its option, in-  
7           clude families receiving assistance under a tribal  
8           family assistance plan approved under section 412.

9           “(5) STATE OPTION FOR PARTICIPATION RE-  
10          QUIREMENT EXEMPTIONS.—For any fiscal year, a  
11          State may, at its option, not require an individual  
12          who is a single custodial parent caring for a child  
13          who has not attained 12 months of age to engage in  
14          work and may disregard such an individual in deter-  
15          mining the participation rates under subsection (a).

16          “(c) ENGAGED IN WORK.—

17          “(1) ALL FAMILIES.—For purposes of sub-  
18          section (b)(1)(B)(i), a recipient is engaged in work  
19          for a month in a fiscal year if the recipient is par-  
20          ticipating in work activities for at least the minimum  
21          average number of hours per week specified in the  
22          following table during the month, not fewer than 20  
23          hours per week of which are attributable to an activ-  
24          ity described in paragraph (1), (2), (3), (4), (5), (6),  
25          (7), or (8) of subsection (d):

<b>“If the month is in fiscal year:</b>	<b>The minimum average number of hours per week is:</b>
1996 .....	20
1997 .....	20
1998 .....	20
1999 .....	25
2000 or thereafter .....	30.

1           “(2) 2-PARENT FAMILIES.—For purposes of  
2           subsection (b)(2)(B)(i), an adult is engaged in work  
3           for a month in a fiscal year if the adult is making  
4           progress in work activities for at least 35 hours per  
5           week during the month, not fewer than 30 hours per  
6           week of which are attributable to an activity de-  
7           scribed in paragraph (1), (2), (3), (4), (5), (6), (7),  
8           or (8) of subsection (d).

9           “(3) LIMITATION ON NUMBER OF WEEKS FOR  
10          WHICH JOB SEARCH COUNTS AS WORK.—Notwith-  
11          standing paragraphs (1) and (2), an individual shall  
12          not be considered to be engaged in work by virtue  
13          of participation in an activity described in subsection  
14          (d)(6), after the individual has participated in such  
15          an activity for 8 weeks in a fiscal year, or if the par-  
16          ticipation is for a week that is in a fiscal year and  
17          that immediately follows 4 consecutive weeks of such  
18          participation in the fiscal year. An individual shall  
19          be considered to be participating in such an activity  
20          for a week if the individual participates in such an  
21          activity at any time during the week.

1           “(4) LIMITATION ON VOCATIONAL EDUCATION  
2           ACTIVITIES COUNTED AS WORK.—For purposes of  
3           determining monthly participation rates under para-  
4           graphs (1)(B)(i) and (2)(B)(i) of subsection (b), not  
5           more than 20 percent of adults in all families and  
6           in 2-parent families determined to be engaged in  
7           work in the State for a month may meet the work  
8           activity requirement through participation in voca-  
9           tional educational training.

10           “(5) SINGLE PARENT WITH CHILD UNDER AGE  
11           6 DEEMED TO BE MEETING WORK PARTICIPATION  
12           REQUIREMENTS IF PARENT IS ENGAGED IN WORK  
13           FOR 20 HOURS PER WEEK.—For purposes of deter-  
14           mining monthly participation rates under subsection  
15           (b)(1)(B)(i), a recipient in a 1-parent family who is  
16           the parent of a child who has not attained 6 years  
17           of age is deemed to be engaged in work for a month  
18           if the recipient is engaged in work for an average  
19           of at least 20 hours per week during the month.

20           “(6) TEEN HEAD OF HOUSEHOLD WHO MAIN-  
21           TAINS SATISFACTORY SCHOOL ATTENDANCE  
22           DEEMED TO BE MEETING WORK PARTICIPATION RE-  
23           QUIREMENTS.—For purposes of determining month-  
24           ly participation rates under subsection (b)(1)(B)(i),  
25           a recipient who is a single head of household and

1 has not attained 20 years of age is deemed to be en-  
2 gaged in work for a month in a fiscal year if the re-  
3 cipient—

4 “(A) maintains satisfactory attendance at  
5 secondary school or the equivalent during the  
6 month; or

7 “(B) participates in education directly re-  
8 lated to employment for at least the minimum  
9 average number of hours per week specified in  
10 the table set forth in paragraph (1).

11 “(d) WORK ACTIVITIES DEFINED.—As used in this  
12 section, the term ‘work activities’ means—

13 “(1) unsubsidized employment;

14 “(2) subsidized private sector employment;

15 “(3) subsidized public sector employment;

16 “(4) work experience (including work associated  
17 with the refurbishing of publicly assisted housing) if  
18 sufficient private sector employment is not available;

19 “(5) on-the-job training;

20 “(6) job search and job readiness assistance;

21 “(7) community service programs;

22 “(8) vocational educational training (not to ex-  
23 ceed 12 months with respect to any individual);

24 “(9) job skills training directly related to em-  
25 ployment;

1           “(10) education directly related to employment,  
2           in the case of a recipient who has not received a  
3           high school diploma or a certificate of high school  
4           equivalency; and

5           “(11) satisfactory attendance at secondary  
6           school, in the case of a recipient who has not com-  
7           pleted secondary school.

8           “(e) PENALTIES AGAINST INDIVIDUALS.—

9           “(1) IN GENERAL.—Except as provided in para-  
10          graph (2), if an adult in a family receiving assist-  
11          ance under the State program funded under this  
12          part refuses to engage in work required in accord-  
13          ance with this section, the State shall—

14                 “(A) reduce the amount of assistance oth-  
15                 erwise payable to the family pro rata (or more,  
16                 at the option of the State) with respect to any  
17                 period during a month in which the adult so re-  
18                 fuses; or

19                 “(B) terminate such assistance,  
20          subject to such good cause and other exceptions as  
21          the State may establish.

22           “(2) EXCEPTION.—Notwithstanding paragraph  
23          (1), a State may not reduce or terminate assistance  
24          under the State program funded under this part  
25          based on a refusal of an adult to work if the adult

1 is a single custodial parent caring for a child who  
2 has not attained 11 years of age, and the adult  
3 proves that the adult has a demonstrated inability  
4 (as determined by the State) to obtain needed child  
5 care, for 1 or more of the following reasons:

6 “(A) Unavailability of appropriate child  
7 care within a reasonable distance from the indi-  
8 vidual’s home or work site.

9 “(B) Unavailability or unsuitability of in-  
10 formal child care by a relative or under other  
11 arrangements.

12 “(C) Unavailability of appropriate and af-  
13 fordable formal child care arrangements.

14 “(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

15 “(1) IN GENERAL.—Subject to paragraph (2),  
16 an adult in a family receiving assistance under a  
17 State program funded under this part attributable to  
18 funds provided by the Federal Government may fill  
19 a vacant employment position in order to engage in  
20 a work activity described in subsection (d).

21 “(2) NO FILLING OF CERTAIN VACANCIES.—No  
22 adult in a work activity described in subsection (d)  
23 which is funded, in whole or in part, by funds pro-  
24 vided by the Federal Government shall be employed  
25 or assigned—

1           “(A) when any other individual is on layoff  
2           from the same or any substantially equivalent  
3           job; or

4           “(B) if the employer has terminated the  
5           employment of any regular employee or other-  
6           wise caused an involuntary reduction of its  
7           workforce in order to fill the vacancy so created  
8           with an adult described in paragraph (1).

9           “(3) NO PREEMPTION.—Nothing in this sub-  
10          section shall preempt or supersede any provision of  
11          State or local law that provides greater protection  
12          for employees from displacement.

13          “(g) SENSE OF THE CONGRESS.—It is the sense of  
14          the Congress that in complying with this section, each  
15          State that operates a program funded under this part is  
16          encouraged to assign the highest priority to requiring  
17          adults in 2-parent families and adults in single-parent  
18          families that include older preschool or school-age children  
19          to be engaged in work activities.

20          “(h) SENSE OF THE CONGRESS THAT STATES  
21          SHOULD IMPOSE CERTAIN REQUIREMENTS ON NON-  
22          CUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the  
23          sense of the Congress that the States should require non-  
24          custodial, nonsupporting parents who have not attained 18  
25          years of age to fulfill community work obligations and at-



1 tend appropriate parenting or money management classes  
2 after school.

3 **“SEC. 408. PROHIBITIONS; REQUIREMENTS.**

4 “(a) IN GENERAL.—

5 “(1) NO ASSISTANCE FOR FAMILIES WITHOUT A  
6 MINOR CHILD.—A State to which a grant is made  
7 under section 403 shall not use any part of the  
8 grant to provide assistance to a family, unless the  
9 family includes—

10 “(A) a minor child who resides with a cus-  
11 todial parent or other adult caretaker relative of  
12 the child; or

13 “(B) a pregnant individual.

14 “(2) NO ADDITIONAL CASH ASSISTANCE FOR  
15 CHILDREN BORN TO FAMILIES RECEIVING ASSIST-  
16 ANCE.—

17 “(A) GENERAL RULE.—A State to which a  
18 grant is made under section 403 shall not use  
19 any part of the grant to provide cash benefits  
20 for a minor child who is born to—

21 “(i) a recipient of assistance under  
22 the program operated under this part; or

23 “(ii) a person who received such as-  
24 sistance at any time during the 10-month  
25 period ending with the birth of the child.

1           “(B) EXCEPTION FOR CHILDREN BORN  
2 INTO FAMILIES WITH NO OTHER CHILDREN.—  
3 Subparagraph (A) shall not apply to a minor  
4 child who is born into a family that does not in-  
5 clude any other children.

6           “(C) EXCEPTION FOR VOUCHERS.—Sub-  
7 paragraph (A) shall not apply to vouchers  
8 which are provided in lieu of cash benefits and  
9 which may be used only to pay for particular  
10 goods and services specified by the State as  
11 suitable for the care of the child involved.

12           “(D) EXCEPTION FOR RAPE OR INCEST.—  
13 Subparagraph (A) shall not apply with respect  
14 to a child who is born as a result of rape or in-  
15 cest.

16           “(E) STATE ELECTION TO OPT OUT.—Sub-  
17 paragraph (A) shall not apply to a State if  
18 State law specifically exempts the State pro-  
19 gram funded under this part from the applica-  
20 tion of subparagraph (A).

21           “(F) SUBSTITUTION OF FAMILY CAPS IN  
22 EFFECT UNDER WAIVERS.—Subparagraph (A)  
23 shall not apply to a State—

24           “(i) if, as of the date of the enactment  
25 of this part, there is in effect a waiver ap-

1           proved by the Secretary under section  
2           1115 which permits the State to deny aid  
3           under the State plan approved under part  
4           A of this title (as in effect without regard  
5           to the amendments made by subtitle A of  
6           the Personal Responsibility and Work Op-  
7           portunity Act of 1996) to a family by rea-  
8           son of the birth of a child to a family  
9           member otherwise eligible for such aid; and  
10           “(ii) for so long as the State contin-  
11           ues to implement such policy under the  
12           State program funded under this part,  
13           under rules prescribed by the State.

14           “(3) REDUCTION OR ELIMINATION OF ASSIST-  
15           ANCE FOR NONCOOPERATION IN ESTABLISHING PA-  
16           TERNITY OR OBTAINING CHILD SUPPORT.—If the  
17           agency responsible for administering the State plan  
18           approved under part D determines that an individual  
19           is not cooperating with the State in establishing pa-  
20           ternity or in establishing, modifying, or enforcing a  
21           support order with respect to a child of the individ-  
22           ual, and the individual does not qualify for any good  
23           cause or other exception established by the State  
24           pursuant to section 454(29), then the State—

1           “(A) shall deduct from the assistance that  
2 would otherwise be provided to the family of the  
3 individual under the State program funded  
4 under this part the share of such assistance at-  
5 tributable to the individual; and

6           “(B) may deny the family any assistance  
7 under the State program.

8           “(4) NO ASSISTANCE FOR FAMILIES NOT AS-  
9 SIGNING CERTAIN SUPPORT RIGHTS TO THE  
10 STATE.—

11           “(A) IN GENERAL.—A State to which a  
12 grant is made under section 403 shall require,  
13 as a condition of providing assistance to a fam-  
14 ily under the State program funded under this  
15 part, that a member of the family assign to the  
16 State any rights the family member may have  
17 (on behalf of the family member or of any other  
18 person for whom the family member has applied  
19 for or is receiving such assistance) to support  
20 from any other person, not exceeding the total  
21 amount of assistance so provided to the family,  
22 which accrue (or have accrued) before the date  
23 the family leaves the program, which assign-  
24 ment, on and after the date the family leaves  
25 the program, shall not apply with respect to any

1 support (other than support collected pursuant  
2 to section 464) which accrued before the family  
3 received such assistance and which the State  
4 has not collected by—

5 “(i) September 30, 2000, if the as-  
6 signment is executed on or after October 1,  
7 1997, and before October 1, 2000; or

8 “(ii) the date the family leaves the  
9 program, if the assignment is executed on  
10 or after October 1, 2000.

11 “(B) LIMITATION.—A State to which a  
12 grant is made under section 403 shall not re-  
13 quire, as a condition of providing assistance to  
14 any family under the State program funded  
15 under this part, that a member of the family  
16 assign to the State any rights to support de-  
17 scribed in subparagraph (A) which accrue after  
18 the date the family leaves the program.

19 “(5) NO ASSISTANCE FOR TEENAGE PARENTS  
20 WHO DO NOT ATTEND HIGH SCHOOL OR OTHER  
21 EQUIVALENT TRAINING PROGRAM.—A State to  
22 which a grant is made under section 403 shall not  
23 use any part of the grant to provide assistance to an  
24 individual who has not attained 18 years of age, is  
25 not married, has a minor child at least 12 weeks of

1 age in his or her care, and has not successfully com-  
2 pleted a high-school education (or its equivalent), if  
3 the individual does not participate in—

4 “(A) educational activities directed toward  
5 the attainment of a high school diploma or its  
6 equivalent; or

7 “(B) an alternative educational or training  
8 program that has been approved by the State.

9 “(6) NO ASSISTANCE FOR TEENAGE PARENTS  
10 NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

11 “(A) IN GENERAL.—

12 “(i) REQUIREMENT.—Except as pro-  
13 vided in subparagraph (B), a State to  
14 which a grant is made under section 403  
15 shall not use any part of the grant to pro-  
16 vide assistance to an individual described  
17 in clause (ii) of this subparagraph if the  
18 individual and the minor child referred to  
19 in clause (ii)(II) do not reside in a place of  
20 residence maintained by a parent, legal  
21 guardian, or other adult relative of the in-  
22 dividual as such parent’s, guardian’s, or  
23 adult relative’s own home.

24 “(ii) INDIVIDUAL DESCRIBED.— For  
25 purposes of clause (i), an individual de-

1           scribed in this clause is an individual  
2           who—

3                       “(I) has not attained 18 years of  
4                       age; and

5                       “(II) is not married, and has a  
6                       minor child in his or her care.

7           “(B) EXCEPTION.—

8                       “(i) PROVISION OF, OR ASSISTANCE IN  
9                       LOCATING, ADULT-SUPERVISED LIVING AR-  
10                      RANGEMENT.—In the case of an individual  
11                      who is described in clause (ii), the State  
12                      agency referred to in section 402(a)(4)  
13                      shall provide, or assist the individual in lo-  
14                      cating, a second chance home, maternity  
15                      home, or other appropriate adult-super-  
16                      vised supportive living arrangement, taking  
17                      into consideration the needs and concerns  
18                      of the individual, unless the State agency  
19                      determines that the individual’s current  
20                      living arrangement is appropriate, and  
21                      thereafter shall require that the individual  
22                      and the minor child referred to in subpara-  
23                      graph (A)(ii)(II) reside in such living ar-  
24                      rangement as a condition of the continued  
25                      receipt of assistance under the State pro-

1 gram funded under this part attributable  
2 to funds provided by the Federal Govern-  
3 ment (or in an alternative appropriate ar-  
4 rangement, should circumstances change  
5 and the current arrangement cease to be  
6 appropriate).

7 “(ii) INDIVIDUAL DESCRIBED.—For  
8 purposes of clause (i), an individual is de-  
9 scribed in this clause if the individual is  
10 described in subparagraph (A)(ii), and—

11 “(I) the individual has no parent,  
12 legal guardian or other appropriate  
13 adult relative described in subclause  
14 (II) of his or her own who is living or  
15 whose whereabouts are known;

16 “(II) no living parent, legal  
17 guardian, or other appropriate adult  
18 relative, who would otherwise meet  
19 applicable State criteria to act as the  
20 individual’s legal guardian, of such in-  
21 dividual allows the individual to live in  
22 the home of such parent, guardian, or  
23 relative;

24 “(III) the State agency deter-  
25 mines that—



1           “(aa) the individual or the  
2           minor child referred to in sub-  
3           paragraph (A)(ii)(II) is being or  
4           has been subjected to serious  
5           physical or emotional harm, sex-  
6           ual abuse, or exploitation in the  
7           residence of the individual’s own  
8           parent or legal guardian; or

9           “(bb) substantial evidence  
10          exists of an act or failure to act  
11          that presents an imminent or se-  
12          rious harm if the individual and  
13          the minor child lived in the same  
14          residence with the individual’s  
15          own parent or legal guardian; or

16          “(IV) the State agency otherwise  
17          determines that it is in the best inter-  
18          est of the minor child to waive the re-  
19          quirement of subparagraph (A) with  
20          respect to the individual or the minor  
21          child.

22          “(iii) SECOND-CHANCE HOME.—For  
23          purposes of this subparagraph, the term  
24          ‘second-chance home’ means an entity that  
25          provides individuals described in clause (ii)

1 with a supportive and supervised living ar-  
2 rangement in which such individuals are  
3 required to learn parenting skills, including  
4 child development, family budgeting, health  
5 and nutrition, and other skills to promote  
6 their long-term economic independence and  
7 the well-being of their children.

8 “(7) NO MEDICAL SERVICES.—

9 “(A) IN GENERAL.—Except as provided in  
10 subparagraph (B), a State to which a grant is  
11 made under section 403 shall not use any part  
12 of the grant to provide medical services.

13 “(B) EXCEPTION FOR FAMILY PLANNING  
14 SERVICES.—As used in subparagraph (A), the  
15 term ‘medical services’ does not include family  
16 planning services.

17 “(8) NO ASSISTANCE FOR MORE THAN 5  
18 YEARS.—

19 “(A) IN GENERAL.—Except as provided in  
20 subparagraphs (B) and (C), a State to which a  
21 grant is made under section 403 shall not use  
22 any part of the grant to provide assistance to  
23 a family that includes an adult who has re-  
24 ceived assistance under any State program  
25 funded under this part attributable to funds

1 provided by the Federal Government, for 60  
2 months (whether or not consecutive) after the  
3 date the State program funded under this part  
4 commences.

5 “(B) MINOR CHILD EXCEPTION.—In deter-  
6 mining the number of months for which an in-  
7 dividual who is a parent or pregnant has re-  
8 ceived assistance under the State program  
9 funded under this part, the State shall dis-  
10 regard any month for which such assistance  
11 was provided with respect to the individual and  
12 during which the individual was—

13 “(i) a minor child; and

14 “(ii) not the head of a household or  
15 married to the head of a household.

16 “(C) HARDSHIP EXCEPTION.—

17 “(i) IN GENERAL.—The State may ex-  
18 empt a family from the application of sub-  
19 paragraph (A) by reason of hardship or if  
20 the family includes an individual who has  
21 been battered or subjected to extreme cru-  
22 elty.

23 “(ii) LIMITATION.—The number of  
24 families with respect to which an exemp-  
25 tion made by a State under clause (i) is in

1 effect for a fiscal year shall not exceed 20  
2 percent of the average monthly number of  
3 families to which assistance is provided  
4 under the State program funded under this  
5 part.

6 “(iii) BATTERED OR SUBJECT TO EX-  
7 TREME CRUELTY DEFINED.—For purposes  
8 of clause (i), an individual has been bat-  
9 tered or subjected to extreme cruelty if the  
10 individual has been subjected to—

11 “(I) physical acts that resulted  
12 in, or threatened to result in, physical  
13 injury to the individual;

14 “(II) sexual abuse;

15 “(III) sexual activity involving a  
16 dependent child;

17 “(IV) being forced as the care-  
18 taker relative of a dependent child to  
19 engage in nonconsensual sexual acts  
20 or activities;

21 “(V) threats of, or attempts at,  
22 physical or sexual abuse;

23 “(VI) mental abuse; or

24 “(VII) neglect or deprivation of  
25 medical care.

1           “(D) RULE OF INTERPRETATION.—Sub-  
2           paragraph (A) shall not be interpreted to re-  
3           quire any State to provide assistance to any in-  
4           dividual for any period of time under the State  
5           program funded under this part.

6           “(9) DENIAL OF ASSISTANCE FOR 10 YEARS TO  
7           A PERSON FOUND TO HAVE FRAUDULENTLY MIS-  
8           REPRESENTED RESIDENCE IN ORDER TO OBTAIN AS-  
9           SISTANCE IN 2 OR MORE STATES.—A State to which  
10          a grant is made under section 403 shall not use any  
11          part of the grant to provide cash assistance to an in-  
12          dividual during the 10-year period that begins on  
13          the date the individual is convicted in Federal or  
14          State court of having made a fraudulent statement  
15          or representation with respect to the place of resi-  
16          dence of the individual in order to receive assistance  
17          simultaneously from 2 or more States under pro-  
18          grams that are funded under this title, title XIX, or  
19          the Food Stamp Act of 1977, or benefits in 2 or  
20          more States under the supplemental security income  
21          program under title XVI. The preceding sentence  
22          shall not apply with respect to a conviction of an  
23          individual, for any month beginning after the Presi-  
24          dent of the United States grants a pardon with re-

1 spect to the conduct which was the subject of the  
2 conviction.

3 “(10) DENIAL OF ASSISTANCE FOR FUGITIVE  
4 FELONS AND PROBATION AND PAROLE VIOLA-  
5 TORS.---

6 “(A) IN GENERAL.—A State to which a  
7 grant is made under section 403 shall not use  
8 any part of the grant to provide assistance to  
9 any individual who is—

10 “(i) fleeing to avoid prosecution, or  
11 custody or confinement after conviction,  
12 under the laws of the place from which the  
13 individual flees, for a crime, or an attempt  
14 to commit a crime, which is a felony under  
15 the laws of the place from which the indi-  
16 vidual flees, or which, in the case of the  
17 State of New Jersey, is a high mis-  
18 demeanor under the laws of such State; or

19 “(ii) violating a condition of probation  
20 or parole imposed under Federal or State  
21 law.

22 The preceding sentence shall not apply with re-  
23 spect to conduct of an individual, for any month  
24 beginning after the President of the United

1 States grants a pardon with respect to the con-  
2 duct.

3 “(B) EXCHANGE OF INFORMATION WITH  
4 LAW ENFORCEMENT AGENCIES.—If a State to  
5 which a grant is made under section 403 estab-  
6 lishes safeguards against the use or disclosure  
7 of information about applicants or recipients of  
8 assistance under the State program funded  
9 under this part, the safeguards shall not pre-  
10 vent the State agency administering the pro-  
11 gram from furnishing a Federal, State, or local  
12 law enforcement officer, upon the request of the  
13 officer, with the current address of any recipi-  
14 ent if the officer furnishes the agency with the  
15 name of the recipient and notifies the agency  
16 that—

17 “(i) the recipient—

18 “(I) is described in subparagraph  
19 (A); or

20 “(II) has information that is nec-  
21 essary for the officer to conduct the  
22 official duties of the officer; and

23 “(ii) the location or apprehension of  
24 the recipient is within such official duties.

1           “(11) DENIAL OF ASSISTANCE FOR MINOR  
2 CHILDREN WHO ARE ABSENT FROM THE HOME FOR  
3 A SIGNIFICANT PERIOD.—

4           “(A) IN GENERAL.—A State to which a  
5 grant is made under section 403 shall not use  
6 any part of the grant to provide assistance for  
7 a minor child who has been, or is expected by  
8 a parent (or other caretaker relative) of the  
9 child to be, absent from the home for a period  
10 of 45 consecutive days or, at the option of the  
11 State, such period of not less than 30 and not  
12 more than 180 consecutive days as the State  
13 may provide for in the State plan submitted  
14 pursuant to section 402.

15           “(B) STATE AUTHORITY TO ESTABLISH  
16 GOOD CAUSE EXCEPTIONS.—The State may es-  
17 tablish such good cause exceptions to subpara-  
18 graph (A) as the State considers appropriate if  
19 such exceptions are provided for in the State  
20 plan submitted pursuant to section 402.

21           “(C) DENIAL OF ASSISTANCE FOR REL-  
22 ATIVE WHO FAILS TO NOTIFY STATE AGENCY  
23 OF ABSENCE OF CHILD.—A State to which a  
24 grant is made under section 403 shall not use  
25 any part of the grant to provide assistance for



1           an individual who is a parent (or other care-  
2           taker relative) of a minor child and who fails to  
3           notify the agency administering the State pro-  
4           gram funded under this part of the absence of  
5           the minor child from the home for the period  
6           specified in or provided for pursuant to sub-  
7           paragraph (A), by the end of the 5-day period  
8           that begins with the date that it becomes clear  
9           to the parent (or relative) that the minor child  
10          will be absent for such period so specified or  
11          provided for.

12           “(12) INCOME SECURITY PAYMENTS NOT TO BE  
13          DISREGARDED IN DETERMINING THE AMOUNT OF  
14          ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a  
15          State to which a grant is made under section 403  
16          uses any part of the grant to provide assistance for  
17          any individual who is receiving benefits, or on behalf  
18          of whom benefits are paid, under a State plan for  
19          old-age assistance approved under section 2, under  
20          section 202, 205(j)(1), 223, or 228, under a State  
21          program funded under part E that provides cash  
22          payments for foster care, or under the supplemental  
23          security income program under title XVI, then the  
24          State may disregard the payment in determining the  
25          amount of assistance to be provided under the State

1 program funded under this part, from funds pro-  
2 vided by the Federal Government, to the family of  
3 which the individual is a member.

4 “(13) MEDICAL ASSISTANCE REQUIRED TO BE  
5 PROVIDED FOR 1 YEAR FOR FAMILIES BECOMING IN-  
6 ELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART  
7 DUE TO INCREASED EARNINGS FROM EMPLOY-  
8 MENT.—A State to which a grant is made under sec-  
9 tion 403 shall take such action as may be necessary  
10 to ensure that, if an individual or family becomes in-  
11 eligible to receive cash assistance under the State  
12 program funded under this part as a result of in-  
13 creased earnings from employment, having received  
14 such assistance in at least 3 of the 6 months imme-  
15 diately preceding the month in which such ineligibil-  
16 ity begins, the individual (or in the case of a family,  
17 each individual in the family) shall be eligible for  
18 medical assistance under the State’s plan approved  
19 under title XIX during the immediately succeeding  
20 12-month period for so long as family income (as de-  
21 fined by the State), excluding any refund of Federal  
22 income taxes made by reason of section 32 of the In-  
23 ternal Revenue Code of 1986 (relating to earned in-  
24 come tax credit) and any payment made by an em-  
25 ployer under section 3507 of such Code (relating to

1 advance payment of earned income credit), is less  
2 than the poverty line, and that the family will be ap-  
3 propriately notified of such eligibility.

4 “(14) MEDICAL ASSISTANCE REQUIRED TO BE  
5 PROVIDED FOR 4 MONTHS FOR FAMILIES BECOMING  
6 INELIGIBLE FOR CASH ASSISTANCE UNDER THIS  
7 PART DUE TO COLLECTION OF CHILD SUPPORT.—A  
8 State to which a grant is made under section 403  
9 shall take such action as may be necessary to ensure  
10 that, if any individual or family becomes ineligible to  
11 receive cash assistance under the State program  
12 funded under this part as a result of the collection  
13 or increased collection of child or spousal support  
14 under part D, having received such assistance in at  
15 least 3 of the 6 months immediately preceding the  
16 month in which such ineligibility begins, the individ-  
17 ual (or, in the case of a family, each individual in  
18 the family) shall be eligible for medical assistance  
19 under the State’s plan approved under title XIX  
20 during the 4-month period beginning with the month  
21 in which such ineligibility begins.

22 “(15) MEDICAL ASSISTANCE REQUIRED TO BE  
23 PROVIDED FOR CERTAIN INDIVIDUALS.—A State to  
24 which a grant is made under section 403 shall take  
25 such action as may be necessary to ensure that,

1 under section 1931, individuals who would be eligible  
2 for cash assistance under the State plan approved  
3 under this part (as in effect as of July 16, 1996) if  
4 such State plan were still in effect are eligible for  
5 medical assistance under the State's plan approved  
6 under title XIX.

7 “(b) INDIVIDUAL RESPONSIBILITY PLANS.—

8 “(1) ASSESSMENT.—The State agency respon-  
9 sible for administering the State program funded  
10 under this part shall make an initial assessment of  
11 the skills, prior work experience, and employability  
12 of each recipient of assistance under the program  
13 who—

14 “(A) has attained 18 years of age; or

15 “(B) has not completed high school or ob-  
16 tained a certificate of high school equivalency,  
17 and is not attending secondary school.

18 “(2) CONTENTS OF PLANS.—

19 “(A) IN GENERAL.—On the basis of the  
20 assessment made under subsection (a) with re-  
21 spect to an individual, the State agency, in con-  
22 sultation with the individual, may develop an  
23 individual responsibility plan for the individual,  
24 which—

1           “(i) sets forth an employment goal for  
2           the individual and a plan for moving the  
3           individual immediately into private sector  
4           employment;

5           “(ii) sets forth the obligations of the  
6           individual, which may include a require-  
7           ment that the individual attend school,  
8           maintain certain grades and attendance,  
9           keep school age children of the individual  
10          in school, immunize children, attend  
11          parenting and money management classes,  
12          or do other things that will help the indi-  
13          vidual become and remain employed in the  
14          private sector;

15          “(iii) to the greatest extent possible is  
16          designed to move the individual into what-  
17          ever private sector employment the individ-  
18          ual is capable of handling as quickly as  
19          possible, and to increase the responsibility  
20          and amount of work the individual is to  
21          handle over time;

22          “(iv) describes the services the State  
23          will provide the individual so that the indi-  
24          vidual will be able to obtain and keep em-  
25          ployment in the private sector, and de-

1           scribe the job counseling and other services  
2           that will be provided by the State; and

3           “(v) may require the individual to un-  
4           dergo appropriate substance abuse treat-  
5           ment.

6           “(B) TIMING.—The State agency may  
7           comply with paragraph (1) with respect to an  
8           individual—

9           “(i) within 90 days (or, at the option  
10          of the State, 180 days) after the effective  
11          date of this part, in the case of an individ-  
12          ual who, as of such effective date, is a re-  
13          cipient of aid under the State plan ap-  
14          proved under part A (as in effect imme-  
15          diately before such effective date); or

16          “(ii) within 30 days (or, at the option  
17          of the State, 90 days) after the individual  
18          is determined to be eligible for such assist-  
19          ance, in the case of any other individual.

20          “(3) PENALTY FOR NONCOMPLIANCE BY INDI-  
21          VIDUAL.—In addition to any other penalties required  
22          under the State program funded under this part, the  
23          State may reduce, by such amount as the State con-  
24          siders appropriate, the amount of assistance other-  
25          wise payable under the State program to a family

1 that includes an individual who fails without good  
2 cause to comply with an individual responsibility  
3 plan signed by the individual.

4 “(4) STATE DISCRETION.—The exercise of the  
5 authority of this subsection shall be within the sole  
6 discretion of the State.

7 “(c) ALIENS.—For special rules relating to the treat-  
8 ment of aliens, see section 4402 of the Personal Respon-  
9 sibility and Work Opportunity Act of 1996.

10 **“SEC. 409. PENALTIES.**

11 “(a) IN GENERAL.—Subject to this section:

12 “(1) USE OF GRANT IN VIOLATION OF THIS  
13 PART.—

14 “(A) GENERAL PENALTY.—If an audit  
15 conducted under chapter 75 of title 31, United  
16 States Code, finds that an amount paid to a  
17 State under section 403 for a fiscal year has  
18 been used in violation of this part, the Sec-  
19 retary shall reduce the grant payable to the  
20 State under section 403(a)(1) for the imme-  
21 diately succeeding fiscal year quarter by the  
22 amount so used.

23 “(B) ENHANCED PENALTY FOR INTEN-  
24 TIONAL VIOLATIONS.—If the State does not  
25 prove to the satisfaction of the Secretary that

1 the State did not intend to use the amount in  
2 violation of this part, the Secretary shall fur-  
3 ther reduce the grant payable to the State  
4 under section 403(a)(1) for the immediately  
5 succeeding fiscal year quarter by an amount  
6 equal to 5 percent of the State family assist-  
7 ance grant.

8 “(2) FAILURE TO SUBMIT REQUIRED RE-  
9 PORT.---

10 “(A) IN GENERAL.—If the Secretary deter-  
11 mines that a State has not, within 1 month  
12 after the end of a fiscal quarter, submitted the  
13 report required by section 411(a) for the quar-  
14 ter, the Secretary shall reduce the grant pay-  
15 able to the State under section 403(a)(1) for  
16 the immediately succeeding fiscal year by an  
17 amount equal to 4 percent of the State family  
18 assistance grant.

19 “(B) RESCISSION OF PENALTY.—The Sec-  
20 retary shall rescind a penalty imposed on a  
21 State under subparagraph (A) with respect to a  
22 report if the State submits the report before the  
23 end of the fiscal quarter that immediately suc-  
24 ceeds the fiscal quarter for which the report  
25 was required.



1           “(3) FAILURE TO SATISFY MINIMUM PARTICIPA-  
2           TION RATES.—

3                   “(A) IN GENERAL.—If the Secretary deter-  
4                   mines that a State to which a grant is made  
5                   under section 403 for a fiscal year has failed to  
6                   comply with section 407(a) for the fiscal year,  
7                   the Secretary shall reduce the grant payable to  
8                   the State under section 403(a)(1) for the imme-  
9                   diately succeeding fiscal year by an amount  
10                  equal to not more than 5 percent of the State  
11                  family assistance grant.

12                  “(B) PENALTY BASED ON SEVERITY OF  
13                  FAILURE.—The Secretary shall impose reduc-  
14                  tions under subparagraph (A) based on the de-  
15                  gree of noncompliance, and may reduce the  
16                  penalty if the State experiences an economic  
17                  downturn that leads to significantly greater un-  
18                  employment.

19                  “(4) FAILURE TO PARTICIPATE IN THE INCOME  
20                  AND ELIGIBILITY VERIFICATION SYSTEM.—If the  
21                  Secretary determines that a State program funded  
22                  under this part is not participating during a fiscal  
23                  year in the income and eligibility verification system  
24                  required by section 1137, the Secretary shall reduce  
25                  the grant payable to the State under section

1 403(a)(1) for the immediately succeeding fiscal year  
2 by an amount equal to not more than 2 percent of  
3 the State family assistance grant.

4 “(5) FAILURE TO COMPLY WITH PATERNITY ES-  
5 TABLISHMENT AND CHILD SUPPORT ENFORCEMENT  
6 REQUIREMENTS UNDER PART D.—Notwithstanding  
7 any other provision of this Act, if the Secretary de-  
8 termines that the State agency that administers a  
9 program funded under this part does not enforce the  
10 penalties requested by the agency administering part  
11 D against recipients of assistance under the State  
12 program who fail to cooperate in establishing pater-  
13 nity or in establishing, modifying, or enforcing a  
14 child support order in accordance with such part and  
15 who do not qualify for any good cause or other ex-  
16 ception established by the State under section  
17 454(29), the Secretary shall reduce the grant pay-  
18 able to the State under section 403(a)(1) for the im-  
19 mediately succeeding fiscal year (without regard to  
20 this section) by not more than 5 percent.

21 “(6) FAILURE TO TIMELY REPAY A FEDERAL  
22 LOAN FUND FOR STATE WELFARE PROGRAMS.—If  
23 the Secretary determines that a State has failed to  
24 repay any amount borrowed from the Federal Loan  
25 Fund for State Welfare Programs established under

1 section 406 within the period of maturity applicable  
2 to the loan, plus any interest owed on the loan, the  
3 Secretary shall reduce the grant payable to the State  
4 under section 403(a)(1) for the immediately succeed-  
5 ing fiscal year quarter (without regard to this sec-  
6 tion) by the outstanding loan amount, plus the inter-  
7 est owed on the outstanding amount. The Secretary  
8 shall not forgive any outstanding loan amount or in-  
9 terest owed on the outstanding amount.

10 “(7) FAILURE OF ANY STATE TO MAINTAIN  
11 CERTAIN LEVEL OF HISTORIC EFFORT.—

12 “(A) IN GENERAL.—The Secretary shall  
13 reduce the grant payable to the State under  
14 section 403(a)(1) for fiscal year 1998, 1999,  
15 2000, 2001, or 2002 by the amount (if any) by  
16 which qualified State expenditures for the then  
17 immediately preceding fiscal year are less than  
18 the applicable percentage of historic State ex-  
19 penditures with respect to such preceding fiscal  
20 year.

21 “(B) DEFINITIONS.—As used in this para-  
22 graph:

23 “(i) QUALIFIED STATE EXPENDI-  
24 TURES.—

1           “(I) IN GENERAL.—The term  
2           ‘qualified State expenditures’ means,  
3           with respect to a State and a fiscal  
4           year, the total expenditures by the  
5           State during the fiscal year, under all  
6           State programs, for any of the follow-  
7           ing with respect to eligible families:

8                   “(aa) Cash assistance.

9                   “(bb) Child care assistance.

10                   “(cc) Educational activities  
11           designed to increase self-suffi-  
12           ciency, job training, and work,  
13           excluding any expenditure for  
14           public education in the State ex-  
15           cept expenditures which involve  
16           the provision of services or assist-  
17           ance to a member of an eligible  
18           family which is not generally  
19           available to persons who are not  
20           members of an eligible family.

21                   “(dd) Administrative costs  
22           in connection with the matters  
23           described in items (aa), (bb),  
24           (cc), and (ee), but only to the ex-  
25           tent that such costs do not ex-

1           ceed 15 percent of the total  
2           amount of qualified State ex-  
3           penditures for the fiscal year.

4                   “(ee) Any other use of funds  
5                   allowable       under       section  
6                   404(a)(1).

7                   “(II) EXCLUSION OF TRANSFERS  
8                   FROM OTHER STATE AND LOCAL PRO-  
9                   GRAMS.—Such term does not include  
10                  expenditures under any State or local  
11                  program during a fiscal year, except  
12                  to the extent that—

13                           “(aa) the expenditures ex-  
14                           ceed the amount expended under  
15                           the State or local program in the  
16                           fiscal year most recently ending  
17                           before the date of the enactment  
18                           of this part; or

19                                   “(bb) the State is entitled to  
20                                   a payment under former section  
21                                   403 (as in effect immediately be-  
22                                   fore such date of enactment) with  
23                                   respect to the expenditures.

24                                   “(III) ELIGIBLE FAMILIES.—As  
25                                   used in subclause (I), the term ‘eligi-

1           ble families' means families eligible  
2           for assistance under the State pro-  
3           gram funded under this part, and  
4           families that would be eligible for such  
5           assistance but for the application of  
6           section 408(a)(8) of this Act or sec-  
7           tion 4402 of the Personal Responsibil-  
8           ity and Work Opportunity Act of  
9           1996.

10           “(ii) APPLICABLE PERCENTAGE.—The  
11           term ‘applicable percentage’ means for fis-  
12           cal years 1997 through 2001, 75 percent  
13           reduced (if appropriate) in accordance with  
14           subparagraph (C)(ii).

15           “(iii) HISTORIC STATE EXPENDI-  
16           TURES.—The term ‘historic State expendi-  
17           tures’ means, with respect to a State, the  
18           lesser of—

19                   “(I) the expenditures by the  
20                   State under parts A and F (as in ef-  
21                   fect during fiscal year 1994) for fiscal  
22                   year 1994; or

23                   “(II) the amount which bears the  
24                   same ratio to the amount described in  
25                   subclause (I) as—

1           “(aa) the State family as-  
2           sistance grant, plus the total  
3           amount required to be paid to  
4           the State under former section  
5           403 for fiscal year 1994 with re-  
6           spect to amounts expended by  
7           the State for child care under  
8           subsection (g) or (i) of section  
9           402 (as in effect during fiscal  
10          year 1994); bears to

11           “(bb) the total amount re-  
12          quired to be paid to the State  
13          under former section 403 (as in  
14          effect during fiscal year 1994)  
15          for fiscal year 1994.

16          Such term does not include any expendi-  
17          tures under the State plan approved under  
18          part A (as so in effect) on behalf of indi-  
19          viduals covered by a tribal family assist-  
20          ance plan approved under section 412, as  
21          determined by the Secretary.

22           “(iv) EXPENDITURES BY THE  
23          STATE.—The term ‘expenditures by the  
24          State’ does not include—

1           “(I) any expenditures from  
2 amounts made available by the Fed-  
3 eral Government;

4           “(II) State funds expended for  
5 the medicaid program under title  
6 XIX; or

7           “(III) any State funds which are  
8 used to match Federal funds or are  
9 expended as a condition of receiving  
10 Federal funds under Federal pro-  
11 grams other than under this part.

12           “(C) APPLICABLE PERCENTAGE REDUCED  
13 FOR HIGH PERFORMANCE STATES.—

14           “(i) DETERMINATION OF HIGH PER-  
15 FORMANCE STATES.—The Secretary shall  
16 use the formula developed under section  
17 403(a)(4)(C) to assign a score to each eli-  
18 gible State that represents the perform-  
19 ance of the State program funded under  
20 this part for each fiscal year, and shall  
21 prescribe a performance threshold which  
22 the Secretary shall use to determine  
23 whether to reduce the applicable percent-  
24 age with respect to any eligible State for a  
25 fiscal year.



1                   “(ii) REDUCTION PROPORTIONAL TO  
2                   PERFORMANCE.—The Secretary shall re-  
3                   duce the applicable percentage for a fiscal  
4                   year with respect to each eligible State by  
5                   an amount which is directly proportional to  
6                   the amount (if any) by which the score as-  
7                   signed to the State under clause (i) for the  
8                   immediately preceding fiscal year exceeds  
9                   the performance threshold prescribed  
10                  under clause (i) for such preceding fiscal  
11                  year, subject to clause (iii).

12                  “(iii) LIMITATION ON REDUCTION.—  
13                  The applicable percentage for a fiscal year  
14                  with respect to a State may not be reduced  
15                  by more than 8 percentage points under  
16                  this subparagraph.

17                  “(8) SUBSTANTIAL NONCOMPLIANCE OF STATE  
18                  CHILD SUPPORT ENFORCEMENT PROGRAM WITH RE-  
19                  QUIREMENTS OF PART D.—

20                  “(A) IN GENERAL.—If a State program  
21                  operated under part D is found as a result of  
22                  a review conducted under section 452(a)(4) not  
23                  to have complied substantially with the require-  
24                  ments of such part for any quarter, and the  
25                  Secretary determines that the program is not

1 complying substantially with such requirements  
2 at the time the finding is made, the Secretary  
3 shall reduce the grant payable to the State  
4 under section 403(a)(1) for the quarter and  
5 each subsequent quarter that ends before the  
6 1st quarter throughout which the program is  
7 found to be in substantial compliance with such  
8 requirements by—

9 “(i) not less than 1 nor more than 2  
10 percent;

11 “(ii) not less than 2 nor more than 3  
12 percent, if the finding is the 2nd consecu-  
13 tive such finding made as a result of such  
14 a review; or

15 “(iii) not less than 3 nor more than 5  
16 percent, if the finding is the 3rd or a sub-  
17 sequent consecutive such finding made as a  
18 result of such a review.

19 “(B) DISREGARD OF NONCOMPLIANCE  
20 WHICH IS OF A TECHNICAL NATURE.—For pur-  
21 poses of subparagraph (A) and section  
22 452(a)(4), a State which is not in full compli-  
23 ance with the requirements of this part shall be  
24 determined to be in substantial compliance with  
25 such requirements only if the Secretary deter-

1           mines that any noncompliance with such re-  
2           quirements is of a technical nature which does  
3           not adversely affect the performance of the  
4           State's program operated under part D.

5           “(9) FAILURE OF STATE RECEIVING AMOUNTS  
6           FROM CONTINGENCY FUND TO MAINTAIN 100 PER-  
7           CENT OF HISTORIC EFFORT.—If, at the end of any  
8           fiscal year during which amounts from the Contingency  
9           Fund for State Welfare Programs have been  
10          paid to a State, the Secretary finds that the expendi-  
11          tures under the State program funded under this  
12          part for the fiscal year are less than 100 percent of  
13          historic State expenditures (as defined in paragraph  
14          (8)(B)(iii) of this subsection), the Secretary shall re-  
15          duce the grant payable to the State under section  
16          403(a)(1) for the immediately succeeding fiscal year  
17          by the total of the amounts so paid to the State.

18          “(10) FAILURE TO EXPEND ADDITIONAL STATE  
19          FUNDS TO REPLACE GRANT REDUCTIONS.—If the  
20          grant payable to a State under section 403(a)(1) for  
21          a fiscal year is reduced by reason of this subsection,  
22          the State shall, during the immediately succeeding  
23          fiscal year, expend under the State program funded  
24          under this part an amount equal to the total amount  
25          of such reductions.

1           “(11) FAILURE TO PROVIDE MEDICAL ASSIST-  
2           ANCE TO FAMILIES BECOMING INELIGIBLE FOR  
3           CASH ASSISTANCE UNDER THIS PART DUE TO IN-  
4           CREASED EARNINGS FROM EMPLOYMENT OR COL-  
5           LECTION OF CHILD SUPPORT.—

6                   “(A) IN GENERAL.—If the Secretary deter-  
7           mines that a State program funded under this  
8           part is not in compliance with paragraph (13)  
9           or (14) of section 408(a) for a quarter, the Sec-  
10          retary shall reduce the grant payable to the  
11          State under section 403(a)(1) for the imme-  
12          diately succeeding fiscal year by an amount  
13          equal to not more than 5 percent of the State  
14          family assistance grant.

15                   “(B) PENALTY BASED ON SEVERITY OF  
16          FAILURE.—The Secretary shall impose reduc-  
17          tions under subparagraph (A) based on the de-  
18          gree of noncompliance.

19          “(b) REASONABLE CAUSE EXCEPTION.—

20                   “(1) IN GENERAL.—The Secretary may not im-  
21          pose a penalty on a State under subsection (a) with  
22          respect to a requirement if the Secretary determines  
23          that the State has reasonable cause for failing to  
24          comply with the requirement.

1           “(2) EXCEPTION.—Paragraph (1) of this sub-  
2 section shall not apply to any penalty under para-  
3 graph (7), (8), or (11) of subsection (a).

4           “(c) CORRECTIVE COMPLIANCE PLAN.—

5           “(1) IN GENERAL.—

6           “(A) NOTIFICATION OF VIOLATION.—Be-  
7 fore imposing a penalty against a State under  
8 subsection (a) with respect to a violation of this  
9 part, the Secretary shall notify the State of the  
10 violation and allow the State the opportunity to  
11 enter into a corrective compliance plan in ac-  
12 cordance with this subsection which outlines  
13 how the State will correct the violation and how  
14 the State will insure continuing compliance with  
15 this part.

16           “(B) 60-DAY PERIOD TO PROPOSE A COR-  
17 RECTIVE COMPLIANCE PLAN.—During the 60-  
18 day period that begins on the date the State re-  
19 ceives a notice provided under subparagraph  
20 (A) with respect to a violation, the State may  
21 submit to the Federal Government a corrective  
22 compliance plan to correct the violation.

23           “(C) CONSULTATION ABOUT MODIFICA-  
24 TIONS.—During the 60-day period that begins  
25 with the date the Secretary receives a corrective

1 compliance plan submitted by a State in accord-  
2 ance with subparagraph (B), the Secretary may  
3 consult with the State on modifications to the  
4 plan.

5 “(D) ACCEPTANCE OF PLAN.— A correc-  
6 tive compliance plan submitted by a State in ac-  
7 cordance with subparagraph (B) is deemed to  
8 be accepted by the Secretary if the Secretary  
9 does not accept or reject the plan during 60-day  
10 period that begins on the date the plan is sub-  
11 mitted.

12 “(2) EFFECT OF CORRECTING VIOLATION.—  
13 The Secretary may not impose any penalty under  
14 subsection (a) with respect to any violation covered  
15 by a State corrective compliance plan accepted by  
16 the Secretary if the State corrects the violation pur-  
17 suant to the plan.

18 “(3) EFFECT OF FAILING TO CORRECT VIOLA-  
19 TION.—The Secretary shall assess some or all of a  
20 penalty imposed on a State under subsection (a)  
21 with respect to a violation if the State does not, in  
22 a timely manner, correct the violation pursuant to a  
23 State corrective compliance plan accepted by the  
24 Secretary.

1           “(4) INAPPLICABILITY TO FAILURE TO TIMELY  
2           REPAY A FEDERAL LOAN FUND FOR A STATE WEL-  
3           FARE PROGRAM.—This subsection shall not apply to  
4           the imposition of a penalty against a State under  
5           subsection (a)(6).

6           “(d) LIMITATION ON AMOUNT OF PENALTY.—

7           “(1) IN GENERAL.—In imposing the penalties  
8           described in subsection (a), the Secretary shall not  
9           reduce any quarterly payment to a State by more  
10          than 25 percent.

11          “(2) CARRYFORWARD OF UNRECOVERED PEN-  
12          ALTIES.—To the extent that paragraph (1) of this  
13          subsection prevents the Secretary from recovering  
14          during a fiscal year the full amount of penalties im-  
15          posed on a State under subsection (a) of this section  
16          for a prior fiscal year, the Secretary shall apply any  
17          remaining amount of such penalties to the grant  
18          payable to the State under section 403(a)(1) for the  
19          immediately succeeding fiscal year.

20       **“SEC. 410. APPEAL OF ADVERSE DECISION.**

21          “(a) IN GENERAL.—Within 5 days after the date the  
22          Secretary takes any adverse action under this part with  
23          respect to a State, the Secretary shall notify the chief ex-  
24          ecutive officer of the State of the adverse action, including  
25          any action with respect to the State plan submitted under

1 section 402 or the imposition of a penalty under section  
2 409.

3 “(b) ADMINISTRATIVE REVIEW.—

4 “(1) IN GENERAL.—Within 60 days after the  
5 date a State receives notice under subsection (a) of  
6 an adverse action, the State may appeal the action,  
7 in whole or in part, to the Departmental Appeals  
8 Board established in the Department of Health and  
9 Human Services (in this section referred to as the  
10 ‘Board’) by filing an appeal with the Board.

11 “(2) PROCEDURAL RULES.—The Board shall  
12 consider an appeal filed by a State under paragraph  
13 (1) on the basis of such documentation as the State  
14 may submit and as the Board may require to sup-  
15 port the final decision of the Board. In deciding  
16 whether to uphold an adverse action or any portion  
17 of such an action, the Board shall conduct a thor-  
18 ough review of the issues and take into account all  
19 relevant evidence. The Board shall make a final de-  
20 termination with respect to an appeal filed under  
21 paragraph (1) not less than 60 days after the date  
22 the appeal is filed.

23 “(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

24 “(1) IN GENERAL.—Within 90 days after the  
25 date of a final decision by the Board under this sec-



1 tion with respect to an adverse action taken against  
2 a State, the State may obtain judicial review of the  
3 final decision (and the findings incorporated into the  
4 final decision) by filing an action in—

5 “(A) the district court of the United States  
6 for the judicial district in which the principal or  
7 headquarters office of the State agency is lo-  
8 cated; or

9 “(B) the United States District Court for  
10 the District of Columbia.

11 “(2) PROCEDURAL RULES.—The district court  
12 in which an action is filed under paragraph (1) shall  
13 review the final decision of the Board on the record  
14 established in the administrative proceeding, in ac-  
15 cordance with the standards of review prescribed by  
16 subparagraphs (A) through (E) of section 706(2) of  
17 title 5, United States Code. The review shall be on  
18 the basis of the documents and supporting data sub-  
19 mitted to the Board.

20 **“SEC. 411. DATA COLLECTION AND REPORTING.**

21 “(a) QUARTERLY REPORTS BY STATES.—

22 “(1) GENERAL REPORTING REQUIREMENT.—

23 “(A) CONTENTS OF REPORT.—Each eligi-  
24 ble State shall collect on a monthly basis, and  
25 report to the Secretary on a quarterly basis, the

1 following disaggregated case record information  
2 on the families receiving assistance under the  
3 State program funded under this part:

4 “(i) The county of residence of the  
5 family.

6 “(ii) Whether a child receiving such  
7 assistance or an adult in the family is dis-  
8 abled.

9 “(iii) The ages of the members of  
10 such families.

11 “(iv) The number of individuals in the  
12 family, and the relation of each family  
13 member to the youngest child in the fam-  
14 ily.

15 “(v) The employment status and earn-  
16 ings of the employed adult in the family.

17 “(vi) The marital status of the adults  
18 in the family, including whether such  
19 adults have never married, are widowed, or  
20 are divorced.

21 “(vii) The race and educational status  
22 of each adult in the family.

23 “(viii) The race and educational sta-  
24 tus of each child in the family.

1           “(ix) Whether the family received sub-  
2           sidized housing, medical assistance under  
3           the State plan approved under title XIX,  
4           food stamps, or subsidized child care, and  
5           if the latter 2, the amount received.

6           “(x) The number of months that the  
7           family has received each type of assistance  
8           under the program.

9           “(xi) If the adults participated in, and  
10          the number of hours per week of participa-  
11          tion in, the following activities:

12                 “(I) Education.

13                 “(II) Subsidized private sector  
14                 employment.

15                 “(III) Unsubsidized employment.

16                 “(IV) Public sector employment,  
17                 work experience, or community serv-  
18                 ice.

19                 “(V) Job search.

20                 “(VI) Job skills training or on-  
21                 the-job training.

22                 “(VII) Vocational education.

23           “(xii) Information necessary to cal-  
24           culate participation rates under section  
25           407.

1           “(xiii) The type and amount of assist-  
2           ance received under the program, including  
3           the amount of and reason for any reduc-  
4           tion of assistance (including sanctions).

5           “(xiv) Any amount of unearned in-  
6           come received by any member of the fam-  
7           ily.

8           “(xv) The citizenship of the members  
9           of the family.

10          “(xvi) From a sample of closed cases,  
11          whether the family left the program, and if  
12          so, whether the family left due to—

13                   “(I) employment;

14                   “(II) marriage;

15                   “(III) the prohibition set forth in  
16                   section 408(a)(8);

17                   “(IV) sanction; or

18                   “(V) State policy.

19          “(B) USE OF ESTIMATES.—

20                   “(i) AUTHORITY.—A State may com-  
21                   ply with subparagraph (A) by submitting  
22                   an estimate which is obtained through the  
23                   use of scientifically acceptable sampling  
24                   methods approved by the Secretary.

1                   “(ii) SAMPLING AND OTHER METH-  
2                   ODS.—The Secretary shall provide the  
3                   States with such case sampling plans and  
4                   data collection procedures as the Secretary  
5                   deems necessary to produce statistically  
6                   valid estimates of the performance of State  
7                   programs funded under this part. The Sec-  
8                   retary may develop and implement proce-  
9                   dures for verifying the quality of data sub-  
10                  mitted by the States.

11                 “(2) REPORT ON USE OF FEDERAL FUNDS TO  
12                 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—  
13                 The report required by paragraph (1) for a fiscal  
14                 quarter shall include a statement of the percentage  
15                 of the funds paid to the State under this part for  
16                 the quarter that are used to cover administrative  
17                 costs or overhead.

18                 “(3) REPORT ON STATE EXPENDITURES ON  
19                 PROGRAMS FOR NEEDY FAMILIES.—The report re-  
20                 quired by paragraph (1) for a fiscal quarter shall in-  
21                 clude a statement of the total amount expended by  
22                 the State during the quarter on programs for needy  
23                 families.

24                 “(4) REPORT ON NONCUSTODIAL PARENTS PAR-  
25                 TICIPATING IN WORK ACTIVITIES.—The report re-

1       quired by paragraph (1) for a fiscal quarter shall in-  
2       clude the number of noncustodial parents in the  
3       State who participated in work activities (as defined  
4       in section 407(d)) during the quarter.

5           “(5) REPORT ON TRANSITIONAL SERVICES.—  
6       The report required by paragraph (1) for a fiscal  
7       quarter shall include the total amount expended by  
8       the State during the quarter to provide transitional  
9       services to a family that has ceased to receive assist-  
10      ance under this part because of employment, along  
11      with a description of such services.

12           “(6) REGULATIONS.—The Secretary shall pre-  
13      scribe such regulations as may be necessary to de-  
14      fine the data elements with respect to which reports  
15      are required by this subsection.

16           “(b) ANNUAL REPORTS TO THE CONGRESS BY THE  
17      SECRETARY.—Not later than 6 months after the end of  
18      fiscal year 1997, and each fiscal year thereafter, the Sec-  
19      retary shall transmit to the Congress a report describ-  
20      ing—

21           “(1) whether the States are meeting—

22           “(A) the participation rates described in  
23           section 407(a); and

24           “(B) the objectives of—

1                   “(i) increasing employment and earn-  
2                   ings of needy families, and child support  
3                   collections; and

4                   “(ii) decreasing out-of-wedlock preg-  
5                   nancies and child poverty;

6                   “(2) the demographic and financial characteris-  
7                   tics of families applying for assistance, families re-  
8                   ceiving assistance, and families that become ineli-  
9                   gible to receive assistance;

10                  “(3) the characteristics of each State program  
11                  funded under this part; and

12                  “(4) the trends in employment and earnings of  
13                  needy families with minor children living at home.

14 **“SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY IN-**  
15 **DIAN TRIBES.**

16                  “(a) GRANTS FOR INDIAN TRIBES.—

17                   “(1) TRIBAL FAMILY ASSISTANCE GRANT.—

18                   “(A) IN GENERAL.—For each of fiscal  
19                   years 1997, 1998, 1999, and 2000, the Sec-  
20                   retary shall pay to each Indian tribe that has  
21                   an approved tribal family assistance plan a trib-  
22                   al family assistance grant for the fiscal year in  
23                   an amount equal to the amount determined  
24                   under subparagraph (B), and shall reduce the  
25                   grant payable under section 403(a)(1) to any

1 State in which lies the service area or areas of  
2 the Indian tribe by that portion of the amount  
3 so determined that is attributable to expendi-  
4 tures by the State.

5 “(B) AMOUNT DETERMINED.—

6 “(i) IN GENERAL.—The amount de-  
7 termined under this subparagraph is an  
8 amount equal to the total amount of the  
9 Federal payments to a State or States  
10 under section 403 (as in effect during such  
11 fiscal year) for fiscal year 1994 attrib-  
12 utable to expenditures (other than child  
13 care expenditures) by the State or States  
14 under parts A and F (as so in effect) for  
15 fiscal year 1994 for Indian families resid-  
16 ing in the service area or areas identified  
17 by the Indian tribe pursuant to subsection  
18 (b)(1)(C) of this section.

19 “(ii) USE OF STATE SUBMITTED  
20 DATA.—

21 “(I) IN GENERAL.—The Sec-  
22 retary shall use State submitted data  
23 to make each determination under  
24 clause (i).



1                   “(II) DISAGREEMENT WITH DE-  
2                   TERMINATION.—If an Indian tribe or  
3                   tribal organization disagrees with  
4                   State submitted data described under  
5                   subclause (I), the Indian tribe or trib-  
6                   al organization may submit to the  
7                   Secretary such additional information  
8                   as may be relevant to making the de-  
9                   termination under clause (i) and the  
10                  Secretary may consider such informa-  
11                  tion before making such determina-  
12                  tion.

13                  “(2) GRANTS FOR INDIAN TRIBES THAT RE-  
14                  CEIVED JOBS FUNDS.—

15                  “(A) IN GENERAL.—The Secretary shall  
16                  pay to each eligible Indian tribe for each of fis-  
17                  cal years 1996, 1997, 1998, 1999, 2000, and  
18                  2001 a grant in an amount equal to the amount  
19                  received by the Indian tribe in fiscal year 1994  
20                  under section 482(i) (as in effect during fiscal  
21                  year 1994).

22                  “(B) ELIGIBLE INDIAN TRIBE.—For pur-  
23                  poses of subparagraph (A), the term ‘eligible  
24                  Indian tribe’ means an Indian tribe or Alaska  
25                  Native organization that conducted a job oppor-

1           tunities and basic skills training program in fis-  
2           cal year 1995 under section 482(i) (as in effect  
3           during fiscal year 1995).

4           “(C) USE OF GRANT.—Each Indian tribe  
5           to which a grant is made under this paragraph  
6           shall use the grant for the purpose of operating  
7           a program to make work activities available to  
8           members of the Indian tribe.

9           “(D) APPROPRIATION.—Out of any money  
10          in the Treasury of the United States not other-  
11          wise appropriated, there are appropriated  
12          \$7,638,474 for each fiscal year specified in sub-  
13          paragraph (A) for grants under subparagraph  
14          (A).

15         “(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

16           “(1) IN GENERAL.—Any Indian tribe that de-  
17           sires to receive a tribal family assistance grant shall  
18           submit to the Secretary a 3-year tribal family assist-  
19           ance plan that—

20           “(A) outlines the Indian tribe’s approach  
21           to providing welfare-related services for the 3-  
22           year period, consistent with this section;

23           “(B) specifies whether the welfare-related  
24           services provided under the plan will be pro-  
25           vided by the Indian tribe or through agree-

1           ments, contracts, or compacts with intertribal  
2           consortia, States, or other entities;

3           “(C) identifies the population and service  
4           area or areas to be served by such plan;

5           “(D) provides that a family receiving as-  
6           sistance under the plan may not receive duplica-  
7           tive assistance from other State or tribal pro-  
8           grams funded under this part;

9           “(E) identifies the employment opportuni-  
10          ties in or near the service area or areas of the  
11          Indian tribe and the manner in which the In-  
12          dian tribe will cooperate and participate in en-  
13          hancing such opportunities for recipients of as-  
14          sistance under the plan consistent with any ap-  
15          plicable State standards; and

16          “(F) applies the fiscal accountability provi-  
17          sions of section 5(f)(1) of the Indian Self-De-  
18          termination and Education Assistance Act (25  
19          U.S.C. 450c(f)(1)), relating to the submission  
20          of a single-agency audit report required by  
21          chapter 75 of title 31, United States Code.

22          “(2) APPROVAL.—The Secretary shall approve  
23          each tribal family assistance plan submitted in ac-  
24          cordance with paragraph (1).

1           “(3) CONSORTIUM OF TRIBES.—Nothing in this  
2           section shall preclude the development and submis-  
3           sion of a single tribal family assistance plan by the  
4           participating Indian tribes of an intertribal consor-  
5           tium.

6           “(c) MINIMUM WORK PARTICIPATION REQUIRE-  
7           MENTS AND TIME LIMITS.—The Secretary, with the par-  
8           ticipation of Indian tribes, shall establish for each Indian  
9           tribe receiving a grant under this section minimum work  
10          participation requirements, appropriate time limits for re-  
11          ceipt of welfare-related services under the grant, and pen-  
12          alties against individuals—

13                 “(1) consistent with the purposes of this sec-  
14          tion;

15                 “(2) consistent with the economic conditions  
16          and resources available to each tribe; and

17                 “(3) similar to comparable provisions in section  
18          407(d).

19           “(d) EMERGENCY ASSISTANCE.—Nothing in this sec-  
20          tion shall preclude an Indian tribe from seeking emergency  
21          assistance from any Federal loan program or emergency  
22          fund.

23           “(e) ACCOUNTABILITY.—Nothing in this section shall  
24          be construed to limit the ability of the Secretary to main-  
25          tain program funding accountability consistent with—

1           “(1) generally accepted accounting principles;  
2           and

3           “(2) the requirements of the Indian Self-Deter-  
4           mination and Education Assistance Act (25 U.S.C.  
5           450 et seq.).

6           “(f) PENALTIES.—

7           “(1) Subsections (a)(1), (a)(6), and (b) of sec-  
8           tion 409, shall apply to an Indian tribe with an ap-  
9           proved tribal assistance plan in the same manner as  
10          such subsections apply to a State.

11          “(2) Section 409(a)(3) shall apply to an Indian  
12          tribe with an approved tribal assistance plan by sub-  
13          stituting ‘meet minimum work participation require-  
14          ments established under section 412(c)’ for ‘comply  
15          with section 407(a)’.

16          “(g) DATA COLLECTION AND REPORTING.—Section  
17          411 shall apply to an Indian tribe with an approved tribal  
18          family assistance plan.

19          “(h) SPECIAL RULE FOR INDIAN TRIBES IN ALAS-  
20          KA.—

21          “(1) IN GENERAL.—Notwithstanding any other  
22          provision of this section, and except as provided in  
23          paragraph (2), an Indian tribe in the State of Alas-  
24          ka that receives a tribal family assistance grant  
25          under this section shall use the grant to operate a

1 program in accordance with requirements com-  
2 parable to the requirements applicable to the pro-  
3 gram of the State of Alaska funded under this part.  
4 Comparability of programs shall be established on  
5 the basis of program criteria developed by the Sec-  
6 retary in consultation with the State of Alaska and  
7 such Indian tribes.

8 “(2) WAIVER.—An Indian tribe described in  
9 paragraph (1) may apply to the appropriate State  
10 authority to receive a waiver of the requirement of  
11 paragraph (1).

12 **“SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**  
13 **IES.**

14 “(a) RESEARCH.—The Secretary shall conduct re-  
15 search on the benefits, effects, and costs of operating dif-  
16 ferent State programs funded under this part, including  
17 time limits relating to eligibility for assistance. The re-  
18 search shall include studies on the effects of different pro-  
19 grams and the operation of such programs on welfare de-  
20 pendency, illegitimacy, teen pregnancy, employment rates,  
21 child well-being, and any other area the Secretary deems  
22 appropriate. The Secretary shall also conduct research on  
23 the costs and benefits of State activities under section  
24 409.

1       “(b) DEVELOPMENT AND EVALUATION OF INNOVA-  
2 TIVE APPROACHES TO REDUCING WELFARE DEPEND-  
3 ENCY AND INCREASING CHILD WELL-BEING.—

4           “(1) IN GENERAL.—The Secretary may assist  
5 States in developing, and shall evaluate, innovative  
6 approaches for reducing welfare dependency and in-  
7 creasing the well-being of minor children living at  
8 home with respect to recipients of assistance under  
9 programs funded under this part. The Secretary  
10 may provide funds for training and technical assist-  
11 ance to carry out the approaches developed pursuant  
12 to this paragraph.

13           “(2) EVALUATIONS.—In performing the evalua-  
14 tions under paragraph (1), the Secretary shall, to  
15 the maximum extent feasible, use random assign-  
16 ment as an evaluation methodology.

17       “(c) DISSEMINATION OF INFORMATION.—The Sec-  
18 retary shall develop innovative methods of disseminating  
19 information on any research, evaluations, and studies con-  
20 ducted under this section, including the facilitation of the  
21 sharing of information and best practices among States  
22 and localities through the use of computers and other  
23 technologies.

24       “(d) ANNUAL RANKING OF STATES AND REVIEW OF  
25 MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

1           “(1) ANNUAL RANKING OF STATES.—The Sec-  
2           retary shall rank annually the States to which  
3           grants are paid under section 403 in the order of  
4           their success in placing recipients of assistance  
5           under the State program funded under this part into  
6           long-term private sector jobs, reducing the overall  
7           welfare caseload, and, when a practicable method for  
8           calculating this information becomes available, di-  
9           verting individuals from formally applying to the  
10          State program and receiving assistance. In ranking  
11          States under this subsection, the Secretary shall  
12          take into account the average number of minor chil-  
13          dren living at home in families in the State that  
14          have incomes below the poverty line and the amount  
15          of funding provided each State for such families.

16          “(2) ANNUAL REVIEW OF MOST AND LEAST  
17          SUCCESSFUL WORK PROGRAMS.—The Secretary shall  
18          review the programs of the 3 States most recently  
19          ranked highest under paragraph (1) and the 3  
20          States most recently ranked lowest under paragraph  
21          (1) that provide parents with work experience, as-  
22          sistance in finding employment, and other work  
23          preparation activities and support services to enable  
24          the families of such parents to leave the program  
25          and become self-sufficient.



1       “(e) ANNUAL RANKING OF STATES AND REVIEW OF  
2 ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

3               “(1) ANNUAL RANKING OF STATES.—

4                       “(A) IN GENERAL.—The Secretary shall  
5 annually rank States to which grants are made  
6 under section 403 based on the following rank-  
7 ing factors:

8                               “(i) ABSOLUTE OUT-OF-WEDLOCK RA-  
9 TIOS.—The ratio represented by—

10                                       “(I) the total number of out-of-  
11 wedlock births in families receiving as-  
12 sistance under the State program  
13 under this part in the State for the  
14 most recent fiscal year for which in-  
15 formation is available; over

16                                       “(II) the total number of births  
17 in families receiving assistance under  
18 the State program under this part in  
19 the State for such year.

20                               “(ii) NET CHANGES IN THE OUT-OF-  
21 WEDLOCK RATIO.—The difference between  
22 the ratio described in subparagraph (A)(i)  
23 with respect to a State for the most recent  
24 fiscal year for which such information is

1 available and the ratio with respect to the  
2 State for the immediately preceding year.

3 “(2) ANNUAL REVIEW.—The Secretary shall re-  
4 view the programs of the 5 States most recently  
5 ranked highest under paragraph (1) and the 5  
6 States most recently ranked the lowest under para-  
7 graph (1).

8 “(f) STATE-INITIATED EVALUATIONS.—A State shall  
9 be eligible to receive funding to evaluate the State pro-  
10 gram funded under this part if—

11 “(1) the State submits a proposal to the Sec-  
12 retary for the evaluation;

13 “(2) the Secretary determines that the design  
14 and approach of the evaluation is rigorous and is  
15 likely to yield information that is credible and will  
16 be useful to other States, and

17 “(3) unless otherwise waived by the Secretary,  
18 the State contributes to the cost of the evaluation,  
19 from non-Federal sources, an amount equal to at  
20 least 10 percent of the cost of the evaluation.

21 “(g) REPORT ON CIRCUMSTANCES OF CERTAIN  
22 CHILDREN AND FAMILIES.—

23 “(1) IN GENERAL.—Beginning 3 years after the  
24 date of the enactment of this Act, the Secretary of  
25 Health and Human Services shall prepare and sub-

1       mit to the Committees on Ways and Means and on  
2       Economic and Educational Opportunities of the  
3       House of Representatives and to the Committees on  
4       Finance and on Labor and Resources of the Senate  
5       annual reports that examine in detail the matters  
6       described in paragraph (2) with respect to each of  
7       the following groups for the period after such enact-  
8       ment:

9               “(A) Individuals who were children in fam-  
10              ilies that have become ineligible for assistance  
11              under a State program funded under this part  
12              by reason of having reached a time limit on the  
13              provision of such assistance.

14             “(B) Families that include a child who is  
15              ineligible for assistance under a State program  
16              funded under this part by reason of section  
17              408(a)(2).

18             “(C) Children born after such date of en-  
19              actment to parents who, at the time of such  
20              birth, had not attained 20 years of age.

21             “(D) Individuals who, after such date of  
22              enactment, became parents before attaining 20  
23              years of age.

24             “(2) MATTERS DESCRIBED.—The matters de-  
25              scribed in this paragraph are the following:

1           “(A) The percentage of each group that  
2           has dropped out of secondary school (or the  
3           equivalent), and the percentage of each group  
4           at each level of educational attainment.

5           “(B) The percentage of each group that is  
6           employed.

7           “(C) The percentage of each group that  
8           has been convicted of a crime or has been adju-  
9           dicated as a delinquent.

10          “(D) The rate at which the members of  
11          each group are born, or have children, out-of-  
12          wedlock, and the percentage of each group that  
13          is married.

14          “(E) The percentage of each group that  
15          continues to participate in State programs  
16          funded under this part.

17          “(F) The percentage of each group that  
18          has health insurance provided by a private en-  
19          tity (broken down by whether the insurance is  
20          provided through an employer or otherwise), the  
21          percentage that has health insurance provided  
22          by an agency of government, and the percent-  
23          age that does not have health insurance.

24          “(G) The average income of the families of  
25          the members of each group.

1           “(H) Such other matters as the Secretary  
2           deems appropriate.

3           “(h) FUNDING OF STUDIES AND DEMONSTRA-  
4 TIONS.—

5           “(1) IN GENERAL.—Out of any money in the  
6           Treasury of the United States not otherwise appro-  
7           priated, there are appropriated \$15,000,000 for each  
8           fiscal year specified in section 403(a)(1) for the pur-  
9           pose of paying—

10           “(A) the cost of conducting the research  
11           described in subsection (a);

12           “(B) the cost of developing and evaluating  
13           innovative approaches for reducing welfare de-  
14           pendency and increasing the well-being of minor  
15           children under subsection (b);

16           “(C) the Federal share of any State-initi-  
17           ated study approved under subsection (f); and

18           “(D) an amount determined by the Sec-  
19           retary to be necessary to operate and evaluate  
20           demonstration projects, relating to this part,  
21           that are in effect or approved under section  
22           1115 as of September 30, 1995, and are contin-  
23           ued after such date.

24           “(2) ALLOCATION.—Of the amount appro-  
25           priated under paragraph (1) for a fiscal year—

1 spect to the State before the expiration (determined  
2 without regard to any extensions) of the waiver to  
3 the extent such amendments are inconsistent with  
4 the waiver.

5 “(2) WAIVERS GRANTED SUBSEQUENTLY.—Ex-  
6 cept as provided in paragraph (3), if any waiver  
7 granted to a State under section 1115 or otherwise  
8 which relates to the provision of assistance under a  
9 State plan under this part (as in effect on Septem-  
10 ber 30, 1995) is submitted to the Secretary before  
11 the date of the enactment of the Personal Respon-  
12 sibility and Work Opportunity Act of 1996 and ap-  
13 proved by the Secretary on or before July 1, 1997,  
14 and the State demonstrates to the satisfaction of the  
15 Secretary that the waiver will not result in Federal  
16 expenditures under title IV of this Act (as in effect  
17 without regard to the amendments made by the Per-  
18 sonal Responsibility and Work Opportunity Act of  
19 1996) that are greater than would occur in the ab-  
20 sence of the waiver, the amendments made by the  
21 Personal Responsibility and Work Opportunity Act  
22 of 1996 (other than by section 4103(d) of such Act)  
23 shall not apply with respect to the State before the  
24 expiration (determined without regard to any exten-  
25 sions) of the waiver to the extent the amendments

1 made by the Personal Responsibility and Work Op-  
2 portunity Act of 1996 are inconsistent with the  
3 waiver.

4 “(3) FINANCING LIMITATION.—Notwithstand-  
5 ing any other provision of law, beginning with fiscal  
6 year 1996, a State operating under a waiver de-  
7 scribed in paragraph (1) shall be entitled to payment  
8 under section 403 for the fiscal year, in lieu of any  
9 other payment provided for in the waiver.

10 “(b) STATE OPTION TO TERMINATE WAIVER.—

11 “(1) IN GENERAL.—A State may terminate a  
12 waiver described in subsection (a) before the expira-  
13 tion of the waiver.

14 “(2) REPORT.—A State which terminates a  
15 waiver under paragraph (1) shall submit a report to  
16 the Secretary summarizing the waiver and any avail-  
17 able information concerning the result or effect of  
18 the waiver.

19 “(3) HOLD HARMLESS PROVISION.—

20 “(A) IN GENERAL.—Notwithstanding any  
21 other provision of law, a State that, not later  
22 than the date described in subparagraph (B),  
23 submits a written request to terminate a waiver  
24 described in subsection (a) shall be held harm-

1 less for accrued cost neutrality liabilities in-  
2 curred under the waiver.

3 “(B) DATE DESCRIBED.—The date de-  
4 scribed in this subparagraph is 90 days follow-  
5 ing the adjournment of the first regular session  
6 of the State legislature that begins after the  
7 date of the enactment of the Personal Respon-  
8 sibility and Work Opportunity Act of 1996.

9 “(c) SECRETARIAL ENCOURAGEMENT OF CURRENT  
10 WAIVERS.—The Secretary shall encourage any State oper-  
11 ating a waiver described in subsection (a) to continue the  
12 waiver and to evaluate, using random sampling and other  
13 characteristics of accepted scientific evaluations, the result  
14 or effect of the waiver.

15 “(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A  
16 State may elect to continue 1 or more individual waivers  
17 described in subsection (a).

18 **“SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.**

19 “The programs under this part and part D shall be  
20 administered by an Assistant Secretary for Family Sup-  
21 port within the Department of Health and Human Serv-  
22 ices, who shall be appointed by the President, by and with  
23 the advice and consent of the Senate, and who shall be  
24 in addition to any other Assistant Secretary of Health and  
25 Human Services provided for by law.



1 **“SEC. 417. LIMITATION ON FEDERAL AUTHORITY.**

2 “No officer or employee of the Federal Government  
3 may regulate the conduct of States under this part or en-  
4 force any provision of this part, except to the extent ex-  
5 pressly provided in this part.”; and

6 (2) by inserting after such section 418 the fol-  
7 lowing:

8 **“SEC. 419. DEFINITIONS.**

9 “As used in this part:

10 “(1) ADULT.—The term ‘adult’ means an indi-  
11 vidual who is not a minor child.

12 “(2) MINOR CHILD.—The term ‘minor child’  
13 means an individual who—

14 “(A) has not attained 18 years of age; or

15 “(B) has not attained 19 years of age and  
16 is a full-time student in a secondary school (or  
17 in the equivalent level of vocational or technical  
18 training).

19 “(3) FISCAL YEAR.—The term ‘fiscal year’  
20 means any 12-month period ending on September 30  
21 of a calendar year.

22 “(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGA-  
23 NIZATION.—

24 “(A) IN GENERAL.—Except as provided in  
25 subparagraph (B), the terms ‘Indian’, ‘Indian  
26 tribe’, and ‘tribal organization’ have the mean-

1 ing given such terms by section 4 of the Indian  
2 Self-Determination and Education Assistance  
3 Act (25 U.S.C. 450b).

4 “(B) SPECIAL RULE FOR INDIAN TRIBES  
5 IN ALASKA.—The term ‘Indian tribe’ means,  
6 with respect to the State of Alaska, only the  
7 Metlakatla Indian Community of the Annette  
8 Islands Reserve and the following Alaska Native  
9 regional nonprofit corporations:

10 “(i) Arctic Slope Native Association.

11 “(ii) Kawerak, Inc.

12 “(iii) Maniilaq Association.

13 “(iv) Association of Village Council  
14 Presidents.

15 “(v) Tanana Chiefs Conference.

16 “(vi) Cook Inlet Tribal Council.

17 “(vii) Bristol Bay Native Association.

18 “(viii) Aleutian and Pribilof Island  
19 Association.

20 “(ix) Chugachmuit.

21 “(x) Tlingit Haida Central Council.

22 “(xi) Kodiak Area Native Association.

23 “(xii) Copper River Native Associa-  
24 tion.

1           “(5) STATE.—Except as otherwise specifically  
2           provided, the term ‘State’ means the 50 States of  
3           the United States, the District of Columbia, the  
4           Commonwealth of Puerto Rico, the United States  
5           Virgin Islands, Guam, and American Samoa.”.

6           (b) GRANTS TO OUTLYING AREAS.—Section 1108  
7 (42 U.S.C. 1308) is amended—

8           (1) by redesignating subsection (c) as sub-  
9           section (g);

10           (2) by striking all that precedes subsection (c)  
11           and inserting the following:

12           **“SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE**  
13                           **VIRGIN ISLANDS, GUAM, AND AMERICAN**  
14                           **SAMOA; LIMITATION ON TOTAL PAYMENTS.**

15           “(a) LIMITATION ON TOTAL PAYMENTS TO EACH  
16           TERRITORY.—Notwithstanding any other provision of this  
17           Act, the total amount certified by the Secretary of Health  
18           and Human Services under titles I, X, XIV, and XVI,  
19           under parts A, B, and E of title IV, and under subsection  
20           (b) of this section, for payment to any territory for a fiscal  
21           year shall not exceed the ceiling amount for the territory  
22           for the fiscal year.

23           “(b) ENTITLEMENT TO MATCHING GRANT.—

24           “(1) IN GENERAL.—Each territory shall be en-  
25           titled to receive from the Secretary for each fiscal

1 year a grant in an amount equal to 75 percent of  
2 the amount (if any) by which—

3 “(A) the total expenditures of the territory  
4 during the fiscal year under the territory pro-  
5 grams funded under parts A, B, and E of title  
6 IV; exceeds

7 “(B) the sum of—

8 “(i) the total amount required to be  
9 paid to the territory (other than with re-  
10 spect to child care) under former section  
11 403 (as in effect on September 30, 1995)  
12 for fiscal year 1995, which shall be deter-  
13 mined by applying subparagraphs (C) and  
14 (D) of section 403(a)(1) to the territory;

15 “(ii) the total amount required to be  
16 paid to the territory under former section  
17 434 (as so in effect) for fiscal year 1995;  
18 and

19 “(iii) the total amount expended by  
20 the territory during fiscal year 1995 pur-  
21 suant to parts A, B, and F of title IV (as  
22 so in effect), other than for child care.

23 “(2) USE OF GRANT.—Any territory to which a  
24 grant is made under paragraph (1) may expend the  
25 amount under any program operated or funded

1 under any provision of law specified in subsection  
2 (a).

3 “(c) DEFINITIONS.—As used in this section:

4 “(1) TERRITORY.—The term ‘territory’ means  
5 Puerto Rico, the Virgin Islands, Guam, and Amer-  
6 ican Samoa.

7 “(2) CEILING AMOUNT.—The term ‘ceiling  
8 amount’ means, with respect to a territory and a fis-  
9 cal year, the mandatory ceiling amount with respect  
10 to the territory plus the discretionary ceiling amount  
11 with respect to the territory, reduced for the fiscal  
12 year in accordance with subsection (f).

13 “(3) MANDATORY CEILING AMOUNT.—The term  
14 ‘mandatory ceiling amount’ means—

15 “(A) \$105,538,000 with respect to for  
16 Puerto Rico;

17 “(B) \$4,902,000 with respect to Guam;

18 “(C) \$3,742,000 with respect to the Virgin  
19 Islands; and

20 “(D) \$1,122,000 with respect to American  
21 Samoa.

22 “(4) DISCRETIONARY CEILING AMOUNT.—The  
23 term ‘discretionary ceiling amount’ means, with re-  
24 spect to a territory and a fiscal year, the total

1 amount appropriated pursuant to subsection (d)(3)  
2 for the fiscal year for payment to the territory.

3 “(5) TOTAL AMOUNT EXPENDED BY THE TER-  
4 RITORY.—The term ‘total amount expended by the  
5 territory’—

6 “(A) does not include expenditures during  
7 the fiscal year from amounts made available by  
8 the Federal Government; and

9 “(B) when used with respect to fiscal year  
10 1995, also does not include—

11 “(i) expenditures during fiscal year  
12 1995 under subsection (g) or (i) of section  
13 402 (as in effect on September 30, 1995);  
14 or

15 “(ii) any expenditures during fiscal  
16 year 1995 for which the territory (but for  
17 section 1108, as in effect on September 30,  
18 1995) would have received reimbursement  
19 from the Federal Government.

20 “(d) DISCRETIONARY GRANTS.—

21 “(1) IN GENERAL.—The Secretary shall make a  
22 grant to each territory for any fiscal year in the  
23 amount appropriated pursuant to paragraph (3) for  
24 the fiscal year for payment to the territory.

1           “(2) USE OF GRANT.—Any territory to which a  
2           grant is made under paragraph (1) may expend the  
3           amount under any program operated or funded  
4           under any provision of law specified in subsection  
5           (a).

6           “(3) LIMITATION ON AUTHORIZATION OF AP-  
7           PROPRIATIONS.—For grants under paragraph (1),  
8           there are authorized to be appropriated to the Sec-  
9           retary for each fiscal year—

10           “(A) \$7,951,000 for payment to Puerto  
11           Rico;

12           “(B) \$345,000 for payment to Guam;

13           “(C) \$275,000 for payment to the Virgin  
14           Islands; and

15           “(D) \$190,000 for payment to American  
16           Samoa.

17           “(e) AUTHORITY TO TRANSFER FUNDS AMONG PRO-  
18           GRAMS.—Notwithstanding any other provision of this Act,  
19           any territory to which an amount is paid under any provi-  
20           sion of law specified in subsection (a) may use part or  
21           all of the amount to carry out any program operated by  
22           the territory, or funded, under any other such provision  
23           of law.

24           “(f) MAINTENANCE OF EFFORT.—The ceiling  
25           amount with respect to a territory shall be reduced for

1 a fiscal year by an amount equal to the amount (if any)  
2 by which—

3 “(1) the total amount expended by the territory  
4 under all programs of the territory operated pursu-  
5 ant to the provisions of law specified in subsection  
6 (a) (as such provisions were in effect for fiscal year  
7 1995) for fiscal year 1995; exceeds

8 “(2) the total amount expended by the territory  
9 under all programs of the territory that are funded  
10 under the provisions of law specified in subsection  
11 (a) for the fiscal year that immediately precedes the  
12 fiscal year referred to in the matter preceding para-  
13 graph (1).”; and

14 (3) by striking subsections (d) and (e).

15 (c) REPEAL OF PROVISIONS REQUIRING REDUCTION  
16 OF MEDICAID PAYMENTS TO STATES THAT REDUCE  
17 WELFARE PAYMENT LEVELS.—

18 (1) Section 1903(i) (42 U.S.C. 1396b(i)) is  
19 amended by striking paragraph (9).

20 (2) Section 1902 (42 U.S.C. 1396a) is amended  
21 by striking subsection (c).

22 (d) ELIMINATION OF CHILD CARE PROGRAMS  
23 UNDER THE SOCIAL SECURITY ACT.—



1 (1) AFDC AND TRANSITIONAL CHILD CARE  
2 PROGRAMS.—Section 402 (42 U.S.C. 602) is amend-  
3 ed by striking subsection (g).

4 (2) AT-RISK CHILD CARE PROGRAM.—

5 (A) AUTHORIZATION.—Section 402 (42  
6 U.S.C. 602) is amended by striking subsection  
7 (i).

8 (B) FUNDING PROVISIONS.—Section 403  
9 (42 U.S.C. 603) is amended by striking sub-  
10 section (n).

11 **SEC. 4104. SERVICES PROVIDED BY CHARITABLE, RELI-**  
12 **GIUS, OR PRIVATE ORGANIZATIONS.**

13 (a) IN GENERAL.—

14 (1) STATE OPTIONS.—A State may—

15 (A) administer and provide services under  
16 the programs described in subparagraphs (A)  
17 and (B)(i) of paragraph (2) through contracts  
18 with charitable, religious, or private organiza-  
19 tions; and

20 (B) provide beneficiaries of assistance  
21 under the programs described in subparagraphs  
22 (A) and (B)(ii) of paragraph (2) with certifi-  
23 cates, vouchers, or other forms of disbursement  
24 which are redeemable with such organizations.

1           (2) PROGRAMS DESCRIBED.—The programs de-  
2           scribed in this paragraph are the following pro-  
3           grams:

4                   (A) A State program funded under part A  
5                   of title IV of the Social Security Act (as amend-  
6                   ed by section 4103(a) of this Act).

7                   (B) Any other program established or  
8                   modified under subtitle A, B, or F of this title,  
9                   that—

10                           (i) permits contracts with organiza-  
11                           tions; or

12                           (ii) permits certificates, vouchers, or  
13                           other forms of disbursement to be provided  
14                           to beneficiaries, as a means of providing  
15                           assistance.

16           (b) RELIGIOUS ORGANIZATIONS.—The purpose of  
17           this section is to allow States to contract with religious  
18           organizations, or to allow religious organizations to accept  
19           certificates, vouchers, or other forms of disbursement  
20           under any program described in subsection (a)(2), on the  
21           same basis as any other nongovernmental provider without  
22           impairing the religious character of such organizations,  
23           and without diminishing the religious freedom of bene-  
24           ficiaries of assistance funded under such program.

1           (c) NONDISCRIMINATION AGAINST RELIGIOUS ORGA-  
2 NIZATIONS.—In the event a State exercises its authority  
3 under subsection (a), religious organizations are eligible,  
4 on the same basis as any other private organization, as  
5 contractors to provide assistance, or to accept certificates,  
6 vouchers, or other forms of disbursement, under any pro-  
7 gram described in subsection (a)(2) so long as the pro-  
8 grams are implemented consistent with the Establishment  
9 Clause of the United States Constitution. Except as pro-  
10 vided in subsection (k), neither the Federal Government  
11 nor a State receiving funds under such programs shall dis-  
12 criminate against an organization which is or applies to  
13 be a contractor to provide assistance, or which accepts cer-  
14 tificates, vouchers, or other forms of disbursement, on the  
15 basis that the organization has a religious character.

16           (d) RELIGIOUS CHARACTER AND FREEDOM.—

17           (1) RELIGIOUS ORGANIZATIONS.—A religious  
18 organization with a contract described in subsection  
19 (a)(1)(A), or which accepts certificates, vouchers, or  
20 other forms of disbursement under subsection  
21 (a)(1)(B), shall retain its independence from Fed-  
22 eral, State, and local governments, including such  
23 organization's control over the definition, develop-  
24 ment, practice, and expression of its religious beliefs.

1           (2) ADDITIONAL SAFEGUARDS.—Neither the  
2 Federal Government nor a State shall require a reli-  
3 gious organization to—

4                   (A) alter its form of internal governance;

5           or

6                   (B) remove religious art, icons, scripture,

7           or other symbols;

8           in order to be eligible to contract to provide assist-  
9           ance, or to accept certificates, vouchers, or other  
10          forms of disbursement, funded under a program de-  
11          scribed in subsection (a)(2).

12          (e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

13               (1) IN GENERAL.—If an individual described in  
14          paragraph (2) has an objection to the religious char-  
15          acter of the organization or institution from which  
16          the individual receives, or would receive, assistance  
17          funded under any program described in subsection  
18          (a)(2), the State in which the individual resides shall  
19          provide such individual (if otherwise eligible for such  
20          assistance) within a reasonable period of time after  
21          the date of such objection with assistance from an  
22          alternative provider that is accessible to the individ-  
23          ual and the value of which is not less than the value  
24          of the assistance which the individual would have re-  
25          ceived from such organization.

1           (2) INDIVIDUAL DESCRIBED.—An individual de-  
2           scribed in this paragraph is an individual who re-  
3           ceives, applies for, or requests to apply for, assist-  
4           ance under a program described in subsection (a)(2).

5           (f) EMPLOYMENT PRACTICES.—A religious organiza-  
6           tion's exemption provided under section 702 of the Civil  
7           Rights Act of 1964 (42 U.S.C. 2000e-1a) regarding em-  
8           ployment practices shall not be affected by its participa-  
9           tion in, or receipt of funds from, programs described in  
10          subsection (a)(2).

11          (g) NONDISCRIMINATION AGAINST BENE-  
12          FICIARIES.—Except as otherwise provided in law, a reli-  
13          gious organization shall not discriminate against an indi-  
14          vidual in regard to rendering assistance funded under any  
15          program described in subsection (a)(2) on the basis of reli-  
16          gion, a religious belief, or refusal to actively participate  
17          in a religious practice.

18          (h) FISCAL ACCOUNTABILITY.—

19                (1) IN GENERAL.—Except as provided in para-  
20                graph (2), any religious organization contracting to  
21                provide assistance funded under any program de-  
22                scribed in subsection (a)(2) shall be subject to the  
23                same regulations as other contractors to account in  
24                accord with generally accepted auditing principles

1 for the use of such funds provided under such pro-  
2 grams.

3 (2) LIMITED AUDIT.—If such organization seg-  
4 regates Federal funds provided under such programs  
5 into separate accounts, then only the financial as-  
6 sistance provided with such funds shall be subject to  
7 audit.

8 (i) COMPLIANCE.—Any party which seeks to enforce  
9 its rights under this section may assert a civil action for  
10 injunctive relief exclusively in an appropriate State court  
11 against the entity or agency that allegedly commits such  
12 violation.

13 (j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN  
14 PURPOSES.—No funds provided directly to institutions or  
15 organizations to provide services and administer programs  
16 under subsection (a)(1)(A) shall be expended for sectarian  
17 worship, instruction, or proselytization.

18 (k) PREEMPTION.—Nothing in this section shall be  
19 construed to preempt any provision of a State constitution  
20 or State statute that prohibits or restricts the expenditure  
21 of State funds in or by religious organizations.

22 **SEC. 4105. CENSUS DATA ON GRANDPARENTS AS PRIMARY**  
23 **CAREGIVERS FOR THEIR GRANDCHILDREN.**

24 (a) IN GENERAL.—Not later than 90 days after the  
25 date of the enactment of this Act, the Secretary of Com-

1 merce, in carrying out section 141 of title 13, United  
2 States Code, shall expand the data collection efforts of the  
3 Bureau of the Census (in this section referred to as the  
4 “Bureau”) to enable the Bureau to collect statistically sig-  
5 nificant data, in connection with its decennial census and  
6 its mid-decade census, concerning the growing trend of  
7 grandparents who are the primary caregivers for their  
8 grandchildren.

9 (b) EXPANDED CENSUS QUESTION.—In carrying out  
10 subsection (a), the Secretary of Commerce shall expand  
11 the Bureau’s census question that details households  
12 which include both grandparents and their grandchildren.  
13 The expanded question shall be formulated to distinguish  
14 between the following households:

15 (1) A household in which a grandparent tempo-  
16 rarily provides a home for a grandchild for a period  
17 of weeks or months during periods of parental dis-  
18 tress.

19 (2) A household in which a grandparent pro-  
20 vides a home for a grandchild and serves as the pri-  
21 mary caregiver for the grandchild.

22 **SEC. 4106. REPORT ON DATA PROCESSING.**

23 (a) IN GENERAL.—Within 6 months after the date  
24 of the enactment of this Act, the Secretary of Health and

1 Human Services shall prepare and submit to the Congress  
2 a report on—

3 (1) the status of the automated data processing  
4 systems operated by the States to assist manage-  
5 ment in the administration of State programs under  
6 part A of title IV of the Social Security Act (wheth-  
7 er in effect before or after October 1, 1995); and

8 (2) what would be required to establish a sys-  
9 tem capable of—

10 (A) tracking participants in public pro-  
11 grams over time; and

12 (B) checking case records of the States to  
13 determine whether individuals are participating  
14 in public programs of 2 or more States.

15 (b) PREFERRED CONTENTS.—The report required by  
16 subsection (a) should include—

17 (1) a plan for building on the automated data  
18 processing systems of the States to establish a sys-  
19 tem with the capabilities described in subsection  
20 (a)(2); and

21 (2) an estimate of the amount of time required  
22 to establish such a system and of the cost of estab-  
23 lishing such a system.



1 **SEC. 4107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.**

2 (a) **STUDY.**—The Secretary shall, in cooperation with  
3 the States, study and analyze outcomes measures for eval-  
4 uating the success of the States in moving individuals out  
5 of the welfare system through employment as an alter-  
6 native to the minimum participation rates described in  
7 section 407 of the Social Security Act. The study shall  
8 include a determination as to whether such alternative  
9 outcomes measures should be applied on a national or a  
10 State-by-State basis and a preliminary assessment of the  
11 effects of section 409(a)(7)(C) of such Act.

12 (b) **REPORT.**—Not later than September 30, 1998,  
13 the Secretary shall submit to the Committee on Finance  
14 of the Senate and the Committee on Ways and Means of  
15 the House of Representatives a report containing the find-  
16 ings of the study required by subsection (a).

17 **SEC. 4108. CONFORMING AMENDMENTS TO THE SOCIAL SE-**  
18 **CURITY ACT.**

19 (a) **AMENDMENTS TO TITLE II.**—

20 (1) Section 205(c)(2)(C)(vi) (42 U.S.C.  
21 405(c)(2)(C)(vi)), as so redesignated by section  
22 321(a)(9)(B) of the Social Security Independence  
23 and Program Improvements Act of 1994, is amend-  
24 ed—

1 (A) by inserting “an agency administering  
2 a program funded under part A of title IV or”  
3 before “an agency operating”; and

4 (B) by striking “A or D of title IV of this  
5 Act” and inserting “D of such title”.

6 (2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is  
7 amended by inserting “under a State program fund-  
8 ed under” before “part A of title IV”.

9 (b) AMENDMENTS TO PART D OF TITLE IV.—

10 (1) Section 451 (42 U.S.C. 651) is amended by  
11 striking “aid” and inserting “assistance under a  
12 State program funded”.

13 (2) Section 452(a)(10)(C) (42 U.S.C.  
14 652(a)(10)(C)) is amended—

15 (A) by striking “aid to families with de-  
16 pendent children” and inserting “assistance  
17 under a State program funded under part A”;

18 (B) by striking “such aid” and inserting  
19 “such assistance”; and

20 (C) by striking “under section 402(a)(26)  
21 or” and inserting “pursuant to section  
22 408(a)(4) or under section”.

23 (3) Section 452(a)(10)(F) (42 U.S.C.  
24 652(a)(10)(F)) is amended—

1 (A) by striking “aid under a State plan ap-  
2 proved” and inserting “assistance under a State  
3 program funded”; and

4 (B) by striking “in accordance with the  
5 standards referred to in section  
6 402(a)(26)(B)(ii)” and inserting “by the  
7 State”.

8 (4) Section 452(b) (42 U.S.C. 652(b)) is  
9 amended in the first sentence by striking “aid under  
10 the State plan approved under part A” and inserting  
11 “assistance under the State program funded under  
12 part A”.

13 (5) Section 452(d)(3)(B)(i) (42 U.S.C.  
14 652(d)(3)(B)(i)) is amended by striking “1115(c)”  
15 and inserting “1115(b)”.

16 (6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C.  
17 652(g)(2)(A)(ii)(I)) is amended by striking “aid is  
18 being paid under the State’s plan approved under  
19 part A or E” and inserting “assistance is being pro-  
20 vided under the State program funded under part  
21 A”.

22 (7) Section 452(g)(2)(A) (42 U.S.C.  
23 652(g)(2)(A)) is amended in the matter following  
24 clause (iii) by striking “aid was being paid under the  
25 State’s plan approved under part A or E” and in-

1       serting “assistance was being provided under the  
2       State program funded under part A”.

3           (8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is  
4       amended in the matter following subparagraph  
5       (B)—

6           (A) by striking “who is a dependent child”  
7       and inserting “with respect to whom assistance  
8       is being provided under the State program  
9       funded under part A”;

10          (B) by inserting “by the State” after  
11       “found”; and

12          (C) by striking “to have good cause for re-  
13       fusing to cooperate under section 402(a)(26)”  
14       and inserting “to qualify for a good cause or  
15       other exception to cooperation pursuant to sec-  
16       tion 454(29)”.

17       (9) Section 452(h) (42 U.S.C. 652(h)) is  
18       amended by striking “under section 402(a)(26)” and  
19       inserting “pursuant to section 408(a)(4)”.

20       (10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is  
21       amended by striking “aid under part A of this title”  
22       and inserting “assistance under a State program  
23       funded under part A”.

24       (11) Section 454(5)(A) (42 U.S.C. 654(5)(A))  
25       is amended—

1 (A) by striking “under section 402(a)(26)”  
2 and inserting “pursuant to section 408(a)(4)”;  
3 and

4 (B) by striking “; except that this para-  
5 graph shall not apply to such payments for any  
6 month following the first month in which the  
7 amount collected is sufficient to make such  
8 family ineligible for assistance under the State  
9 plan approved under part A;” and inserting a  
10 comma.

11 (12) Section 454(6)(D) (42 U.S.C. 654(6)(D))  
12 is amended by striking “aid under a State plan ap-  
13 proved” and inserting “assistance under a State pro-  
14 gram funded”.

15 (13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is  
16 amended by striking “under section 402(a)(26)”.

17 (14) Section 466(a)(3)(B) (42 U.S.C.  
18 666(a)(3)(B)) is amended by striking “402(a)(26)”  
19 and inserting “408(a)(3)”.

20 (15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is  
21 amended by striking “aid” and inserting “assistance  
22 under a State program funded”.

23 (16) Section 469(a) (42 U.S.C. 669(a)) is  
24 amended—

1                   (A) by striking “aid under plans approved”  
2                   and inserting “assistance under State programs  
3                   funded”; and

4                   (B) by striking “such aid” and inserting  
5                   “such assistance”.

6           (c) REPEAL OF PART F OF TITLE IV.—Part F of  
7 title IV (42 U.S.C. 681–687) is repealed.

8           (d) AMENDMENT TO TITLE X.—Section 1002(a)(7)  
9 (42 U.S.C. 1202(a)(7)) is amended by striking “aid to  
10 families with dependent children under the State plan ap-  
11 proved under section 402 of this Act” and inserting “as-  
12 sistance under a State program funded under part A of  
13 title IV”.

14           (e) AMENDMENTS TO TITLE XI.—

15                   (1) Section 1109 (42 U.S.C. 1309) is amended  
16                   by striking “or part A of title IV,”.

17                   (2) Section 1115 (42 U.S.C. 1315) is amend-  
18                   ed—

19                           (A) in subsection (a)(2)—

20                                   (i) by inserting “(A)” after “(2)”;

21                                   (ii) by striking “403,”;

22                                   (iii) by striking the period at the end  
23                                   and inserting “, and”; and

24                                   (iv) by adding at the end the following  
25                                   new subparagraph:

1           “(B) costs of such project which would not oth-  
2           erwise be a permissible use of funds under part A  
3           of title IV and which are not included as part of the  
4           costs of projects under section 1110, shall to the ex-  
5           tent and for the period prescribed by the Secretary,  
6           be regarded as a permissible use of funds under  
7           such part.”; and

8           (B) in subsection (c)(3), by striking “the  
9           program of aid to families with dependent chil-  
10          dren” and inserting “part A of such title”.

11          (3) Section 1116 (42 U.S.C. 1316) is amend-  
12          ed—

13           (A) in each of subsections (a)(1), (b), and  
14           (d), by striking “or part A of title IV,”; and

15           (B) in subsection (a)(3), by striking  
16           “404,”.

17          (4) Section 1118 (42 U.S.C. 1318) is amend-  
18          ed—

19           (A) by striking “403(a),”;

20           (B) by striking “and part A of title IV,”;

21          and

22           (C) by striking “, and shall, in the case of  
23           American Samoa, mean 75 per centum with re-  
24           spect to part A of title IV”.

1           (5) Section 1119 (42 U.S.C. 1319) is amend-  
2 ed—

3           (A) by striking “or part A of title IV”; and  
4           (B) by striking “403(a),”.

5           (6) Section 1133(a) (42 U.S.C. 1320b-3(a)) is  
6 amended by striking “or part A of title IV,”.

7           (7) Section 1136 (42 U.S.C. 1320b-6) is re-  
8 pealed.

9           (8) Section 1137 (42 U.S.C. 1320b-7) is  
10 amended—

11           (A) in subsection (b), by striking para-  
12 graph (1) and inserting the following:

13           “(1) any State program funded under part A of  
14 title IV of this Act;” and

15           (B) in subsection (d)(1)(B)—

16           (i) by striking “In this subsection—”  
17 and all that follows through “(ii) in” and  
18 inserting “In this subsection, in”;

19           (ii) by redesignating subclauses (I),  
20 (II), and (III) as clauses (i), (ii), and (iii);  
21 and

22           (iii) by moving such redesignated ma-  
23 terial 2 ems to the left.

24           (f) AMENDMENT TO TITLE XIV.—Section  
25 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking



1 “aid to families with dependent children under the State  
2 plan approved under section 402 of this Act” and insert-  
3 ing “assistance under a State program funded under part  
4 A of title IV”.

5 (g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH  
6 RESPECT TO THE TERRITORIES.—Section 1602(a)(11),  
7 as in effect without regard to the amendment made by  
8 section 301 of the Social Security Amendments of 1972  
9 (42 U.S.C. 1382 note), is amended by striking “aid under  
10 the State plan approved” and inserting “assistance under  
11 a State program funded”.

12 (h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH  
13 RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42  
14 U.S.C. 1382(c)(5)(A)) is amended to read as follows: “(A)  
15 a State program funded under part A of title IV,”.

16 (i) AMENDMENT TO TITLE XIX.—Section 1902(j)  
17 (42 U.S.C. 1396a(j)) is amended by striking “1108(c)”  
18 and inserting “1108(g)”.

19 **SEC. 4109. CONFORMING AMENDMENTS TO THE FOOD**  
20 **STAMP ACT OF 1977 AND RELATED PROVI-**  
21 **SIONS.**

22 (a) Section 5 of the Food Stamp Act of 1977 (7  
23 U.S.C. 2014) is amended—

24 (1) in the second sentence of subsection (a), by  
25 striking “plan approved” and all that follows

1 through “title IV of the Social Security Act” and in-  
2 serting “program funded under part A of title IV of  
3 the Social Security Act (42 U.S.C. 601 et seq.)”;

4 (2) in subsection (d)—

5 (A) in paragraph (5), by striking “assist-  
6 ance to families with dependent children” and  
7 inserting “assistance under a State program  
8 funded”; and

9 (B) by striking paragraph (13) and redesi-  
10 gnating paragraphs (14), (15), and (16) as  
11 paragraphs (13), (14), and (15), respectively;

12 (3) in subsection (j), by striking “plan approved  
13 under part A of title IV of such Act (42 U.S.C. 601  
14 et seq.)” and inserting “program funded under part  
15 A of title IV of the Act (42 U.S.C. 601 et seq.)”;  
16 and

17 (4) by striking subsection (m).

18 (b) Section 6 of such Act (7 U.S.C. 2015) is amend-  
19 ed—

20 (1) in subsection (c)(5), by striking “the State  
21 plan approved” and inserting “the State program  
22 funded”; and

23 (2) in subsection (e)(6), by striking “aid to  
24 families with dependent children” and inserting  
25 “benefits under a State program funded”.

1 (c) Section 16(g)(4) of such Act (7 U.S.C.  
2 2025(g)(4)) is amended by striking “State plans under the  
3 Aid to Families with Dependent Children Program under”  
4 and inserting “State programs funded under part A of”.

5 (d) Section 17 of such Act (7 U.S.C. 2026) is amend-  
6 ed—

7 (1) in the first sentence of subsection (b)(1)(A),  
8 by striking “to aid to families with dependent chil-  
9 dren under part A of title IV of the Social Security  
10 Act” and inserting “or are receiving assistance  
11 under a State program funded under part A of title  
12 IV of the Social Security Act (42 U.S.C. 601 et  
13 seq.)”; and

14 (2) in subsection (b)(3), by adding at the end  
15 the following new subparagraph:

16 “(I) The Secretary may not grant a waiver under this  
17 paragraph on or after October 1, 1995. Any reference in  
18 this paragraph to a provision of title IV of the Social Secu-  
19 rity Act shall be deemed to be a reference to such provision  
20 as in effect on September 30, 1995.”;

21 (e) Section 20 of such Act (7 U.S.C. 2029) is amend-  
22 ed—

23 (1) in subsection (a)(2)(B) by striking “operat-  
24 ing—” and all that follows through “(ii) any other”  
25 and inserting “operating any”; and

1 (2) in subsection (b)—

2 (A) in paragraph (1)—

3 (i) by striking “(b)(1) A household”  
4 and inserting “(b) A household”; and

5 (ii) in subparagraph (B), by striking  
6 “training program” and inserting “activ-  
7 ity”;

8 (B) by striking paragraph (2); and

9 (C) by redesignating subparagraphs (A)  
10 through (F) as paragraphs (1) through (6), re-  
11 spectively.

12 (f) Section 5(h)(1) of the Agriculture and Consumer  
13 Protection Act of 1973 (Public Law 93–186; 7 U.S.C.  
14 612c note) is amended by striking “the program for aid  
15 to families with dependent children” and inserting “the  
16 State program funded”.

17 (g) Section 9 of the National School Lunch Act (42  
18 U.S.C. 1758) is amended—

19 (1) in subsection (b)—

20 (A) in paragraph (2)(C)(ii)(II)—

21 (i) by striking “program for aid to  
22 families with dependent children” and in-  
23 serting “State program funded”; and

24 (ii) by inserting before the period at  
25 the end the following: “that the Secretary

1 determines complies with standards estab-  
2 lished by the Secretary that ensure that  
3 the standards under the State program are  
4 comparable to or more restrictive than  
5 those in effect on June 1, 1995”; and

6 (B) in paragraph (6)—

7 (i) in subparagraph (A)(ii)—

8 (I) by striking “an AFDC assist-  
9 ance unit (under the aid to families  
10 with dependent children program au-  
11 thorized” and inserting “a family  
12 (under the State program funded”;  
13 and

14 (II) by striking “, in a State”  
15 and all that follows through  
16 “9902(2))” and inserting “that the  
17 Secretary determines complies with  
18 standards established by the Secretary  
19 that ensure that the standards under  
20 the State program are comparable to  
21 or more restrictive than those in effect  
22 on June 1, 1995”; and

23 (ii) in subparagraph (B), by striking  
24 “aid to families with dependent children”  
25 and inserting “assistance under the State

1 program funded under part A of title IV of  
2 the Social Security Act (42 U.S.C. 601 et  
3 seq.) that the Secretary determines com-  
4 plies with standards established by the  
5 Secretary that ensure that the standards  
6 under the State program are comparable  
7 to or more restrictive than those in effect  
8 on June 1, 1995”; and

9 (2) in subsection (d)(2)(C)—

10 (A) by striking “program for aid to fami-  
11 lies with dependent children” and inserting  
12 “State program funded”; and

13 (B) by inserting before the period at the  
14 end the following: “that the Secretary deter-  
15 mines complies with standards established by  
16 the Secretary that ensure that the standards  
17 under the State program are comparable to or  
18 more restrictive than those in effect on June 1,  
19 1995”.

20 (h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition  
21 Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amend-  
22 ed—

23 (1) by striking “program for aid to families  
24 with dependent children established” and inserting  
25 “State program funded”; and

1           (2) by inserting before the semicolon the follow-  
2           ing: “that the Secretary determines complies with  
3           standards established by the Secretary that ensure  
4           that the standards under the State program are  
5           comparable to or more restrictive than those in ef-  
6           fect on June 1, 1995”.

7 **SEC. 4110. CONFORMING AMENDMENTS TO OTHER LAWS.**

8           (a) Subsection (b) of section 508 of the Unemploy-  
9           ment Compensation Amendments of 1976 (42 U.S.C.  
10          603a; Public Law 94-566; 90 Stat. 2689) is amended to  
11          read as follows:

12          “(b) PROVISION FOR REIMBURSEMENT OF EX-  
13          PENSES.—For purposes of section 455 of the Social Secu-  
14          rity Act, expenses incurred to reimburse State employment  
15          offices for furnishing information requested of such of-  
16          fices—

17                 “(1) pursuant to the third sentence of section  
18                 3(a) of the Act entitled ‘An Act to provide for the  
19                 establishment of a national employment system and  
20                 for cooperation with the States in the promotion of  
21                 such system, and for other purposes’, approved June  
22                 6, 1933 (29 U.S.C. 49b(a)), or

23                 “(2) by a State or local agency charged with  
24                 the duty of carrying a State plan for child support

1 approved under part D of title IV of the Social Se-  
2 curity Act,  
3 shall be considered to constitute expenses incurred in the  
4 administration of such State plan.”.

5 (b) Section 9121 of the Omnibus Budget Reconcili-  
6 ation Act of 1987 (42 U.S.C. 602 note) is repealed.

7 (c) Section 9122 of the Omnibus Budget Reconcili-  
8 ation Act of 1987 (42 U.S.C. 602 note) is repealed.

9 (d) Section 221 of the Housing and Urban-Rural Re-  
10 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-  
11 ment under AFDC of certain rental payments for federally  
12 assisted housing, is repealed.

13 (e) Section 159 of the Tax Equity and Fiscal Respon-  
14 sibility Act of 1982 (42 U.S.C. 602 note) is repealed.

15 (f) Section 202(d) of the Social Security Amendments  
16 of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

17 (g) Section 903 of the Stewart B. McKinney Home-  
18 less Assistance Amendments Act of 1988 (42 U.S.C.  
19 11381 note), relating to demonstration projects to reduce  
20 number of AFDC families in welfare hotels, is amended—

21 (1) in subsection (a), by striking “aid to fami-  
22 lies with dependent children under a State plan ap-  
23 proved” and inserting “assistance under a State pro-  
24 gram funded”; and



1           (2) in subsection (c), by striking “aid to fami-  
2           lies with dependent children in the State under a  
3           State plan approved” and inserting “assistance in  
4           the State under a State program funded”.

5           (h) The Higher Education Act of 1965 (20 U.S.C.  
6 1001 et seq.) is amended—

7           (1) in section 404C(c)(3) (20 U.S.C. 1070a–  
8           23(c)(3)), by striking “(Aid to Families with De-  
9           pendent Children)”; and

10           (2) in section 480(b)(2) (20 U.S.C.  
11 1087vv(b)(2)), by striking “aid to families with de-  
12           pendent children under a State plan approved” and  
13           inserting “assistance under a State program fund-  
14           ed”.

15           (i) The Carl D. Perkins Vocational and Applied Tech-  
16 nology Education Act (20 U.S.C. 2301 et seq.) is amend-  
17 ed—

18           (1) in section 231(d)(3)(A)(ii) (20 U.S.C.  
19 2341(d)(3)(A)(ii)), by striking “The program for aid  
20           to dependent children” and inserting “The State  
21           program funded”;

22           (2) in section 232(b)(2)(B) (20 U.S.C.  
23 2341a(b)(2)(B)), by striking “the program for aid to  
24           families with dependent children” and inserting “the  
25           State program funded”; and

1           (3) in section 521(14)(B)(iii) (20 U.S.C.  
2           2471(14)(B)(iii)), by striking “the program for aid  
3           to families with dependent children” and inserting  
4           “the State program funded”.

5           (j) The Elementary and Secondary Education Act of  
6           1965 (20 U.S.C. 2701 et seq.) is amended—

7           (1) in section 1113(a)(5) (20 U.S.C.  
8           6313(a)(5)), by striking “Aid to Families with De-  
9           pendent Children program” and inserting “State  
10          program funded under part A of title IV of the So-  
11          cial Security Act”;

12          (2) in section 1124(c)(5) (20 U.S.C.  
13          6333(c)(5)), by striking “the program of aid to fam-  
14          ilies with dependent children under a State plan ap-  
15          proved under” and inserting “a State program fund-  
16          ed under part A of”;

17          (3) in section 5203(b)(2) (20 U.S.C.  
18          7233(b)(2))—

19                 (A) in subparagraph (A)(xi), by striking  
20                 “Aid to Families with Dependent Children ben-  
21                 efits” and inserting “assistance under a State  
22                 program funded under part A of title IV of the  
23                 Social Security Act”; and

24                 (B) in subparagraph (B)(viii), by striking  
25                 “Aid to Families with Dependent Children” and

1           inserting “assistance under the State program  
2           funded under part A of title IV of the Social  
3           Security Act”.

4           (k) The 4th proviso of chapter VII of title I of Public  
5 Law 99–88 (25 U.S.C. 13d–1) is amended to read as fol-  
6 lows: “*Provided further*, That general assistance payments  
7 made by the Bureau of Indian Affairs shall be made—  
8           “(1) after April 29, 1985, and before October  
9           1, 1995, on the basis of Aid to Families with De-  
10          pendent Children (AFDC) standards of need; and  
11          “(2) on and after October 1, 1995, on the basis  
12          of standards of need established under the State  
13          program funded under part A of title IV of the So-  
14          cial Security Act,  
15 except that where a State ratably reduces its AFDC or  
16 State program payments, the Bureau shall reduce general  
17 assistance payments in such State by the same percentage  
18 as the State has reduced the AFDC or State program pay-  
19 ment.”.

20          (l) The Internal Revenue Code of 1986 (26 U.S.C.  
21 1 et seq.) is amended—

22           (1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by  
23          striking all that follows “agency as” and inserting  
24          “being eligible for financial assistance under part A  
25          of title IV of the Social Security Act and as having

1 continually received such financial assistance during  
2 the 90-day period which immediately precedes the  
3 date on which such individual is hired by the em-  
4 ployer.”;

5 (2) in section 3304(a)(16) (26 U.S.C.  
6 3304(a)(16)), by striking “eligibility for aid or serv-  
7 ices,” and all that follows through “children ap-  
8 proved” and inserting “eligibility for assistance, or  
9 the amount of such assistance, under a State pro-  
10 gram funded”;

11 (3) in section 6103(l)(7)(D)(i) (26 U.S.C.  
12 6103(l)(7)(D)(i)), by striking “aid to families with  
13 dependent children provided under a State plan ap-  
14 proved” and inserting “a State program funded”;

15 (4) in section 6103(l)(10) (26 U.S.C.  
16 6103(l)(10))—

17 (A) by striking “(c) or (d)” each place it  
18 appears and inserting “(c), (d), or (e)”;

19 (B) by adding at the end of subparagraph  
20 (B) the following new sentence: “Any return in-  
21 formation disclosed with respect to section  
22 6402(e) shall only be disclosed to officers and  
23 employees of the State agency requesting such  
24 information.”;

1           (5) in section 6103(p)(4) (26 U.S.C.  
2           6103(p)(4)), in the matter preceding subparagraph  
3           (A)—

4                   (A) by striking “(5), (10)” and inserting  
5                   “(5)”; and

6                   (B) by striking “(9), or (12)” and insert-  
7                   ing “(9), (10), or (12)”;

8           (6) in section 6334(a)(11)(A) (26 U.S.C.  
9           6334(a)(11)(A)), by striking “(relating to aid to  
10           families with dependent children)”;

11           (7) in section 6402 (26 U.S.C. 6402)—

12                   (A) in subsection (a), by striking “(c) and  
13                   (d)” and inserting “(c), (d), and (e)”;

14                   (B) by redesignating subsections (e)  
15                   through (i) as subsections (f) through (j), re-  
16                   spectively; and

17                   (C) by inserting after subsection (d) the  
18                   following:

19           “(e) COLLECTION OF OVERPAYMENTS UNDER TITLE  
20           IV—A OF THE SOCIAL SECURITY ACT.—The amount of  
21           any overpayment to be refunded to the person making the  
22           overpayment shall be reduced (after reductions pursuant  
23           to subsections (c) and (d), but before a credit against fu-  
24           ture liability for an internal revenue tax) in accordance  
25           with section 405(e) of the Social Security Act (concerning

1 recovery of overpayments to individuals under State plans  
2 approved under part A of title IV of such Act.”; and

3 (8) in section 7523(b)(3)(C) (26 U.S.C.  
4 7523(b)(3)(C)), by striking “aid to families with de-  
5 pendent children” and inserting “assistance under a  
6 State program funded under part A of title IV of the  
7 Social Security Act”.

8 (m) Section 3(b) of the Wagner-Peyser Act (29  
9 U.S.C. 49b(b)) is amended by striking “State plan ap-  
10 proved under part A of title IV” and inserting “State pro-  
11 gram funded under part A of title IV”.

12 (n) The Job Training Partnership Act (29 U.S.C.  
13 1501 et seq.) is amended—

14 (1) in section 4(29)(A)(i) (29 U.S.C.  
15 1503(29)(A)(i)), by striking “(42 U.S.C. 601 et  
16 seq.)”;

17 (2) in section 106(b)(6)(C) (29 U.S.C.  
18 1516(b)(6)(C)), by striking “State aid to families  
19 with dependent children records,” and inserting  
20 “records collected under the State program funded  
21 under part A of title IV of the Social Security Act,”;

22 (3) in section 121(b)(2) (29 U.S.C.  
23 1531(b)(2))—

1 (A) by striking “the JOBS program” and  
2 inserting “the work activities required under  
3 title IV of the Social Security Act”; and

4 (B) by striking the second sentence;  
5 (4) in section 123(c) (29 U.S.C. 1533(c))—

6 (A) in paragraph (1)(E), by repealing  
7 clause (vi); and

8 (B) in paragraph (2)(D), by repealing  
9 clause (v);

10 (5) in section 203(b)(3) (29 U.S.C.  
11 1603(b)(3)), by striking “, including recipients  
12 under the JOBS program”;

13 (6) in subparagraphs (A) and (B) of section  
14 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by  
15 striking “(such as the JOBS program)” each place  
16 it appears;

17 (7) in section 205(a) (29 U.S.C. 1605(a)), by  
18 striking paragraph (4) and inserting the following:

19 “(4) the portions of title IV of the Social Secu-  
20 rity Act relating to work activities;”;

21 (8) in section 253 (29 U.S.C. 1632)—

22 (A) in subsection (b)(2), by repealing sub-  
23 paragraph (C); and

1 (B) in paragraphs (1)(B) and (2)(B) of  
2 subsection (c), by striking “the JOBS program  
3 or” each place it appears;

4 (9) in section 264 (29 U.S.C. 1644)—

5 (A) in subparagraphs (A) and (B) of sub-  
6 section (b)(1), by striking “(such as the JOBS  
7 program)” each place it appears; and

8 (B) in subparagraphs (A) and (B) of sub-  
9 section (d)(3), by striking “and the JOBS pro-  
10 gram” each place it appears;

11 (10) in section 265(b) (29 U.S.C. 1645(b)), by  
12 striking paragraph (6) and inserting the following:

13 “(6) the portion of title IV of the Social Secu-  
14 rity Act relating to work activities;”;

15 (11) in the second sentence of section 429(e)  
16 (29 U.S.C. 1699(e)), by striking “and shall be in an  
17 amount that does not exceed the maximum amount  
18 that may be provided by the State pursuant to sec-  
19 tion 402(g)(1)(C) of the Social Security Act (42  
20 U.S.C. 602(g)(1)(C))”;

21 (12) in section 454(c) (29 U.S.C. 1734(c)), by  
22 striking “JOBS and”;

23 (13) in section 455(b) (29 U.S.C. 1735(b)), by  
24 striking “the JOBS program,”;



1           (14) in section 501(1) (29 U.S.C. 1791(1)), by  
2 striking “aid to families with dependent children  
3 under part A of title IV of the Social Security Act  
4 (42 U.S.C. 601 et seq.)” and inserting “assistance  
5 under the State program funded under part A of  
6 title IV of the Social Security Act”;

7           (15) in section 506(1)(A) (29 U.S.C.  
8 1791e(1)(A)), by striking “aid to families with de-  
9 pendent children” and inserting “assistance under  
10 the State program funded”;

11           (16) in section 508(a)(2)(A) (29 U.S.C.  
12 1791g(a)(2)(A)), by striking “aid to families with  
13 dependent children” and inserting “assistance under  
14 the State program funded”; and

15           (17) in section 701(b)(2)(A) (29 U.S.C.  
16 1792(b)(2)(A))—

17                   (A) in clause (v), by striking the semicolon  
18 and inserting “; and”; and

19                   (B) by striking clause (vi).

20           (o) Section 3803(c)(2)(C)(iv) of title 31, United  
21 States Code, is amended to read as follows:

22                   “(iv) assistance under a State program funded  
23 under part A of title IV of the Social Security Act;”.

1 (p) Section 2605(b)(2)(A)(i) of the Low-Income  
2 Home Energy Assistance Act of 1981 (42 U.S.C.  
3 8624(b)(2)(A)(i)) is amended to read as follows:

4 “(i) assistance under the State pro-  
5 gram funded under part A of title IV of  
6 the Social Security Act;”.

7 (q) Section 303(f)(2) of the Family Support Act of  
8 1988 (42 U.S.C. 602 note) is amended—

9 (1) by striking “(A)”; and

10 (2) by striking subparagraphs (B) and (C).

11 (r) The Balanced Budget and Emergency Deficit  
12 Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

13 (1) in the first section 255(h) (2 U.S.C.  
14 905(h)), by striking “Aid to families with dependent  
15 children (75-0412-0-1-609);” and inserting “Block  
16 grants to States for temporary assistance for needy  
17 families;”; and

18 (2) in section 256 (2 U.S.C. 906)—

19 (A) by striking subsection (k); and

20 (B) by redesignating subsection (l) as sub-  
21 section (k).

22 (s) The Immigration and Nationality Act (8 U.S.C.  
23 1101 et seq.) is amended—

24 (1) in section 210(f) (8 U.S.C. 1160(f)), by  
25 striking “aid under a State plan approved under”

1 each place it appears and inserting “assistance  
2 under a State program funded under”;

3 (2) in section 245A(h) (8 U.S.C. 1255a(h))—

4 (A) in paragraph (1)(A)(i), by striking  
5 “program of aid to families with dependent chil-  
6 dren” and inserting “State program of assist-  
7 ance”; and

8 (B) in paragraph (2)(B), by striking “aid  
9 to families with dependent children” and insert-  
10 ing “assistance under a State program funded  
11 under part A of title IV of the Social Security  
12 Act”; and

13 (3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)),  
14 by striking “State plan approved” and inserting  
15 “State program funded”.

16 (t) Section 640(a)(4)(B)(i) of the Head Start Act (42  
17 U.S.C. 9835(a)(4)(B)(i)) is amended by striking “pro-  
18 gram of aid to families with dependent children under a  
19 State plan approved” and inserting “State program of as-  
20 sistance funded”.

21 (u) Section 9 of the Act of April 19, 1950 (64 Stat.  
22 47, chapter 92; 25 U.S.C. 639) is repealed.

23 (v) Subparagraph (E) of section 213(d)(6) of the  
24 School-To-Work Opportunities Act of 1994 (20 U.S.C.  
25 6143(d)(6)) is amended to read as follows:

1           “(E) part A of title IV of the Social Secu-  
2           rity Act (42 U.S.C. 601 et seq.) relating to  
3           work activities;”.

4           (w) Section 552a(a)(8)(B)(iv)(III) of title 5, United  
5 States Code, is amended by striking “section 464 or 1137  
6 of the Social Security Act” and inserting “section 404(e),  
7 464, or 1137 of the Social Security Act”.

8 **SEC. 4111. DEVELOPMENT OF PROTOTYPE OF COUNTER-**  
9 **FEIT-RESISTANT SOCIAL SECURITY CARD RE-**  
10 **QUIRED.**

11           (a) DEVELOPMENT.—

12           (1) IN GENERAL.—The Commissioner of Social  
13 Security (in this section referred to as the “Commis-  
14 sioner”) shall, in accordance with this section, de-  
15 velop a prototype of a counterfeit-resistant social se-  
16 curity card. Such prototype card shall—

17           (A) be made of a durable, tamper-resistant  
18 material such as plastic or polyester,

19           (B) employ technologies that provide secu-  
20 rity features, such as magnetic stripes,  
21 holograms, and integrated circuits, and

22           (C) be developed so as to provide individ-  
23 uals with reliable proof of citizenship or legal  
24 resident alien status.

1           (2) ASSISTANCE BY ATTORNEY GENERAL.—The  
2     Attorney General of the United States shall provide  
3     such information and assistance as the Commis-  
4     sioner deems necessary to enable the Commissioner  
5     to comply with this section.

6     (b) STUDY AND REPORT.—

7           (1) IN GENERAL.—The Commissioner shall con-  
8     duct a study and issue a report to Congress which  
9     examines different methods of improving the social  
10    security card application process.

11          (2) ELEMENTS OF STUDY.—The study shall in-  
12    clude an evaluation of the cost and work load impli-  
13    cations of issuing a counterfeit-resistant social secu-  
14    rity card for all individuals over a 3-, 5-, and 10-  
15    year period. The study shall also evaluate the fea-  
16    sibility and cost implications of imposing a user fee  
17    for replacement cards and cards issued to individ-  
18    uals who apply for such a card prior to the sched-  
19    uled 3-, 5-, and 10-year phase-in options.

20          (3) DISTRIBUTION OF REPORT.—The Commis-  
21    sioner shall submit copies of the report described in  
22    this subsection along with a facsimile of the proto-  
23    type card as described in subsection (a) to the Com-  
24    mittees on Ways and Means and Judiciary of the  
25    House of Representatives and the Committees on Fi-

1 nance and Judiciary of the Senate within 1 year  
2 after the date of the enactment of this Act.

3 **SEC. 4112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.**

4 (a) **IN GENERAL.**—Whenever an organization that  
5 accepts Federal funds under this title or the amendments  
6 made by this title (other than funds provided under title  
7 IV, XVI, or XX of the Social Security Act) makes any  
8 communication that in any way intends to promote public  
9 support or opposition to any policy of a Federal, State,  
10 or local government through any broadcasting station,  
11 newspaper, magazine, outdoor advertising facility, direct  
12 mailing, or any other type of general public advertising,  
13 such communication shall state the following: “This was  
14 prepared and paid for by an organization that accepts tax-  
15 payer dollars.”

16 (b) **FAILURE TO COMPLY.**—If an organization makes  
17 any communication described in subsection (a) and fails  
18 to provide the statement required by that subsection, such  
19 organization shall be ineligible to receive Federal funds  
20 under this title or the amendments made by this title.

21 (c) **DEFINITION.**—For purposes of this section, the  
22 term “organization” means an organization described in  
23 section 501(c) of the Internal Revenue Code of 1986.

24 (d) **EFFECTIVE DATES.**—This section shall take ef-  
25 fect—

1 (1) with respect to printed communications 1  
2 year after the date of enactment of this Act; and

3 (2) with respect to any other communication on  
4 the date of enactment of this Act.

5 **SEC. 4113. MODIFICATIONS TO THE JOB OPPORTUNITIES**  
6 **FOR CERTAIN LOW-INCOME INDIVIDUALS**  
7 **PROGRAM.**

8 Section 505 of the Family Support Act of 1988 (42  
9 U.S.C. 1315 note) is amended—

10 (1) in the heading, by striking “**DEMONSTRA-**  
11 **TION**”;

12 (2) by striking “demonstration” each place such  
13 term appears;

14 (3) in subsection (a), by striking “in each of  
15 fiscal years” and all that follows through “10” and  
16 inserting “shall enter into agreements with”;

17 (4) in subsection (b)(3), by striking “aid to  
18 families with dependent children under part A of  
19 title IV of the Social Security Act” and inserting  
20 “assistance under the program funded part A of title  
21 IV of the Social Security Act of the State in which  
22 the individual resides”;

23 (5) in subsection (c)—

24 (A) in paragraph (1)(C), by striking “aid  
25 to families with dependent children under title

1 IV of the Social Security Act” and inserting  
2 “assistance under a State program funded part  
3 A of title IV of the Social Security Act”;

4 (B) in paragraph (2), by striking “aid to  
5 families with dependent children under title IV  
6 of such Act” and inserting “assistance under a  
7 State program funded part A of title IV of the  
8 Social Security Act”;

9 (6) in subsection (d), by striking “job opportu-  
10 nities and basic skills training program (as provided  
11 for under title IV of the Social Security Act)” and  
12 inserting “the State program funded under part A  
13 of title IV of the Social Security Act”; and

14 (7) by striking subsections (e) through (g) and  
15 inserting the following:

16 “(e) AUTHORIZATION OF APPROPRIATIONS.—For the  
17 purpose of conducting projects under this section, there  
18 is authorized to be appropriated an amount not to exceed  
19 \$25,000,000 for any fiscal year.”.

20 **SEC. 4114. SECRETARIAL SUBMISSION OF LEGISLATIVE**  
21 **PROPOSAL FOR TECHNICAL AND CONFORM-**  
22 **ING AMENDMENTS.**

23 Not later than 90 days after the date of the enact-  
24 ment of this Act, the Secretary of Health and Human  
25 Services and the Commissioner of Social Security, in con-



1 sultation, as appropriate, with the heads of other Federal  
2 agencies, shall submit to the appropriate committees of  
3 Congress a legislative proposal proposing such technical  
4 and conforming amendments as are necessary to bring the  
5 law into conformity with the policy embodied in this sub-  
6 title.

7 **SEC. 4115. CONFORMING AMENDMENTS TO MEDICAID PRO-**  
8 **GRAM.**

9 (a) IN GENERAL.—Title XIX is amended—

10 (1) in section 1931, by inserting “subject to  
11 section 1931(a),” in subsection (a) after “under this  
12 title,” and by redesignating such section as section  
13 1932; and

14 (2) by inserting after section 1930 the following  
15 new section:

16 “CONTINUED APPLICATION OF STANDARDS AND METH-  
17 ODOLOGIES UNDER PART A OF TITLE IV FOR CER-  
18 TAIN INDIVIDUALS

19 “SEC. 1931. (a) For purposes of applying this title  
20 with respect to a State, notwithstanding any other provi-  
21 sion of this title—

22 “(1) except as provided in paragraphs (2)  
23 through (4), any reference in this title (or other pro-  
24 vision of law in relation to the operation of this title)  
25 to a provision of part A of title IV, or a State plan  
26 under such part, shall be considered a reference to

1 such provision or plan as in effect as of July 16,  
2 1996, with respect to the State and eligibility for  
3 medical assistance under this title shall be deter-  
4 mined as if such provision or plan (as in effect as  
5 of such date) remained in effect;

6 “(2) any reference in section 1902(a)(5) or  
7 1902(a)(55) to a State plan approved under part A  
8 of title IV shall be deemed a reference to a State  
9 program funded under such part;

10 “(3) a State may provide that any income  
11 standard under the State plan referred to in para-  
12 graph (1) may be increased over a period (beginning  
13 after July 16, 1996) by a percentage that does not  
14 exceed the percentage increase in the consumer price  
15 index for all urban consumers (all items; U.S. city  
16 average) over such period; and

17 “(4) in applying section 1925, medical assist-  
18 ance is required to be provided under such section  
19 only if it is required to be provided under section  
20 408(a)(13).

21 “(b) In the case of a waiver of a provision of part  
22 A of title IV in effect with respect to a State as of July  
23 16, 1996, if the waiver affects eligibility of individuals for  
24 medical assistance under this title, such waiver may con-  
25 tinue to be applied, at the option of the State, in relation

1 to this title after the date the waiver would otherwise ex-  
2 pire.”.

3 (b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C.  
4 1396a(a)) is amended—

5 (1) by striking “and” at the end of paragraph  
6 (61),

7 (2) by striking the period at the end of para-  
8 graph (62) and inserting “; and”, and

9 (3) by inserting after paragraph (62) the fol-  
10 lowing new paragraph:

11 “(63) provide for continuing to administer eligi-  
12 bility standards with respect to individuals who are  
13 (or seek to be) eligible for medical assistance based  
14 on the application of section 1931.”.

15 (c) CONFORMING AMENDMENTS.—(1) Section  
16 1902(e) (42 U.S.C. 1396a(e)) is amended by striking  
17 “if—” and all that follows and inserting the following: “if  
18 the State requires individuals described in subsection  
19 (l)(1) to apply for assistance under the State program  
20 funded under part A of title IV as a condition of applying  
21 for or receiving medical assistance under this title.”.

22 (2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended  
23 by striking paragraph (9).

24 **SEC. 4116. EFFECTIVE DATE; TRANSITION RULE.**

25 (a) EFFECTIVE DATES.—

1           (1) IN GENERAL.—Except as otherwise pro-  
2           vided in this subtitle, this subtitle and the amend-  
3           ments made by this subtitle shall take effect on July  
4           1, 1997.

5           (2) DELAYED EFFECTIVE DATE FOR CERTAIN  
6           PROVISIONS.—Notwithstanding any other provision  
7           of this section, paragraphs (2), (3), (4), (5), (8), and  
8           (10) of section 409(a) and section 411(a) of the So-  
9           cial Security Act (as added by the amendments  
10          made by section 4103(a) of this Act) shall not take  
11          effect with respect to a State until, and shall apply  
12          only with respect to conduct that occurs on or after,  
13          the later of—

14                   (A) July 1, 1997; or

15                   (B) the date that is 6 months after the  
16                   date the Secretary of Health and Human Serv-  
17                   ices receives from the State a plan described in  
18                   section 402(a) of the Social Security Act (as  
19                   added by such amendment).

20          (3) ELIMINATION OF CHILD CARE PROGRAMS.—  
21          The amendments made by section 4103(d) shall take  
22          effect on October 1, 1996.

23          (4) DEFINITIONS APPLICABLE TO NEW CHILD  
24          CARE ENTITLEMENT.—Sections 403(a)(1)(C),  
25          403(a)(1)(D), and 419(4) of the Social Security Act,

1 as added by the amendments made by section  
2 4103(a) of this Act, shall take effect on October 1,  
3 1996.

4 (b) TRANSITION RULES.—Effective on the date of  
5 the enactment of this Act:

6 (1) STATE OPTION TO ACCELERATE EFFECTIVE  
7 DATE.—

8 (A) IN GENERAL.—If the Secretary of  
9 Health and Human Services receives from a  
10 State a plan described in section 402(a) of the  
11 Social Security Act (as added by the amend-  
12 ment made by section 4103(a)(1) of this Act),  
13 then—

14 (i) on and after the date of such re-  
15 ceipt—

16 (I) except as provided in clause  
17 (ii), this subtitle and the amendments  
18 made by this subtitle (other than by  
19 section 4103(d) of this Act) shall  
20 apply with respect to the State; and

21 (II) the State shall be considered  
22 an eligible State for purposes of part  
23 A of title IV of the Social Security  
24 Act (as in effect pursuant to the

1 amendments made by such section  
2 4103(a)); and

3 (ii) during the period that begins on  
4 the date of such receipt and ends on June  
5 30, 1997, there shall remain in effect with  
6 respect to the State—

7 (I) section 403(h) of the Social  
8 Security Act (as in effect on Septem-  
9 ber 30, 1995); and

10 (II) all State reporting require-  
11 ments under parts A and F of title IV  
12 of the Social Security Act (as in effect  
13 on September 30, 1995), modified by  
14 the Secretary as appropriate, taking  
15 into account the State program under  
16 part A of title IV of the Social Secu-  
17 rity Act (as in effect pursuant to the  
18 amendments made by such section  
19 4103(a)).

20 (B) LIMITATIONS ON FEDERAL OBLIGA-  
21 TIONS.—

22 (i) UNDER AFDC PROGRAM.—The  
23 total obligations of the Federal Govern-  
24 ment to a State under part A of title IV  
25 of the Social Security Act (as in effect on

1           September 30, 1995) with respect to ex-  
2           penditures in fiscal year 1997 shall not ex-  
3           ceed an amount equal to the State family  
4           assistance grant.

5                   (ii) UNDER TEMPORARY FAMILY AS-  
6           SISTANCE       PROGRAM.—Notwithstanding  
7           section 403(a)(1) of the Social Security  
8           Act (as in effect pursuant to the amend-  
9           ments made by section 4103(a) of this  
10          Act), the total obligations of the Federal  
11          Government to a State under such section  
12          403(a)(1)—

13                   (I) for fiscal year 1996, shall be  
14          an amount equal to—

15                           (aa) the State family assist-  
16                           ance grant; multiplied by

17                                   (bb)  $\frac{1}{366}$  of the number of  
18                           days during the period that be-  
19                           gins on the date the Secretary of  
20                           Health and Human Services first  
21                           receives from the State a plan  
22                           described in section 402(a) of the  
23                           Social Security Act (as added by  
24                           the amendment made by section

1 4103(a)(1) of this Act) and ends  
2 on September 30, 1996; and

3 (II) for fiscal year 1997, shall be  
4 an amount equal to the lesser of—

5 (aa) the amount (if any) by  
6 which the State family assistance  
7 grant exceeds the total obliga-  
8 tions of the Federal Government  
9 to the State under part A of title  
10 IV of the Social Security Act (as  
11 in effect on September 30, 1995)  
12 with respect to expenditures in  
13 fiscal year 1997; or

14 (bb) the State family assist-  
15 ance grant, multiplied by  $\frac{1}{365}$  of  
16 the number of days during the  
17 period that begins on October 1,  
18 1996, or the date the Secretary  
19 of Health and Human Services  
20 first receives from the State a  
21 plan described in section 402(a)  
22 of the Social Security Act (as  
23 added by the amendment made  
24 by section 4103(a)(1) of this



1 Act), whichever is later, and ends  
2 on September 30, 1997.

3 (iii) CHILD CARE OBLIGATIONS EX-  
4 CLUDED IN DETERMINING FEDERAL AFDC  
5 OBLIGATIONS.—As used in this subpara-  
6 graph, the term “obligations of the Federal  
7 Government to the State under part A of  
8 title IV of the Social Security Act” does  
9 not include any obligation of the Federal  
10 Government with respect to child care ex-  
11 penditures by the State.

12 (C) SUBMISSION OF STATE PLAN FOR FIS-  
13 CAL YEAR 1996 OR 1997 DEEMED ACCEPTANCE  
14 OF GRANT LIMITATIONS AND FORMULA AND  
15 TERMINATION OF AFDC ENTITLEMENT.—The  
16 submission of a plan by a State pursuant to  
17 subparagraph (A) is deemed to constitute—

18 (i) the State’s acceptance of the grant  
19 reductions under subparagraph (B) (in-  
20 cluding the formula for computing the  
21 amount of the reduction); and

22 (ii) the termination of any entitlement  
23 of any individual or family to benefits or  
24 services under the State AFDC program.

1 (D) DEFINITIONS.—As used in this para-  
2 graph:

3 (i) STATE AFDC PROGRAM.—The term  
4 “State AFDC program” means the State  
5 program under parts A and F of title IV  
6 of the Social Security Act (as in effect on  
7 September 30, 1995).

8 (ii) STATE.—The term “State” means  
9 the 50 States and the District of Colum-  
10 bia.

11 (iii) STATE FAMILY ASSISTANCE  
12 GRANT.—The term “State family assist-  
13 ance grant” means the State family assist-  
14 ance grant (as defined in section  
15 403(a)(1)(B) of the Social Security Act, as  
16 added by the amendment made by section  
17 4103(a)(1) of this Act).

18 (2) CLAIMS, ACTIONS, AND PROCEEDINGS.—  
19 The amendments made by this subtitle shall not  
20 apply with respect to—

21 (A) powers, duties, functions, rights,  
22 claims, penalties, or obligations applicable to  
23 aid, assistance, or services provided before the  
24 effective date of this subtitle under the provi-  
25 sions amended; and

1           (B) administrative actions and proceedings  
2           commenced before such date, or authorized be-  
3           fore such date to be commenced, under such  
4           provisions.

5           (3) CLOSING OUT ACCOUNT FOR THOSE PRO-  
6           GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED  
7           BY THIS SUBTITLE.—In closing out accounts, Fed-  
8           eral and State officials may use scientifically accept-  
9           able statistical sampling techniques. Claims made  
10          with respect to State expenditures under a State  
11          plan approved under part A of title IV of the Social  
12          Security Act (as in effect on September 30, 1995)  
13          with respect to assistance or services provided on or  
14          before September 30, 1995, shall be treated as  
15          claims with respect to expenditures during fiscal  
16          year 1995 for purposes of reimbursement even if  
17          payment was made by a State on or after October  
18          1, 1995. Each State shall complete the filing of all  
19          claims under the State plan (as so in effect) within  
20          2 years after the date of the enactment of this Act.  
21          The head of each Federal department shall—

22                 (A) use the single audit procedure to re-  
23                 view and resolve any claims in connection with  
24                 the close out of programs under such State  
25                 plans; and

1 (B) reimburse States for any payments  
2 made for assistance or services provided during  
3 a prior fiscal year from funds for fiscal year  
4 1995, rather than from funds authorized by  
5 this subtitle.

6 (4) CONTINUANCE IN OFFICE OF ASSISTANT  
7 SECRETARY FOR FAMILY SUPPORT.—The individual  
8 who, on the day before the effective date of this sub-  
9 title, is serving as Assistant Secretary for Family  
10 Support within the Department of Health and  
11 Human Services shall, until a successor is appointed  
12 to such position—

13 (A) continue to serve in such position; and

14 (B) except as otherwise provided by law—

15 (i) continue to perform the functions  
16 of the Assistant Secretary for Family Sup-  
17 port under section 417 of the Social Secu-  
18 rity Act (as in effect before such effective  
19 date); and

20 (ii) have the powers and duties of the  
21 Assistant Secretary for Family Support  
22 under section 416 of the Social Security  
23 Act (as in effect pursuant to the amend-  
24 ment made by section 4103(a)(1) of this  
25 Act).

1 (c) TERMINATION OF ENTITLEMENT UNDER AFDC  
2 PROGRAM.—Effective October 1, 1996, no individual or  
3 family shall be entitled to any benefits or services under  
4 any State plan approved under part A or F of title IV  
5 of the Social Security Act (as in effect on September 30,  
6 1995).

## 7 **Subtitle B—Supplemental Security** 8 **Income**

### 9 **SEC. 4200. REFERENCE TO SOCIAL SECURITY ACT.**

10 Except as otherwise specifically provided, wherever in  
11 this subtitle an amendment is expressed in terms of an  
12 amendment to or repeal of a section or other provision,  
13 the reference shall be considered to be made to that sec-  
14 tion or other provision of the Social Security Act.

### 15 **CHAPTER 1—ELIGIBILITY RESTRICTIONS**

#### 16 **SEC. 4201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDI-** 17 **VIDUALS FOUND TO HAVE FRAUDULENTLY** 18 **MISREPRESENTED RESIDENCE IN ORDER TO** 19 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR** 20 **MORE STATES.**

21 (a) IN GENERAL.—Section 1611(e) (42 U.S.C.  
22 1382(e)), as amended by section 105(b)(4) of the Contract  
23 with America Advancement Act of 1996, is amended by  
24 redesignating paragraph (5) as paragraph (3) and by add-  
25 ing at the end the following new paragraph:

1           “(4)(A) No person shall be considered an eligible in-  
2     dividual or eligible spouse for purposes of this title during  
3     the 10-year period that begins on the date the person is  
4     convicted in Federal or State court of having made a  
5     fraudulent statement or representation with respect to the  
6     place of residence of the person in order to receive assist-  
7     ance simultaneously from 2 or more States under pro-  
8     grams that are funded under title IV, title XIX, or the  
9     Food Stamp Act of 1977, or benefits in 2 or more States  
10    under the supplemental security income program under  
11    this title.

12           “(B) As soon as practicable after the conviction of  
13    a person in a Federal or State court as described in sub-  
14    paragraph (A), an official of such court shall notify the  
15    Commissioner of such conviction.”.

16           (b) EFFECTIVE DATE.—The amendment made by  
17    this section shall take effect on the date of the enactment  
18    of this Act.

19    **SEC. 4202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**  
20                           **AND PROBATION AND PAROLE VIOLATORS.**

21           (a) IN GENERAL.—Section 1611(e) (42 U.S.C.  
22    1382(e)), as amended by section 4201(a) of this Act, is  
23    amended by adding at the end the following new para-  
24    graph:

1       “(5) No person shall be considered an eligible individ-  
2 ual or eligible spouse for purposes of this title with respect  
3 to any month if during such month the person is—

4               “(A) fleeing to avoid prosecution, or custody or  
5 confinement after conviction, under the laws of the  
6 place from which the person flees, for a crime, or an  
7 attempt to commit a crime, which is a felony under  
8 the laws of the place from which the person flees, or  
9 which, in the case of the State of New Jersey, is a  
10 high misdemeanor under the laws of such State; or

11               “(B) violating a condition of probation or pa-  
12 role imposed under Federal or State law.”.

13       (b) EXCHANGE OF INFORMATION.—Section 1611(e)  
14 (42 U.S.C. 1382(e)), as amended by section 4201(a) of  
15 this Act and subsection (a) of this section, is amended by  
16 adding at the end the following new paragraph:

17       “(6) Notwithstanding any other provision of law  
18 (other than section 6103 of the Internal Revenue Code  
19 of 1986), the Commissioner shall furnish any Federal,  
20 State, or local law enforcement officer, upon the written  
21 request of the officer, with the current address, Social Se-  
22 curity number, and photograph (if applicable) of any re-  
23 cipient of benefits under this title, if the officer furnishes  
24 the Commissioner with the name of the recipient, and  
25 other identifying information as reasonably required by

1 the Commissioner to establish the unique identity of the  
2 recipient, and notifies the Commissioner that—

3 “(A) the recipient—

4 “(i) is described in subparagraph (A) or  
5 (B) of paragraph (5); or

6 “(ii) has information that is necessary for  
7 the officer to conduct the officer’s official du-  
8 ties; and

9 “(B) the location or apprehension of the recipi-  
10 ent is within the officer’s official duties.”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall take effect on the date of the enactment  
13 of this Act.

14 **SEC. 4203. TREATMENT OF PRISONERS.**

15 (a) IMPLEMENTATION OF PROHIBITION AGAINST  
16 PAYMENT OF BENEFITS TO PRISONERS.—

17 (1) IN GENERAL.—Section 1611(e)(1) (42  
18 U.S.C. 1382(e)(1)) is amended by adding at the end  
19 the following new subparagraph:

20 “(I)(i) The Commissioner shall enter into an agree-  
21 ment, with any interested State or local institution de-  
22 scribed in clause (i) or (ii) of section 202(x)(1)(A) the pri-  
23 mary purpose of which is to confine individuals as de-  
24 scribed in section 202(x)(1)(A), under which—



1           “(I) the institution shall provide to the Com-  
2           missioner, on a monthly basis and in a manner spec-  
3           ified by the Commissioner, the names, social security  
4           account numbers, dates of birth, confinement com-  
5           mencement dates, and, to the extent available to the  
6           institution, such other identifying information con-  
7           cerning the inmates of the institution as the Com-  
8           missioner may require for the purpose of carrying  
9           out paragraph (1); and

10           “(II) the Commissioner shall pay to any such  
11           institution, with respect to each inmate of the insti-  
12           tution who is eligible for a benefit under this title for  
13           the month preceding the first month throughout  
14           which such inmate is in such institution and be-  
15           comes ineligible for such benefit as a result of the  
16           application of this subparagraph, \$400 if the institu-  
17           tion furnishes the information described in subclause  
18           (I) to the Commissioner within 30 days after the  
19           date such individual becomes an inmate of such in-  
20           stitution, or \$200 if the institution furnishes such  
21           information after 30 days after such date but within  
22           90 days after such date.

23           “(ii)(I) The provisions of section 552a of title 5,  
24           United States Code, shall not apply to any agreement en-

1 tered into under clause (i) or to information exchanged  
2 pursuant to such agreement.

3 “(II) The Commissioner is authorized to provide, on  
4 a reimbursable basis, information obtained pursuant to  
5 agreements entered into under clause (i) to any Federal  
6 or federally-assisted cash, food, or medical assistance pro-  
7 gram for eligibility purposes.

8 “(iii) The dollar amounts specified in clause (i)(II)  
9 shall be reduced by 50 percent if the Commissioner is also  
10 required to make a payment to the institution with respect  
11 to the same individual under an agreement entered into  
12 under section 202(x)(3)(B).

13 “(iv) Payments to institutions required by clause  
14 (i)(II) shall be made from funds otherwise available for  
15 the payment of benefits under this title and shall be treat-  
16 ed as direct spending for purposes of the Balanced Budget  
17 and Emergency Deficit Control Act of 1985.”.

18 (2) CONFORMING OASDI AMENDMENTS.—Sec-  
19 tion 202(x)(3) (42 U.S.C. 402(x)(3)) is amended—

20 (A) by inserting “(A)” after “(3)”; and

21 (B) by adding at the end the following new  
22 subparagraph:

23 “(B)(i) The Commissioner shall enter into an agree-  
24 ment, with any interested State or local institution de-  
25 scribed in clause (i) or (ii) of paragraph (1)(A) the pri-

1 mary purpose of which is to confine individuals as de-  
2 scribed in paragraph (1)(A), under which—

3           “(I) the institution shall provide to the Com-  
4 missioner, on a monthly basis and in a manner spec-  
5 ified by the Commissioner, the names, social security  
6 account numbers, dates of birth, confinement com-  
7 mencement dates, and, to the extent available to the  
8 institution, such other identifying information con-  
9 cerning the individuals confined in the institution as  
10 the Commissioner may require for the purpose of  
11 carrying out paragraph (1); and

12           “(II) the Commissioner shall pay to any such  
13 institution, with respect to each individual who is en-  
14 titled to a benefit under this title for the month pre-  
15 ceding the first month throughout which such indi-  
16 vidual is confined in such institution as described in  
17 paragraph (1)(A), \$400 if the institution furnishes  
18 the information described in subclause (I) to the  
19 Commissioner within 30 days after the date such in-  
20 dividual’s confinement in such institution begins, or  
21 \$200 if the institution furnishes such information  
22 after 30 days after such date but within 90 days  
23 after such date.

24           “(ii)(I) The provisions of section 552a of title 5,  
25 United States Code, shall not apply to any agreement en-

1 tered into under clause (i) or to information exchanged  
2 pursuant to such agreement.

3 “(II) The Commissioner is authorized to provide, on  
4 a reimbursable basis, information obtained pursuant to  
5 agreements entered into under clause (i) to any Federal  
6 or federally-assisted cash, food, or medical assistance pro-  
7 gram for eligibility purposes.

8 “(iii) The dollar amounts specified in clause (i)(II)  
9 shall be reduced by 50 percent if the Commissioner is also  
10 required to make a payment to the institution with respect  
11 to the same individual under an agreement entered into  
12 under section 1611(e)(1)(I).

13 “(iv) There shall be transferred from the Federal  
14 Old-Age and Survivors Insurance Trust Fund and the  
15 Federal Disability Insurance Trust Fund, as appropriate,  
16 such sums as may be necessary to enable the Commis-  
17 sioner to make payments to institutions required by clause  
18 (i)(II). Sums so transferred shall be treated as direct  
19 spending for purposes of the Balanced Budget and Emer-  
20 gency Deficit Control Act of 1985 and excluded from  
21 budget totals in accordance with section 13301 of the  
22 Budget Enforcement Act of 1990.”

23 (3) EFFECTIVE DATE.—The amendments made  
24 by this subsection shall apply to individuals whose  
25 period of confinement in an institution commences

1 on or after the first day of the seventh month begin-  
2 ning after the month in which this Act is enacted.

3 (b) ELIMINATION OF OASDI REQUIREMENT THAT  
4 CONFINEMENT STEM FROM CRIME PUNISHABLE BY IM-  
5 PRISONMENT FOR MORE THAN 1 YEAR.—

6 (1) IN GENERAL.—Section 202(x)(1)(A) (42  
7 U.S.C. 402(x)(1)(A)) is amended—

8 (A) in the matter preceding clause (i), by  
9 striking “during” and inserting “throughout”;

10 (B) in clause (i), by striking “pursuant”  
11 and all that follows through “imposed”;

12 (C) in clause (ii)(I), by striking “an of-  
13 fense punishable by imprisonment for more  
14 than 1 year” and inserting “a criminal of-  
15 fense”.

16 (2) EFFECTIVE DATE.—The amendments made  
17 by this subsection shall be effective with respect to  
18 benefits payable for months beginning more than  
19 180 days after the date of the enactment of this Act.

20 (c) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN  
21 THE COLLECTION OF INFORMATION RESPECTING PUBLIC  
22 INMATES.—

23 (1) STUDY.—The Commissioner of Social Secu-  
24 rity shall conduct a study of the desirability, feasibil-  
25 ity, and cost of—

1 (A) establishing a system under which  
2 Federal, State, and local courts would furnish  
3 to the Commissioner such information respect-  
4 ing court orders by which individuals are con-  
5 fined in jails, prisons, or other public penal,  
6 correctional, or medical facilities as the Com-  
7 missioner may require for the purpose of carry-  
8 ing out sections 202(x) and 1611(e)(1) of the  
9 Social Security Act; and

10 (B) requiring that State and local jails,  
11 prisons, and other institutions that enter into  
12 agreements with the Commissioner under sec-  
13 tion 202(x)(3)(B) or 1611(e)(1)(I) of the Social  
14 Security Act furnish the information required  
15 by such agreements to the Commissioner by  
16 means of an electronic or other sophisticated  
17 data exchange system.

18 (2) REPORT.—Not later than 1 year after the  
19 date of the enactment of this Act, the Commissioner  
20 of Social Security shall submit a report on the re-  
21 sults of the study conducted pursuant to this sub-  
22 section to the Committee on Finance of the Senate  
23 and the Committee on Ways and Means of the  
24 House of Representatives.

1 (d) ADDITIONAL REPORT TO CONGRESS.—Not later  
2 than October 1, 1998, the Commissioner of Social Secu-  
3 rity shall provide to the Committee on Finance of the Sen-  
4 ate and the Committee on Ways and Means of the House  
5 of Representatives a list of the institutions that are and  
6 are not providing information to the Commissioner under  
7 sections 202(x)(3)(B) and 1611(e)(1)(I) of the Social Se-  
8 curity Act (as added by this section).

9 **SEC. 4204. EFFECTIVE DATE OF APPLICATION FOR BENE-**  
10 **FITS.**

11 (a) IN GENERAL.—Subparagraphs (A) and (B) of  
12 section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended  
13 to read as follows:

14 “(A) the first day of the month following the  
15 date such application is filed, or

16 “(B) the first day of the month following the  
17 date such individual becomes eligible for such bene-  
18 fits with respect to such application.”

19 (b) SPECIAL RULE RELATING TO EMERGENCY AD-  
20 VANCE PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C.  
21 1383(a)(4)(A)) is amended—

22 (1) by inserting “for the month following the  
23 date the application is filed” after “is presumptively  
24 eligible for such benefits”; and

1           (2) by inserting “, which shall be repaid  
2 through proportionate reductions in such benefits  
3 over a period of not more than 6 months” before the  
4 semicolon.

5 (c) CONFORMING AMENDMENTS.—

6           (1) Section 1614(b) (42 U.S.C. 1382e(b)) is  
7 amended by striking “at the time the application or  
8 request is filed” and inserting “on the first day of  
9 the month following the date the application or re-  
10 quest is filed”.

11           (2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3))  
12 is amended by inserting “following the month” after  
13 “beginning with the month”.

14 (d) EFFECTIVE DATE.—

15           (1) IN GENERAL.—The amendments made by  
16 this section shall apply to applications for benefits  
17 under title XVI of the Social Security Act filed on  
18 or after the date of the enactment of this Act, with-  
19 out regard to whether regulations have been issued  
20 to implement such amendments.

21           (2) BENEFITS UNDER TITLE XVI.—For pur-  
22 poses of this subsection, the term “benefits under  
23 title XVI of the Social Security Act” includes sup-  
24 plementary payments pursuant to an agreement for  
25 Federal administration under section 1616(a) of the



1 Social Security Act, and payments pursuant to an  
2 agreement entered into under section 212(b) of Pub-  
3 lic Law 93-66.

4 **CHAPTER 2—BENEFITS FOR DISABLED**  
5 **CHILDREN**

6 **SEC. 4211. DEFINITION AND ELIGIBILITY RULES.**

7 (a) DEFINITION OF CHILDHOOD DISABILITY.—Sec-  
8 tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by  
9 section 105(b)(1) of the Contract with America Advance-  
10 ment Act of 1996, is amended—

11 (1) in subparagraph (A), by striking “An indi-  
12 vidual” and inserting “Except as provided in sub-  
13 paragraph (C), an individual”;

14 (2) in subparagraph (A), by striking “(or, in  
15 the case of an individual under the age of 18, if he  
16 suffers from any medically determinable physical or  
17 mental impairment of comparable severity)”;

18 (3) by redesignating subparagraphs (C) through  
19 (I) as subparagraphs (D) through (J), respectively;

20 (4) by inserting after subparagraph (B) the fol-  
21 lowing new subparagraph:

22 “(C)(i) An individual under the age of 18 shall be  
23 considered disabled for the purposes of this title if that  
24 individual has a medically determinable physical or mental  
25 impairment, which results in marked and severe functional

1 limitations, and which can be expected to result in death  
2 or which has lasted or can be expected to last for a contin-  
3 uous period of not less than 12 months.

4 “(ii) The Commissioner shall ensure that the com-  
5 bined effects of all physical or mental impairments of an  
6 individual are taken into account in determining whether  
7 an individual is disabled in accordance with clause (i).

8 “(iii) The Commissioner shall ensure that the regula-  
9 tions prescribed under this subparagraph provide for the  
10 evaluation of children who cannot be tested because of  
11 their young age.

12 “(iv) Notwithstanding the preceding provisions of  
13 this subparagraph, no individual under the age of 18 who  
14 engages in substantial gainful activity (determined in ac-  
15 cordance with regulations prescribed pursuant to subpara-  
16 graph (E)) may be considered to be disabled.”; and

17 (5) in subparagraph (F), as redesignated by  
18 paragraph (3), by striking “(D)” and inserting  
19 “(E)”.

20 (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

21 (1) MODIFICATION TO MEDICAL CRITERIA FOR  
22 EVALUATION OF MENTAL AND EMOTIONAL DIS-  
23 ORDERS.—The Commissioner of Social Security  
24 shall modify sections 112.00C.2. and  
25 112.02B.2.c.(2) of appendix 1 to subpart P of part

1 404 of title 20, Code of Federal Regulations, to  
2 eliminate references to maladaptive behavior in the  
3 domain of personal/behavioral function.

4 (2) DISCONTINUANCE OF INDIVIDUALIZED  
5 FUNCTIONAL ASSESSMENT.—The Commissioner of  
6 Social Security shall discontinue the individualized  
7 functional assessment for children set forth in sec-  
8 tions 416.924d and 416.924e of title 20, Code of  
9 Federal Regulations.

10 (c) MEDICAL IMPROVEMENT REVIEW STANDARD AS  
11 IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—

12 Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

13 (1) by redesignating subclauses (I) and (II) of  
14 clauses (i) and (ii) of subparagraph (B) as items  
15 (aa) and (bb), respectively;

16 (2) by redesignating clauses (i) and (ii) of sub-  
17 paragraphs (A) and (B) as subclauses (I) and (II),  
18 respectively;

19 (3) by redesignating subparagraphs (A) through  
20 (C) as clauses (i) through (iii), respectively;

21 (4) by inserting before clause (i) (as redesign-  
22 nated by paragraph (3)) the following new subpara-  
23 graph:

24 “(A) in the case of an individual who is age 18  
25 or older—”;

1           (5) by inserting after and below subparagraph  
2           (A)(iii) (as so redesignated) the following new sub-  
3           paragraph:

4           “(B) in the case of an individual who is under  
5           the age of 18—

6                   “(i) substantial evidence which dem-  
7                   onstrates that there has been medical improve-  
8                   ment in the individual’s impairment or com-  
9                   bination of impairments, and that such impair-  
10                   ment or combination of impairments no longer  
11                   results in marked and severe functional limita-  
12                   tions; or

13                   “(ii) substantial evidence which dem-  
14                   onstrates that, as determined on the basis of  
15                   new or improved diagnostic techniques or eval-  
16                   uations, the individual’s impairment or com-  
17                   bination of impairments, is not as disabling as  
18                   it was considered to be at the time of the most  
19                   recent prior decision that the individual was  
20                   under a disability or continued to be under a  
21                   disability, and such impairment or combination  
22                   of impairments does not result in marked and  
23                   severe functional limitations; or”;

24           (6) by redesignating subparagraph (D) as sub-  
25           paragraph (C) and by inserting in such subpara-

1 graph “in the case of any individual,” before “sub-  
2 stantial evidence”; and

3 (7) in the first sentence following subparagraph  
4 (C) (as redesignated by paragraph (6)), by—

5 (A) inserting “(i)” before “to restore”; and

6 (B) inserting “, or (ii) in the case of an in-  
7 dividual under the age of 18, to eliminate or  
8 improve the individual’s impairment or com-  
9 bination of impairments so that it no longer re-  
10 sults in marked and severe functional limita-  
11 tions” immediately before the period.

12 (d) EFFECTIVE DATES, ETC.—

13 (1) EFFECTIVE DATES.—

14 (A) SUBSECTIONS (a) AND (b).—

15 (i) IN GENERAL.—The provisions of,  
16 and amendments made by, subsections (a)  
17 and (b) shall apply to any individual who  
18 applies for, or whose claim is finally adju-  
19 dicated with respect to, benefits under title  
20 XVI of the Social Security Act on or after  
21 the date of the enactment of this Act,  
22 without regard to whether regulations have  
23 been issued to implement such provisions  
24 and amendments.

1 (ii) DETERMINATION OF FINAL ADJU-  
2 DICATION.—For purposes of clause (i), no  
3 individual's claim with respect to such ben-  
4 efits may be considered to be finally adju-  
5 dicated before such date of enactment if,  
6 on or after such date, there is pending a  
7 request for either administrative or judicial  
8 review with respect to such claim that has  
9 been denied in whole, or there is pending,  
10 with respect to such claim, readjudication  
11 by the Commissioner of Social Security  
12 pursuant to relief in a class action or im-  
13 plementation by the Commissioner of a  
14 court remand order.

15 (B) SUBSECTION (c).—The amendments  
16 made by subsection (c) shall apply with respect  
17 to benefits under title XVI of the Social Secu-  
18 rity Act for months beginning on or after the  
19 date of the enactment of this Act, without re-  
20 gard to whether regulations have been issued to  
21 implement such amendments.

22 (2) APPLICATION TO CURRENT RECIPIENTS.—

23 (A) ELIGIBILITY REDETERMINATIONS.—  
24 During the period beginning on the date of the  
25 enactment of this Act and ending on the date

1           which is 1 year after such date of enactment,  
2           the Commissioner of Social Security shall rede-  
3           termine the eligibility of any individual under  
4           age 18 who is eligible for supplemental security  
5           income benefits by reason of disability under  
6           title XVI of the Social Security Act as of the  
7           date of the enactment of this Act and whose  
8           eligibility for such benefits may terminate by  
9           reason of the provisions of, or amendments  
10          made by, subsections (a) and (b). With respect  
11          to any redetermination under this subpara-  
12          graph—

13                   (i) section 1614(a)(4) of the Social  
14                   Security Act (42 U.S.C. 1382c(a)(4)) shall  
15                   not apply;

16                   (ii) the Commissioner of Social Secu-  
17                   rity shall apply the eligibility criteria for  
18                   new applicants for benefits under title XVI  
19                   of such Act;

20                   (iii) the Commissioner shall give such  
21                   redetermination priority over all continuing  
22                   eligibility reviews and other reviews under  
23                   such title; and

24                   (iv) such redetermination shall be  
25                   counted as a review or redetermination

1 otherwise required to be made under sec-  
2 tion 208 of the Social Security Independ-  
3 ence and Program Improvements Act of  
4 1994 or any other provision of title XVI of  
5 the Social Security Act.

6 (B) GRANDFATHER PROVISION.—The pro-  
7 visions of, and amendments made by, sub-  
8 sections (a) and (b), and the redetermination  
9 under subparagraph (A), shall only apply with  
10 respect to the benefits of an individual de-  
11 scribed in subparagraph (A) for months begin-  
12 ning on or after the date of the redetermination  
13 with respect to such individual.

14 (C) NOTICE.—Not later than January 1,  
15 1997, the Commissioner of Social Security shall  
16 notify an individual described in subparagraph  
17 (A) of the provisions of this paragraph.

18 (3) REPORT.—The Commissioner of Social Se-  
19 curity shall report to the Congress regarding the  
20 progress made in implementing the provisions of,  
21 and amendments made by, this section on child dis-  
22 ability evaluations not later than 180 days after the  
23 date of the enactment of this Act.

24 (4) REGULATIONS.—Notwithstanding any other  
25 provision of law, the Commissioner of Social Secu-



1 rity shall submit for review to the committees of ju-  
2 risdiction in the Congress any final regulation per-  
3 taining to the eligibility of individuals under age 18  
4 for benefits under title XVI of the Social Security  
5 Act at least 45 days before the effective date of such  
6 regulation. The submission under this paragraph  
7 shall include supporting documentation providing a  
8 cost analysis, workload impact, and projections as to  
9 how the regulation will effect the future number of  
10 recipients under such title.

11 (5) BENEFITS UNDER TITLE XVI.—For pur-  
12 poses of this subsection, the term “benefits under  
13 title XVI of the Social Security Act” includes sup-  
14plementary payments pursuant to an agreement for  
15 Federal administration under section 1616(a) of the  
16 Social Security Act, and payments pursuant to an  
17 agreement entered into under section 212(b) of Pub-  
18 lic Law 93–66.

19 **SEC. 4212. ELIGIBILITY REDETERMINATIONS AND CON-**  
20 **TINUING DISABILITY REVIEWS.**

21 (a) CONTINUING DISABILITY REVIEWS RELATING TO  
22 CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.  
23 1382c(a)(3)(H)), as redesignated by section 4211(a)(3) of  
24 this Act, is amended—

25 (1) by inserting “(i)” after “(H)”; and

1           (2) by adding at the end the following new  
2       clause:

3       “(ii)(I) Not less frequently than once every 3 years,  
4 the Commissioner shall review in accordance with para-  
5 graph (4) the continued eligibility for benefits under this  
6 title of each individual who has not attained 18 years of  
7 age and is eligible for such benefits by reason of an im-  
8 pairment (or combination of impairments) which is likely  
9 to improve (or, at the option of the Commissioner, which  
10 is unlikely to improve).

11       “(II) A representative payee of a recipient whose case  
12 is reviewed under this clause shall present, at the time  
13 of review, evidence demonstrating that the recipient is,  
14 and has been, receiving treatment, to the extent consid-  
15 ered medically necessary and available, of the condition  
16 which was the basis for providing benefits under this title.

17       “(III) If the representative payee refuses to comply  
18 without good cause with the requirements of subclause  
19 (II), the Commissioner of Social Security shall, if the  
20 Commissioner determines it is in the best interest of the  
21 individual, promptly suspend payment of benefits to the  
22 representative payee, and provide for payment of benefits  
23 to an alternative representative payee of the individual or,  
24 if the interest of the individual under this title would be  
25 served thereby, to the individual.

1       “(IV) Subclause (II) shall not apply to the represent-  
2     ative payee of any individual with respect to whom the  
3     Commissioner determines such application would be inap-  
4     propriate or unnecessary. In making such determination,  
5     the Commissioner shall take into consideration the nature  
6     of the individual’s impairment (or combination of impair-  
7     ments). Section 1631(c) shall not apply to a finding by  
8     the Commissioner that the requirements of subclause (II)  
9     should not apply to an individual’s representative payee.”.

10       (b) DISABILITY ELIGIBILITY REDETERMINATIONS  
11     REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS  
12     OF AGE.—

13             (1) IN GENERAL.—Section 1614(a)(3)(H) (42  
14     U.S.C. 1382c(a)(3)(H)), as amended by subsection  
15     (a) of this section, is amended by adding at the end  
16     the following new clause:

17       “(iii) If an individual is eligible for benefits under this  
18     title by reason of disability for the month preceding the  
19     month in which the individual attains the age of 18 years,  
20     the Commissioner shall redetermine such eligibility—

21             “(I) during the 1-year period beginning on the  
22     individual’s 18th birthday; and

23             “(II) by applying the criteria used in determin-  
24     ing the initial eligibility for applicants who are age  
25     18 or older.

1 With respect to a redetermination under this clause, para-  
2 graph (4) shall not apply and such redetermination shall  
3 be considered a substitute for a review or redetermination  
4 otherwise required under any other provision of this sub-  
5 paragraph during that 1-year period.”.

6 (2) CONFORMING REPEAL.—Section 207 of the  
7 Social Security Independence and Program Improve-  
8 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.  
9 1516) is hereby repealed.

10 (c) CONTINUING DISABILITY REVIEW REQUIRED FOR  
11 LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H)  
12 (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections  
13 (a) and (b) of this section, is amended by adding at the  
14 end the following new clause:

15 “(iv)(I) Not later than 12 months after the birth of  
16 an individual, the Commissioner shall review in accordance  
17 with paragraph (4) the continuing eligibility for benefits  
18 under this title by reason of disability of such individual  
19 whose low birth weight is a contributing factor material  
20 to the Commissioner’s determination that the individual  
21 is disabled.

22 “(II) A review under subclause (I) shall be considered  
23 a substitute for a review otherwise required under any  
24 other provision of this subparagraph during that 12-  
25 month period.

1       “(III) A representative payee of a recipient whose  
2 case is reviewed under this clause shall present, at the  
3 time of review, evidence demonstrating that the recipient  
4 is, and has been, receiving treatment, to the extent consid-  
5 ered medically necessary and available, of the condition  
6 which was the basis for providing benefits under this title.

7       “(IV) If the representative payee refuses to comply  
8 without good cause with the requirements of subclause  
9 (III), the Commissioner of Social Security shall, if the  
10 Commissioner determines it is in the best interest of the  
11 individual, promptly suspend payment of benefits to the  
12 representative payee, and provide for payment of benefits  
13 to an alternative representative payee of the individual or,  
14 if the interest of the individual under this title would be  
15 served thereby, to the individual.

16       “(V) Subclause (III) shall not apply to the represent-  
17 ative payee of any individual with respect to whom the  
18 Commissioner determines such application would be inap-  
19 propriate or unnecessary. In making such determination,  
20 the Commissioner shall take into consideration the nature  
21 of the individual’s impairment (or combination of impair-  
22 ments). Section 1631(c) shall not apply to a finding by  
23 the Commissioner that the requirements of subclause (III)  
24 should not apply to an individual’s representative payee.”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to benefits for months beginning  
3 on or after the date of the enactment of this Act, without  
4 regard to whether regulations have been issued to imple-  
5 ment such amendments.

6 **SEC. 4213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

7 (a) DISPOSAL OF RESOURCES FOR LESS THAN FAIR  
8 MARKET VALUE.—

9 (1) IN GENERAL.—Section 1613(c) (42 U.S.C.  
10 1382b(c)) is amended to read as follows:

11 “Disposal of Resources for Less Than Fair Market Value

12 “(c)(1)(A)(i) If an individual who has not attained  
13 18 years of age (or any person acting on such individual’s  
14 behalf) disposes of resources of the individual for less than  
15 fair market value on or after the look-back date specified  
16 in clause (ii)(I), the individual is ineligible for benefits  
17 under this title for months during the period beginning  
18 on the date specified in clause (iii) and equal to the num-  
19 ber of months specified in clause (iv).

20 “(ii)(I) The look-back date specified in this subclause  
21 is a date that is 36 months before the date specified in  
22 subclause (II).

23 “(II) The date specified in this subclause is the date  
24 on which the individual applies for benefits under this title

1 or, if later, the date on which the disposal of the individ-  
2 ual's resources for less than fair market value occurs.

3       “(iii) The date specified in this clause is the first day  
4 of the first month that follows the month in which the  
5 individual's resources were disposed of for less than fair  
6 market value and that does not occur in any other period  
7 of ineligibility under this paragraph.

8       “(iv) The number of months of ineligibility under this  
9 clause for an individual shall be equal to—

10           “(I) the total, cumulative uncompensated value  
11 of all the individual's resources so disposed of on or  
12 after the look-back date specified in clause (ii)(I), di-  
13 vided by

14           “(II) the amount of the maximum monthly ben-  
15 efit payable under section 1611(b) to an eligible in-  
16 dividual for the month in which the date specified in  
17 clause (ii)(II) occurs.

18       “(B) An individual shall not be ineligible for benefits  
19 under this title by reason of subparagraph (A) if the Com-  
20 missioner determines that—

21           “(i) the individual intended to dispose of the re-  
22 sources at fair market value;

23           “(ii) the resources were transferred exclusively  
24 for a purpose other than to qualify for benefits  
25 under this title;

1           “(iii) all resources transferred for less than fair  
2           market value have been returned to the individual;  
3           or

4           “(iv) the denial of eligibility would work an  
5           undue hardship on the individual (as determined on  
6           the basis of criteria established by the Commissioner  
7           in regulations).

8           “(C) For purposes of this paragraph, in the case of  
9           a resource held by an individual in common with another  
10          person or persons in a joint tenancy, tenancy in common,  
11          or similar arrangement, the resource (or the affected por-  
12          tion of such resource) shall be considered to be disposed  
13          of by such individual when any action is taken, either by  
14          such individual or by any other person, that reduces or  
15          eliminates such individual’s ownership or control of such  
16          resource.

17          “(D)(i) Notwithstanding subparagraph (A), this sub-  
18          section shall not apply to a transfer of a resource to a  
19          trust if the portion of the trust attributable to such re-  
20          source is considered a resource available to the individual  
21          pursuant to subsection (e)(3) (or would be so considered,  
22          but for the application of subsection (e)(4)).

23          “(ii) In the case of a trust established by an individ-  
24          ual (within the meaning of subsection (e)(2)(A)), if from  
25          such portion of the trust (if any) that is considered a re-



1 source available to the individual pursuant to subsection  
2 (e)(3) (or would be so considered but for the application  
3 of subsection (e)(2)) or the residue of such portion upon  
4 the termination of the trust—

5           “(I) there is made a payment other than to or  
6           for the benefit of the individual, or

7           “(II) no payment could under any circumstance  
8           be made to the individual,

9 then the payment described in subclause (I) or the fore-  
10 closure of payment described in subclause (II) shall be  
11 considered a disposal of resources by the individual subject  
12 to this subsection, as of the date of such payment or fore-  
13 closure, respectively.

14           “(2)(A) At the time an individual (and the individ-  
15 ual’s eligible spouse, if any) applies for benefits under this  
16 title, and at the time the eligibility of an individual (and  
17 such spouse, if any) for such benefits is redetermined, the  
18 Commissioner of Social Security shall—

19           “(i) inform such individual of the provisions of  
20           paragraph (1) providing for a period of ineligibility  
21           for benefits under this title for individuals who make  
22           certain dispositions of resources for less than fair  
23           market value, and inform such individual that infor-  
24           mation obtained pursuant to clause (ii) will be made  
25           available to the State agency administering a State

1 plan approved under title XIX (as provided in sub-  
2 paragraph (B)); and

3 “(ii) obtain from such individual information  
4 which may be used in determining whether or not a  
5 period of ineligibility for such benefits would be re-  
6 quired by reason of paragraph (1).

7 “(B) The Commissioner of Social Security shall make  
8 the information obtained under subparagraph (A)(ii)  
9 available, on request, to any State agency administering  
10 a State plan approved under title XIX.

11 “(3) For purposes of this subsection—

12 “(A) the term ‘trust’ includes any legal instru-  
13 ment or device that is similar to a trust; and

14 “(B) the term ‘benefits under this title’ includes  
15 supplementary payments pursuant to an agreement  
16 for Federal administration under section 1616(a),  
17 and payments pursuant to an agreement entered  
18 into under section 212(b) of Public Law 93–66.”.

19 (2) EFFECTIVE DATE.—The amendment made  
20 by this subsection shall be effective with respect to  
21 transfers that occur at least 90 days after the date  
22 of the enactment of this Act.

23 (b) TREATMENT OF ASSETS HELD IN TRUST.—

1           (1) TREATMENT AS RESOURCE.—Section 1613  
2           (42 U.S.C. 1382) is amended by adding at the end  
3           the following new subsection:

4                           “Trusts

5           “(e)(1) In determining the resources of an individual  
6 who has not attained 18 years of age, the provisions of  
7 paragraph (3) shall apply to a trust established by such  
8 individual.

9           “(2)(A) For purposes of this subsection, an individual  
10 shall be considered to have established a trust if any assets  
11 of the individual were transferred to the trust.

12           “(B) In the case of an irrevocable trust to which the  
13 assets of an individual and the assets of any other person  
14 or persons were transferred, the provisions of this sub-  
15 section shall apply to the portion of the trust attributable  
16 to the assets of the individual.

17           “(C) This subsection shall apply without regard to—

18                   “(i) the purposes for which the trust is estab-  
19           lished;

20                   “(ii) whether the trustees have or exercise any  
21           discretion under the trust;

22                   “(iii) any restrictions on when or whether dis-  
23           tributions may be made from the trust; or

24                   “(iv) any restrictions on the use of distributions  
25           from the trust.

1       “(3)(A) In the case of a revocable trust, the corpus  
2 of the trust shall be considered a resource available to the  
3 individual.

4       “(B) In the case of an irrevocable trust, if there are  
5 any circumstances under which payment from the trust  
6 could be made to or for the benefit of the individual, the  
7 portion of the corpus from which payment to or for the  
8 benefit of the individual could be made shall be considered  
9 a resource available to the individual.

10       “(4) The Commissioner may waive the application of  
11 this subsection with respect to any individual if the Com-  
12 missioner determines, on the basis of criteria prescribed  
13 in regulations, that such application would work an undue  
14 hardship on such individual.

15       “(5) For purposes of this subsection—

16               “(A) the term ‘trust’ includes any legal instru-  
17 ment or device that is similar to a trust;

18               “(B) the term ‘corpus’ means all property and  
19 other interests held by the trust, including accumu-  
20 lated earnings and any other addition to such trust  
21 after its establishment (except that such term does  
22 not include any such earnings or addition in the  
23 month in which such earnings or addition is credited  
24 or otherwise transferred to the trust);

1           “(C) the term ‘asset’ includes any income or re-  
2 source of the individual, including—

3           “(i) any income otherwise excluded by sec-  
4 tion 1612(b);

5           “(ii) any resource otherwise excluded by  
6 this section; and

7           “(iii) any other payment or property that  
8 the individual is entitled to but does not receive  
9 or have access to because of action by—

10           “(I) such individual;

11           “(II) a person or entity (including a  
12 court) with legal authority to act in place  
13 of, or on behalf of, such individual; or

14           “(III) a person or entity (including a  
15 court) acting at the direction of, or upon  
16 the request of, such individual; and

17           “(D) the term ‘benefits under this title’ in-  
18 cludes supplementary payments pursuant to an  
19 agreement for Federal administration under section  
20 1616(a), and payments pursuant to an agreement  
21 entered into under section 212(b) of Public Law 93-  
22 66.”.

23           (2) TREATMENT AS INCOME.—Section  
24 1612(a)(2) (42 U.S.C. 1382a(a)(2)) is amended—

1 (A) by striking “and” at the end of sub-  
2 paragraph (E);

3 (B) by striking the period at the end of  
4 subparagraph (F) and inserting “; and”; and

5 (C) by adding at the end the following new  
6 subparagraph:

7 “(G) any earnings of, and additions to, the  
8 corpus of a trust (as defined in section 1613(f))  
9 established by an individual (within the mean-  
10 ing of section 1613(e)(2)(A)) and of which such  
11 individual is a beneficiary (other than a trust to  
12 which section 1613(e)(4) applies), except that  
13 in the case of an irrevocable trust, there shall  
14 exist circumstances under which payment from  
15 such earnings or additions could be made to, or  
16 for the benefit of, such individual.”.

17 (3) EFFECTIVE DATE.—The amendments made  
18 by this subsection shall take effect on the date which  
19 is 90 days after the date of the enactment of this  
20 Act, and shall apply to trusts established on or after  
21 such date.

22 (c) REQUIREMENT TO ESTABLISH ACCOUNT.—

23 (1) IN GENERAL.—Section 1631(a)(2) (42  
24 U.S.C. 1383(a)(2)) is amended—

1           (A) by redesignating subparagraphs (F)  
2           and (G) as subparagraphs (G) and (H), respec-  
3           tively; and

4           (B) by inserting after subparagraph (E)  
5           the following new subparagraph:

6           “(F)(i)(I) Each representative payee of an eligible in-  
7           dividual under the age of 18 who is eligible for the pay-  
8           ment of benefits described in subclause (II) shall establish  
9           on behalf of such individual an account in a financial insti-  
10          tution into which such benefits shall be paid, and shall  
11          thereafter maintain such account for use in accordance  
12          with clause (ii).

13          “(II) Benefits described in this subclause are past-  
14          due monthly benefits under this title (which, for purposes  
15          of this subclause, include State supplementary payments  
16          made by the Commissioner pursuant to an agreement  
17          under section 1616 or section 212(b) of Public Law 93-  
18          66) in an amount (after any withholding by the Commis-  
19          sioner for reimbursement to a State for interim assistance  
20          under subsection (g)) that exceeds the product of—

21               “(aa) 6, and

22               “(bb) the maximum monthly benefit payable  
23          under this title to an eligible individual.

1       “(ii)(I) A representative payee shall use funds in the  
2 account established under clause (i) to pay for allowable  
3 expenses described in subclause (II).

4       “(II) An allowable expense described in this subclause  
5 is an expense for—

6           “(aa) education or job skills training;

7           “(bb) personal needs assistance;

8           “(cc) special equipment;

9           “(dd) housing modification;

10          “(ee) medical treatment;

11          “(ff) therapy or rehabilitation; or

12          “(gg) any other item or service that the Com-  
13 missioner determines to be appropriate;

14 provided that such expense benefits such individual and,  
15 in the case of an expense described in item (bb), (cc), (dd),  
16 (ff), or (gg), is related to the impairment (or combination  
17 of impairments) of such individual.

18       “(III) The use of funds from an account established  
19 under clause (i) in any manner not authorized by this  
20 clause—

21           “(aa) by a representative payee shall be consid-  
22 ered a misapplication of benefits for all purposes of  
23 this paragraph, and any representative payee who  
24 knowingly misapplies benefits from such an account



1 shall be liable to the Commissioner in an amount  
2 equal to the total amount of such benefits; and

3 “(bb) by an eligible individual who is his or her  
4 own payee shall be considered a misapplication of  
5 benefits for all purposes of this paragraph and the  
6 total amount of such benefits so used shall be con-  
7 sidered to be the uncompensated value of a disposed  
8 resource and shall be subject to the provisions of  
9 section 1613(c).

10 “(IV) This clause shall continue to apply to funds in  
11 the account after the child has reached age 18, regardless  
12 of whether benefits are paid directly to the beneficiary or  
13 through a representative payee.

14 “(iii) The representative payee may deposit into the  
15 account established pursuant to clause (i)—

16 “(I) past-due benefits payable to the eligible in-  
17 dividual in an amount less than that specified in  
18 clause (i)(II), and

19 “(II) any other funds representing an under-  
20 payment under this title to such individual, provided  
21 that the amount of such underpayment is equal to  
22 or exceeds the maximum monthly benefit payable  
23 under this title to an eligible individual.

24 “(iv) The Commissioner of Social Security shall es-  
25 tablish a system for accountability monitoring whereby

1 such representative payee shall report, at such time and  
2 in such manner as the Commissioner shall require, on ac-  
3 tivity respecting funds in the account established pursuant  
4 to clause (i).”.

5 (2) EXCLUSION FROM RESOURCES.—Section  
6 1613(a) (42 U.S.C. 1382b(a)) is amended—

7 (A) by striking “and” at the end of para-  
8 graph (10);

9 (B) by striking the period at the end of  
10 paragraph (11) and inserting “; and”; and

11 (C) by inserting after paragraph (11) the  
12 following new paragraph:

13 “(12) any account, including accrued interest or  
14 other earnings thereon, established and maintained  
15 in accordance with section 1631(a)(2)(F).”.

16 (3) EXCLUSION FROM INCOME.—Section  
17 1612(b) (42 U.S.C. 1382a(b)) is amended—

18 (A) by striking “and” at the end of para-  
19 graph (19);

20 (B) by striking the period at the end of  
21 paragraph (20) and inserting “; and”; and

22 (C) by adding at the end the following new  
23 paragraph:

1           “(21) the interest or other earnings on any ac-  
2           count established and maintained in accordance with  
3           section 1631(a)(2)(F).”.

4           (4) EFFECTIVE DATE.—The amendments made  
5           by this subsection shall apply to payments made  
6           after the date of the enactment of this Act.

7 **SEC. 4214. REDUCTION IN CASH BENEFITS PAYABLE TO IN-**  
8                                   **STITUTIONALIZED INDIVIDUALS WHOSE MED-**  
9                                   **ICAL COSTS ARE COVERED BY PRIVATE IN-**  
10                                  **SURANCE.**

11           (a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C.  
12 1382(e)(1)(B)) is amended—

13           (1) by striking “title XIX, or” and inserting  
14           “title XIX,”; and

15           (2) by inserting “or, in the case of an eligible  
16           individual under the age of 18, receiving payments  
17           (with respect to such individual) under any health  
18           insurance policy issued by a private provider of such  
19           insurance” after “section 1614(f)(2)(B),”.

20           (b) EFFECTIVE DATE.—The amendment made by  
21           this section shall apply to benefits for months beginning  
22           90 or more days after the date of the enactment of this  
23           Act, without regard to whether regulations have been is-  
24           sued to implement such amendments.

1 **SEC. 4215. REGULATIONS.**

2       Within 3 months after the date of the enactment of  
3 this Act, the Commissioner of Social Security shall pre-  
4 scribe such regulations as may be necessary to implement  
5 the amendments made by this chapter.

6 **CHAPTER 3—ADDITIONAL ENFORCEMENT**  
7 **PROVISIONS**

8 **SEC. 4221. INSTALLMENT PAYMENT OF LARGE PAST-DUE**  
9 **SUPPLEMENTAL SECURITY INCOME BENE-**  
10 **FITS.**

11       (a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383)  
12 is amended by adding at the end the following new para-  
13 graph:

14       “(10)(A) If an individual is eligible for past-due  
15 monthly benefits under this title in an amount that (after  
16 any withholding for reimbursement to a State for interim  
17 assistance under subsection (g)) equals or exceeds the  
18 product of—

19               “(i) 12, and

20               “(ii) the maximum monthly benefit payable  
21 under this title to an eligible individual (or, if appro-  
22 priate, to an eligible individual and eligible spouse),  
23 then the payment of such past-due benefits (after any such  
24 reimbursement to a State) shall be made in installments  
25 as provided in subparagraph (B).

1       “(B)(i) The payment of past-due benefits subject to  
2 this subparagraph shall be made in not to exceed 3 install-  
3 ments that are made at 6-month intervals.

4       “(ii) Except as provided in clause (iii), the amount  
5 of each of the first and second installments may not exceed  
6 an amount equal to the product of clauses (i) and (ii) of  
7 subparagraph (A).

8       “(iii) In the case of an individual who has—

9               “(I) outstanding debt attributable to—

10                       “(aa) food,

11                       “(bb) clothing,

12                       “(cc) shelter, or

13                       “(dd) medically necessary services, supplies

14                       or equipment, or medicine; or

15               “(II) current expenses or expenses anticipated

16                       in the near term attributable to—

17                       “(aa) medically necessary services, supplies

18                       or equipment, or medicine, or

19                       “(bb) the purchase of a home, and

20 such debt or expenses are not subject to reimbursement  
21 by a public assistance program, the Secretary under title  
22 XVIII, a State plan approved under title XIX, or any pri-  
23 vate entity legally liable to provide payment pursuant to  
24 an insurance policy, pre-paid plan, or other arrangement,

1 the limitation specified in clause (ii) may be exceeded by  
2 an amount equal to the total of such debt and expenses.

3 “(C) This paragraph shall not apply to any individual  
4 who, at the time of the Commissioner’s determination that  
5 such individual is eligible for the payment of past-due  
6 monthly benefits under this title—

7 “(i) is afflicted with a medically determinable  
8 impairment that is expected to result in death within  
9 12 months; or

10 “(ii) is ineligible for benefits under this title  
11 and the Commissioner determines that such individ-  
12 ual is likely to remain ineligible for the next 12  
13 months.

14 “(D) For purposes of this paragraph, the term ‘bene-  
15 fits under this title’ includes supplementary payments pur-  
16 suant to an agreement for Federal administration under  
17 section 1616(a), and payments pursuant to an agreement  
18 entered into under section 212(b) of Public Law 93-66.”.

19 (b) CONFORMING AMENDMENT.—Section 1631(a)(1)  
20 (42 U.S.C. 1383(a)(1)) is amended by inserting “(subject  
21 to paragraph (10))” immediately before “in such install-  
22 ments”.

23 (c) EFFECTIVE DATE.—

24 (1) IN GENERAL.—The amendments made by  
25 this section are effective with respect to past-due

1 benefits payable under title XVI of the Social Secu-  
2 rity Act after the third month following the month  
3 in which this Act is enacted.

4 (2) BENEFITS PAYABLE UNDER TITLE XVI.—

5 For purposes of this subsection, the term “benefits  
6 payable under title XVI of the Social Security Act”  
7 includes supplementary payments pursuant to an  
8 agreement for Federal administration under section  
9 1616(a) of the Social Security Act, and payments  
10 pursuant to an agreement entered into under section  
11 212(b) of Public Law 93–66.

12 **SEC. 4222. RECOVERY OF SUPPLEMENTAL SECURITY IN-**  
13 **COME OVERPAYMENTS FROM SOCIAL SECU-**  
14 **RITY BENEFITS.**

15 (a) IN GENERAL.—Part A of title XI is amended by  
16 adding at the end the following new section:

17 “RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL  
18 SECURITY BENEFITS

19 “SEC. 1146. (a) IN GENERAL.—Whenever the Com-  
20 missioner of Social Security determines that more than  
21 the correct amount of any payment has been made to any  
22 person under the supplemental security income program  
23 authorized by title XVI, and the Commissioner is unable  
24 to make proper adjustment or recovery of the amount so  
25 incorrectly paid as provided in section 1631(b), the Com-  
26 missioner (notwithstanding section 207) may recover the

1 amount incorrectly paid by decreasing any amount which  
2 is payable under the Federal Old-Age and Survivors Insur-  
3 ance program or the Federal Disability Insurance pro-  
4 gram authorized by title II to that person or that person's  
5 estate.

6       “(b) NO EFFECT ON SSI BENEFIT ELIGIBILITY OR  
7 AMOUNT.—Notwithstanding subsections (a) and (b) of  
8 section 1611, in any case in which the Commissioner takes  
9 action in accordance with subsection (a) to recover an  
10 overpayment from any person, neither that person, nor  
11 any individual whose eligibility or benefit amount is deter-  
12 mined by considering any part of that person's income,  
13 shall, as a result of such action—

14               “(1) become eligible under the program of sup-  
15 plemental security income benefits under title XVI,  
16 or

17               “(2) if such person or individual is already so  
18 eligible, become eligible for increased benefits there-  
19 under.

20       “(c) PROGRAM UNDER TITLE XVI.—For purposes of  
21 this section, the term ‘supplemental security income pro-  
22 gram authorized by title XVI’ includes supplementary pay-  
23 ments pursuant to an agreement for Federal administra-  
24 tion under section 1616(a), and payments pursuant to an



1 agreement entered into under section 212(b) of Public  
2 Law 93-66.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 204 (42 U.S.C. 404) is amended by  
5 adding at the end the following new subsection:

6 “(g) For payments which are adjusted or withheld  
7 to recover an overpayment of supplemental security in-  
8 come benefits paid under title XVI (including State sup-  
9 plementary payments which were paid under an agreement  
10 pursuant to section 1616(a) or section 212(b) of Public  
11 Law 93-66), see section 1146.”.

12 (2) Section 1631(b) is amended by adding at  
13 the end the following new paragraph:

14 “(5) For the recovery of overpayments of benefits  
15 under this title from benefits payable under title II, see  
16 section 1146.”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall take effect on the date of the enactment  
19 of this Act and shall apply to overpayments outstanding  
20 on or after such date.

21 **SEC. 4223. REGULATIONS.**

22 Within 3 months after the date of the enactment of  
23 this Act, the Commissioner of Social Security shall pre-  
24 scribe such regulations as may be necessary to implement  
25 the amendments made by this chapter.

1     **CHAPTER 4—STATE SUPPLEMENTATION**  
2                     **PROGRAMS**

3     **SEC. 4225. REPEAL OF MAINTENANCE OF EFFORT RE-**  
4                     **QUIREMENTS APPLICABLE TO OPTIONAL**  
5                     **STATE PROGRAMS FOR SUPPLEMENTATION**  
6                     **OF SSI BENEFITS.**

7             Section 1618 (42 U.S.C. 1382g) is hereby repealed.

8     **CHAPTER 5—STUDIES REGARDING SUP-**  
9                     **PLEMENTAL SECURITY INCOME PRO-**  
10                    **GRAM**

11     **SEC. 4231. ANNUAL REPORT ON THE SUPPLEMENTAL SECU-**  
12                     **RITY INCOME PROGRAM.**

13             Title XVI (42 U.S.C. 1381 et seq.), as amended by  
14 section 4201(c) of this Act, is amended by adding at the  
15 end the following new section:

16                     “ANNUAL REPORT ON PROGRAM

17             “SEC. 1637. (a) Not later than May 30 of each year,  
18 the Commissioner of Social Security shall prepare and de-  
19 liver a report annually to the President and the Congress  
20 regarding the program under this title, including—

21                     “(1) a comprehensive description of the pro-  
22             gram;

23                     “(2) historical and current data on allowances  
24             and denials, including number of applications and  
25             allowance rates for initial determinations, reconsid-  
26             eration determinations, administrative law judge

1       hearings, appeals council reviews, and Federal court  
2       decisions;

3             “(3) historical and current data on characteris-  
4       tics of recipients and program costs, by recipient  
5       group (aged, blind, disabled adults, and disabled  
6       children);

7             “(4) projections of future number of recipients  
8       and program costs, through at least 25 years;

9             “(5) number of redeterminations and continu-  
10       ing disability reviews, and the outcomes of such re-  
11       determinations and reviews;

12            “(6) data on the utilization of work incentives;

13            “(7) detailed information on administrative and  
14       other program operation costs;

15            “(8) summaries of relevant research undertaken  
16       by the Social Security Administration, or by other  
17       researchers;

18            “(9) State supplementation program operations;

19            “(10) a historical summary of statutory  
20       changes to this title; and

21            “(11) such other information as the Commis-  
22       sioner deems useful.

23       “(b) Each member of the Social Security Advisory  
24       Board shall be permitted to provide an individual report,  
25       or a joint report if agreed, of views of the program under

1 this title, to be included in the annual report required  
2 under this section.”.

3 **SEC. 4232. STUDY OF DISABILITY DETERMINATION PROC-**  
4 **ESS.**

5 (a) **IN GENERAL.**—Not later than 90 days after the  
6 date of the enactment of this Act, and from funds other-  
7 wise appropriated, the Commissioner of Social Security  
8 shall make arrangements with the National Academy of  
9 Sciences, or other independent entity, to conduct a study  
10 of the disability determination process under titles II and  
11 XVI of the Social Security Act. This study shall be under-  
12 taken in consultation with professionals representing ap-  
13 propriate disciplines.

14 (b) **STUDY COMPONENTS.**—The study described in  
15 subsection (a) shall include—

16 (1) an initial phase examining the appropriate-  
17 ness of, and making recommendations regarding—

18 (A) the definitions of disability in effect on  
19 the date of the enactment of this Act and the  
20 advantages and disadvantages of alternative  
21 definitions; and

22 (B) the operation of the disability deter-  
23 mination process, including the appropriate  
24 method of performing comprehensive assess-

1           ments of individuals under age 18 with physical  
2           and mental impairments;

3           (2) a second phase, which may be concurrent  
4           with the initial phase, examining the validity, reli-  
5           ability, and consistency with current scientific knowl-  
6           edge of the standards and individual listings in the  
7           Listing of Impairments set forth in appendix 1 of  
8           subpart P of part 404 of title 20, Code of Federal  
9           Regulations, and of related evaluation procedures as  
10          promulgated by the Commissioner of Social Security;  
11          and

12          (3) such other issues as the applicable entity  
13          considers appropriate.

14          (c) **REPORTS AND REGULATIONS.**—

15           (1) **REPORTS.**—The Commissioner of Social Se-  
16           curity shall request the applicable entity, to submit  
17           an interim report and a final report of the findings  
18           and recommendations resulting from the study de-  
19           scribed in this section to the President and the Con-  
20           gress not later than 18 months and 24 months, re-  
21           spectively, from the date of the contract for such  
22           study, and such additional reports as the Commis-  
23           sioner deems appropriate after consultation with the  
24           applicable entity.

1           (2) REGULATIONS.—The Commissioner of So-  
2           cial Security shall review both the interim and final  
3           reports, and shall issue regulations implementing  
4           any necessary changes following each report.

5 **SEC. 4233. STUDY BY GENERAL ACCOUNTING OFFICE.**

6           Not later than January 1, 1999, the Comptroller  
7           General of the United States shall study and report on—

8           (1) the impact of the amendments made by,  
9           and the provisions of, this subtitle on the supple-  
10          mental security income program under title XVI of  
11          the Social Security Act; and

12          (2) extra expenses incurred by families of chil-  
13          dren receiving benefits under such title that are not  
14          covered by other Federal, State, or local programs.

15 **CHAPTER 6—NATIONAL COMMISSION ON**  
16 **THE FUTURE OF DISABILITY**

17 **SEC. 4241. ESTABLISHMENT.**

18          There is established a commission to be known as the  
19          National Commission on the Future of Disability (referred  
20          to in this chapter as the “Commission”).

21 **SEC. 4242. DUTIES OF THE COMMISSION.**

22          (a) IN GENERAL.—The Commission shall develop  
23          and carry out a comprehensive study of all matters related  
24          to the nature, purpose, and adequacy of all Federal pro-  
25          grams serving individuals with disabilities. In particular,

1 the Commission shall study the disability insurance pro-  
2 gram under title II of the Social Security Act and the sup-  
3 plemental security income disability program under title  
4 XVI of such Act.

5 (b) MATTERS STUDIED.—The Commission shall pre-  
6 pare an inventory of Federal programs serving individuals  
7 with disabilities, and shall examine—

8 (1) trends and projections regarding the size  
9 and characteristics of the population of individuals  
10 with disabilities, and the implications of such analy-  
11 ses for program planning;

12 (2) the feasibility and design of performance  
13 standards for the Nation's disability programs;

14 (3) the adequacy of Federal efforts in rehabili-  
15 tation research and training, and opportunities to  
16 improve the lives of individuals with disabilities  
17 through all manners of scientific and engineering re-  
18 search; and

19 (4) the adequacy of policy research available to  
20 the Federal Government, and what actions might be  
21 undertaken to improve the quality and scope of such  
22 research.

23 (c) RECOMMENDATIONS.—The Commission shall  
24 submit to the appropriate committees of the Congress and

1 to the President recommendations and, as appropriate,  
2 proposals for legislation, regarding—

3 (1) which (if any) Federal disability programs  
4 should be eliminated or augmented;

5 (2) what new Federal disability programs (if  
6 any) should be established;

7 (3) the suitability of the organization and loca-  
8 tion of disability programs within the Federal Gov-  
9 ernment;

10 (4) other actions the Federal Government  
11 should take to prevent disabilities and disadvantages  
12 associated with disabilities; and

13 (5) such other matters as the Commission con-  
14 siders appropriate.

15 **SEC. 4243. MEMBERSHIP.**

16 (a) NUMBER AND APPOINTMENT.—

17 (1) IN GENERAL.—The Commission shall be  
18 composed of 15 members, of whom—

19 (A) five shall be appointed by the Presi-  
20 dent, of whom not more than 3 shall be of the  
21 same major political party;

22 (B) three shall be appointed by the Major-  
23 ity Leader of the Senate;

24 (C) two shall be appointed by the Minority  
25 Leader of the Senate;



1 (D) three shall be appointed by the Speak-  
2 er of the House of Representatives; and

3 (E) two shall be appointed by the Minority  
4 Leader of the House of Representatives.

5 (2) REPRESENTATION.—The Commission mem-  
6 bers shall be chosen based on their education, train-  
7 ing, or experience. In appointing individuals as  
8 members of the Commission, the President and the  
9 Majority and Minority Leaders of the Senate and  
10 the Speaker and Minority Leader of the House of  
11 Representatives shall seek to ensure that the mem-  
12 bership of the Commission reflects the general inter-  
13 ests of the business and taxpaying community and  
14 the diversity of individuals with disabilities in the  
15 United States.

16 (b) COMPTROLLER GENERAL.—The Comptroller  
17 General of the United States shall advise the Commission  
18 on the methodology and approach of the study of the Com-  
19 mission.

20 (c) TERM OF APPOINTMENT.—The members shall  
21 serve on the Commission for the life of the Commission.

22 (d) MEETINGS.—The Commission shall locate its  
23 headquarters in the District of Columbia, and shall meet  
24 at the call of the Chairperson, but not less than 4 times  
25 each year during the life of the Commission.

1 (e) QUORUM.—Ten members of the Commission shall  
2 constitute a quorum, but a lesser number may hold hear-  
3 ings.

4 (f) CHAIRPERSON AND VICE CHAIRPERSON.—Not  
5 later than 15 days after the members of the Commission  
6 are appointed, such members shall designate a Chair-  
7 person and Vice Chairperson from among the members of  
8 the Commission.

9 (g) CONTINUATION OF MEMBERSHIP.—If a member  
10 of the Commission becomes an officer or employee of any  
11 government after appointment to the Commission, the in-  
12 dividual may continue as a member until a successor mem-  
13 ber is appointed.

14 (h) VACANCIES.—A vacancy on the Commission shall  
15 be filled in the manner in which the original appointment  
16 was made not later than 30 days after the Commission  
17 is given notice of the vacancy.

18 (i) COMPENSATION.—Members of the Commission  
19 shall receive no additional pay, allowances, or benefits by  
20 reason of their service on the Commission.

21 (j) TRAVEL EXPENSES.—Each member of the Com-  
22 mission shall receive travel expenses, including per diem  
23 in lieu of subsistence, in accordance with sections 5702  
24 and 5703 of title 5, United States Code.

1 **SEC. 4244. STAFF AND SUPPORT SERVICES.**

2 (a) DIRECTOR.—

3 (1) APPOINTMENT.—Upon consultation with  
4 the members of the Commission, the Chairperson  
5 shall appoint a Director of the Commission.

6 (2) COMPENSATION.—The Director shall be  
7 paid the rate of basic pay for level V of the Execu-  
8 tive Schedule.

9 (b) STAFF.—With the approval of the Commission,  
10 the Director may appoint such personnel as the Director  
11 considers appropriate.

12 (c) APPLICABILITY OF CIVIL SERVICE LAWS.—The  
13 staff of the Commission shall be appointed without regard  
14 to the provisions of title 5, United States Code, governing  
15 appointments in the competitive service, and shall be paid  
16 without regard to the provisions of chapter 51 and sub-  
17 chapter III of chapter 53 of such title relating to classi-  
18 fication and General Schedule pay rates.

19 (d) EXPERTS AND CONSULTANTS.—With the ap-  
20 proval of the Commission, the Director may procure tem-  
21 porary and intermittent services under section 3109(b) of  
22 title 5, United States Code.

23 (e) STAFF OF FEDERAL AGENCIES.—Upon the re-  
24 quest of the Commission, the head of any Federal agency  
25 may detail, on a reimbursable basis, any of the personnel

1 of such agency to the Commission to assist in carrying  
2 out the duties of the Commission under this chapter.

3 (f) OTHER RESOURCES.—The Commission shall have  
4 reasonable access to materials, resources, statistical data,  
5 and other information from the Library of Congress and  
6 agencies and elected representatives of the executive and  
7 legislative branches of the Federal Government. The  
8 Chairperson of the Commission shall make requests for  
9 such access in writing when necessary.

10 (g) PHYSICAL FACILITIES.—The Administrator of  
11 the General Services Administration shall locate suitable  
12 office space for the operation of the Commission. The fa-  
13 cilities shall serve as the headquarters of the Commission  
14 and shall include all necessary equipment and incidentals  
15 required for proper functioning of the Commission.

16 **SEC. 4245. POWERS OF COMMISSION.**

17 (a) HEARINGS.—The Commission may conduct pub-  
18 lic hearings or forums at the discretion of the Commission,  
19 at any time and place the Commission is able to secure  
20 facilities and witnesses, for the purpose of carrying out  
21 the duties of the Commission under this chapter.

22 (b) DELEGATION OF AUTHORITY.—Any member or  
23 agent of the Commission may, if authorized by the Com-  
24 mission, take any action the Commission is authorized to  
25 take by this section.

1 (c) INFORMATION.—The Commission may secure di-  
2 rectly from any Federal agency information necessary to  
3 enable the Commission to carry out its duties under this  
4 chapter. Upon request of the Chairperson or Vice Chair-  
5 person of the Commission, the head of a Federal agency  
6 shall furnish the information to the Commission to the ex-  
7 tent permitted by law.

8 (d) GIFTS, BEQUESTS, AND DEVISES.—The Commis-  
9 sion may accept, use, and dispose of gifts, bequests, or  
10 devises of services or property, both real and personal, for  
11 the purpose of aiding or facilitating the work of the Com-  
12 mission. Gifts, bequests, or devises of money and proceeds  
13 from sales of other property received as gifts, bequests,  
14 or devises shall be deposited in the Treasury and shall be  
15 available for disbursement upon order of the Commission.

16 (e) MAILS.—The Commission may use the United  
17 States mails in the same manner and under the same con-  
18 ditions as other Federal agencies.

19 **SEC. 4246. REPORTS.**

20 (a) INTERIM REPORT.—Not later than 1 year prior  
21 to the date on which the Commission terminates pursuant  
22 to section 4247, the Commission shall submit an interim  
23 report to the President and to the Congress. The interim  
24 report shall contain a detailed statement of the findings  
25 and conclusions of the Commission, together with the

1 Commission's recommendations for legislative and admin-  
2 istrative action, based on the activities of the Commission.

3 (b) FINAL REPORT.—Not later than the date on  
4 which the Commission terminates, the Commission shall  
5 submit to the Congress and to the President a final report  
6 containing—

7 (1) a detailed statement of final findings, con-  
8 clusions, and recommendations; and

9 (2) an assessment of the extent to which rec-  
10 ommendations of the Commission included in the in-  
11 terim report under subsection (a) have been imple-  
12 mented.

13 (c) PRINTING AND PUBLIC DISTRIBUTION.—Upon  
14 receipt of each report of the Commission under this sec-  
15 tion, the President shall—

16 (1) order the report to be printed; and

17 (2) make the report available to the public upon  
18 request.

19 **SEC. 4247. TERMINATION.**

20 The Commission shall terminate on the date that is  
21 2 years after the date on which the members of the Com-  
22 mission have met and designated a Chairperson and Vice  
23 Chairperson.

1 **SEC. 4248. AUTHORIZATION OF APPROPRIATIONS.**

2       There are authorized to be appropriated such sums  
3 as are necessary to carry out the purposes of the Commis-  
4 sion.

5                   **Subtitle C—Child Support**

6 **SEC. 4300. REFERENCE TO SOCIAL SECURITY ACT.**

7       Except as otherwise specifically provided, wherever in  
8 this subtitle an amendment is expressed in terms of an  
9 amendment to or repeal of a section or other provision,  
10 the reference shall be considered to be made to that sec-  
11 tion or other provision of the Social Security Act.

12 **CHAPTER 1—ELIGIBILITY FOR SERVICES;**  
13 **DISTRIBUTION OF PAYMENTS**

14 **SEC. 4301. STATE OBLIGATION TO PROVIDE CHILD SUP-**  
15 **PORT ENFORCEMENT SERVICES.**

16       (a) STATE PLAN REQUIREMENTS.—Section 454 (42  
17 U.S.C. 654) is amended—

18               (1) by striking paragraph (4) and inserting the  
19 following new paragraph:

20               “(4) provide that the State will—

21                       “(A) provide services relating to the estab-  
22 lishment of paternity or the establishment,  
23 modification, or enforcement of child support  
24 obligations, as appropriate, under the plan with  
25 respect to—

1           “(i) each child for whom (I) assist-  
2           ance is provided under the State program  
3           funded under part A of this title, (II) ben-  
4           efits or services for foster care mainte-  
5           nance are provided under the State pro-  
6           gram funded under part E of this title, or  
7           (III) medical assistance is provided under  
8           the State plan under title XIX, unless, in  
9           accordance with paragraph (29), good  
10          cause or other exceptions exist;

11           “(ii) any other child, if an individual  
12          applies for such services with respect to  
13          the child; and

14           “(B) enforce any support obligation estab-  
15          lished with respect to—

16           “(i) a child with respect to whom the  
17          State provides services under the plan; or

18           “(ii) the custodial parent of such a  
19          child;” and

20          (2) in paragraph (6)—

21           (A) by striking “provide that” and insert-  
22          ing “provide that—”;

23           (B) by striking subparagraph (A) and in-  
24          serting the following new subparagraph:



1           “(A) services under the plan shall be made  
2           available to residents of other States on the  
3           same terms as to residents of the State submit-  
4           ting the plan;”;

5           (C) in subparagraph (B), by inserting “on  
6           individuals not receiving assistance under any  
7           State program funded under part A” after  
8           “such services shall be imposed”;

9           (D) in each of subparagraphs (B), (C),  
10          (D), and (E)—

11           (i) by indenting the subparagraph in  
12           the same manner as, and aligning the left  
13           margin of the subparagraph with the left  
14           margin of, the matter inserted by subpara-  
15           graph (B) of this paragraph; and

16           (ii) by striking the final comma and  
17           inserting a semicolon; and

18           (E) in subparagraph (E), by indenting  
19           each of clauses (i) and (ii) 2 additional ems.

20          (b) CONTINUATION OF SERVICES FOR FAMILIES  
21          CEASING TO RECEIVE ASSISTANCE UNDER THE STATE  
22          PROGRAM FUNDED UNDER PART A.—Section 454 (42  
23          U.S.C. 654) is amended—

24           (1) by striking “and” at the end of paragraph  
25           (23);

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

3           (3) by adding after paragraph (24) the follow-  
4 ing new paragraph:

5           “(25) provide that if a family with respect to  
6 which services are provided under the plan ceases to  
7 receive assistance under the State program funded  
8 under part A, the State shall provide appropriate no-  
9 tice to the family and continue to provide such serv-  
10 ices, subject to the same conditions and on the same  
11 basis as in the case of other individuals to whom  
12 services are furnished under the plan, except that an  
13 application or other request to continue services  
14 shall not be required of such a family and paragraph  
15 (6)(B) shall not apply to the family.”.

16 (c) CONFORMING AMENDMENTS.—

17           (1) Section 452(b) (42 U.S.C. 652(b)) is  
18 amended by striking “454(6)” and inserting  
19 “454(4)”.

20           (2) Section 452(g)(2)(A) (42 U.S.C.  
21 652(g)(2)(A)) is amended by striking “454(6)” each  
22 place it appears and inserting “454(4)(A)(ii)”.

23           (3) Section 466(a)(3)(B) (42 U.S.C.  
24 666(a)(3)(B)) is amended by striking “in the case of  
25 overdue support which a State has agreed to collect

1 under section 454(6)” and inserting “in any other  
2 case”.

3 (4) Section 466(e) (42 U.S.C. 666(e)) is  
4 amended by striking “paragraph (4) or (6) of sec-  
5 tion 454” and inserting “section 454(4)”.

6 **SEC. 4302. DISTRIBUTION OF CHILD SUPPORT COLLEC-**  
7 **TIONS.**

8 (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is  
9 amended to read as follows:

10 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

11 “(a) IN GENERAL.—Subject to subsection (e), an  
12 amount collected on behalf of a family as support by a  
13 State pursuant to a plan approved under this part shall  
14 be distributed as follows:

15 “(1) FAMILIES RECEIVING ASSISTANCE.—In the  
16 case of a family receiving assistance from the State,  
17 the State shall—

18 “(A) pay to the Federal Government the  
19 Federal share of the amount so collected; and

20 “(B) retain, or distribute to the family, the  
21 State share of the amount so collected.

22 “(2) FAMILIES THAT FORMERLY RECEIVED AS-  
23 SISTANCE.—In the case of a family that formerly re-  
24 ceived assistance from the State:

1           “(A) CURRENT SUPPORT PAYMENTS.—To  
2           the extent that the amount so collected does not  
3           exceed the amount required to be paid to the  
4           family for the month in which collected, the  
5           State shall distribute the amount so collected to  
6           the family.

7           “(B) PAYMENTS OF ARREARAGES.—To the  
8           extent that the amount so collected exceeds the  
9           amount required to be paid to the family for  
10          the month in which collected, the State shall  
11          distribute the amount so collected as follows:

12                   “(i) DISTRIBUTION OF ARREARAGES  
13                   THAT ACCRUED AFTER THE FAMILY  
14                   CEASED TO RECEIVE ASSISTANCE.—

15                           “(I) PRE-OCTOBER 1997.—Except  
16                           as provided in subclause (II), the pro-  
17                           visions of this section (other than sub-  
18                           section (b)(1)) as in effect and applied  
19                           on the day before the date of the en-  
20                           actment of section 4302 of the Per-  
21                           sonal Responsibility and Work Oppor-  
22                           tunity Act of 1996 shall apply with  
23                           respect to the distribution of support  
24                           arrearages that—

1           “(aa) accrued after the fam-  
2           ily ceased to receive assistance,  
3           and

4           “(bb) are collected before  
5           October 1, 1997.

6           “(II) POST-SEPTEMBER 1997.—  
7           With respect to the amount so col-  
8           lected on or after October 1, 1997 (or  
9           before such date, at the option of the  
10          State)—

11          “(aa) IN GENERAL.—The  
12          State shall first distribute the  
13          amount so collected (other than  
14          any amount described in clause  
15          (iv)) to the family to the extent  
16          necessary to satisfy any support  
17          arrearages with respect to the  
18          family that accrued after the  
19          family ceased to receive assist-  
20          ance from the State.

21          “(bb) REIMBURSEMENT OF  
22          GOVERNMENTS FOR ASSISTANCE  
23          PROVIDED TO THE FAMILY.—  
24          After the application of division  
25          (aa) and clause (ii)(II)(aa) with

1 respect to the amount so col-  
2 lected, the State shall retain the  
3 State share of the amount so col-  
4 lected, and pay to the Federal  
5 Government the Federal share  
6 (as defined in subsection (c)(2))  
7 of the amount so collected, but  
8 only to the extent necessary to  
9 reimburse amounts paid to the  
10 family as assistance by the State.

11 “(cc) DISTRIBUTION OF THE  
12 REMAINDER TO THE FAMILY.—  
13 To the extent that neither divi-  
14 sion (aa) nor division (bb) applies  
15 to the amount so collected, the  
16 State shall distribute the amount  
17 to the family.

18 “(ii) DISTRIBUTION OF ARREARAGES  
19 THAT ACCRUED BEFORE THE FAMILY RE-  
20 CEIVED ASSISTANCE.—

21 “(I) PRE-OCTOBER 2000.—Except  
22 as provided in subclause (II), the pro-  
23 visions of this section (other than sub-  
24 section (b)(1)) as in effect and applied  
25 on the day before the date of the en-

1 actment of section 4302 of the Per-  
2 sonal Responsibility and Work Oppor-  
3 tunity Act of 1996 shall apply with  
4 respect to the distribution of support  
5 arrearages that—

6 “(aa) accrued before the  
7 family received assistance, and

8 “(bb) are collected before  
9 October 1, 2000.

10 “(II) POST-SEPTEMBER 2000.—  
11 Unless, based on the report required  
12 by paragraph (4), the Congress deter-  
13 mines otherwise, with respect to the  
14 amount so collected on or after Octo-  
15 ber 1, 2000 (or before such date, at  
16 the option of the State)—

17 “(aa) IN GENERAL.—The  
18 State shall first distribute the  
19 amount so collected (other than  
20 any amount described in clause  
21 (iv)) to the family to the extent  
22 necessary to satisfy any support  
23 arrearages with respect to the  
24 family that accrued before the

1 family received assistance from  
2 the State.

3 “(bb) REIMBURSEMENT OF  
4 GOVERNMENTS FOR ASSISTANCE  
5 PROVIDED TO THE FAMILY.—

6 After the application of clause  
7 (i)(II)(aa) and division (aa) with  
8 respect to the amount so col-  
9 lected, the State shall retain the  
10 State share of the amount so col-  
11 lected, and pay to the Federal  
12 Government the Federal share  
13 (as defined in subsection (c)(2))  
14 of the amount so collected, but  
15 only to the extent necessary to  
16 reimburse amounts paid to the  
17 family as assistance by the State.

18 “(cc) DISTRIBUTION OF THE  
19 REMAINDER TO THE FAMILY.—

20 To the extent that neither divi-  
21 sion (aa) nor division (bb) applies  
22 to the amount so collected, the  
23 State shall distribute the amount  
24 to the family.



1           “(iii) DISTRIBUTION OF ARREARAGES  
2           THAT ACCRUED WHILE THE FAMILY RE-  
3           CEIVED ASSISTANCE.—In the case of a  
4           family described in this subparagraph, the  
5           provisions of paragraph (1) shall apply  
6           with respect to the distribution of support  
7           arrearages that accrued while the family  
8           received assistance.

9           “(iv) AMOUNTS COLLECTED PURSU-  
10          ANT TO SECTION 464.—Notwithstanding  
11          any other provision of this section, any  
12          amount of support collected pursuant to  
13          section 464 shall be retained by the State  
14          to the extent past-due support has been as-  
15          signed to the State as a condition of re-  
16          ceiving assistance from the State, up to the  
17          amount necessary to reimburse the State  
18          for amounts paid to the family as assist-  
19          ance by the State. The State shall pay to  
20          the Federal Government the Federal share  
21          of the amounts so retained. To the extent  
22          the amount collected pursuant to section  
23          464 exceeds the amount so retained, the  
24          State shall distribute the excess to the  
25          family.

1                   “(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall treat any support arrearages collected, except for amounts collected pursuant to section 464, as accruing in the following order:

2                                   “(I) To the period after the family ceased to receive assistance.

3                                   “(II) To the period before the family received assistance.

4                                   “(III) To the period while the family was receiving assistance.

5                   “(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

6                   “(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary’s findings with respect to—

7                                   “(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

1           “(B) whether early implementation of a  
2           pre-assistance arrearage program by some  
3           States has been effective in moving people off  
4           of welfare and keeping them off of welfare;

5           “(C) what the overall impact has been of  
6           the amendments made by the Personal Respon-  
7           sibility and Work Opportunity Act of 1996 with  
8           respect to child support enforcement in moving  
9           people off of welfare and keeping them off of  
10          welfare; and

11          “(D) based on the information and data  
12          the Secretary has obtained, what changes, if  
13          any, should be made in the policies related to  
14          the distribution of child support arrearages.

15          “(b) CONTINUATION OF ASSIGNMENTS.—Any rights  
16          to support obligations, which were assigned to a State as  
17          a condition of receiving assistance from the State under  
18          part A and which were in effect on the day before the  
19          date of the enactment of the Personal Responsibility and  
20          Work Opportunity Act of 1996, shall remain assigned  
21          after such date.

22          “(c) DEFINITIONS.—As used in subsection (a):

23                  “(1) ASSISTANCE.—The term ‘assistance from  
24                  the State’ means—

1           “(A) assistance under the State program  
2           funded under part A or under the State plan  
3           approved under part A of this title (as in effect  
4           on the day before the date of the enactment of  
5           the Personal Responsibility and Work Oppor-  
6           tunity Act of 1996); and

7           “(B) foster care maintenance payments  
8           under the State plan approved under part E of  
9           this title.

10          “(2) FEDERAL SHARE.—The term ‘Federal  
11          share’ means that portion of the amount collected  
12          resulting from the application of the Federal medical  
13          assistance percentage in effect for the fiscal year in  
14          which the amount is collected.

15          “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-  
16          AGE.—The term ‘Federal medical assistance per-  
17          centage’ means—

18               “(A) the Federal medical assistance per-  
19               centage (as defined in section 1118), in the case  
20               of Puerto Rico, the Virgin Islands, Guam, and  
21               American Samoa; or

22               “(B) the Federal medical assistance per-  
23               centage (as defined in section 1905(b), as in ef-  
24               fect on September 30, 1996) in the case of any  
25               other State.

1           “(4) STATE SHARE.—The term ‘State share’  
2           means 100 percent minus the Federal share.

3           “(d) HOLD HARMLESS PROVISION.—If the amounts  
4           collected which could be retained by the State in the fiscal  
5           year (to the extent necessary to reimburse the State for  
6           amounts paid to families as assistance by the State) are  
7           less than the State share of the amounts collected in fiscal  
8           year 1995 (determined in accordance with section 457 as  
9           in effect on the day before the date of the enactment of  
10          the Personal Responsibility and Work Opportunity Act of  
11          1996), the State share for the fiscal year shall be an  
12          amount equal to the State share in fiscal year 1995.

13          “(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION UNDER THIS SECTION.—At State option, this section shall not apply to any amount collected on behalf of  
14          a family as support by the State (and paid to the family  
15          in addition to the amount of assistance otherwise payable  
16          to the family) pursuant to a plan approved under this part  
17          if such amount would have been paid to the family by the  
18          State under section 402(a)(28), as in effect and applied  
19          on the day before the date of the enactment of section  
20          4302 of the Personal Responsibility and Work Oppor-  
21          tunity Act of 1996. For purposes of subsection (d), the  
22          State share of such amount paid to the family shall be  
23          considered amounts which could be retained by the State  
24          State share of such amount paid to the family shall be  
25          considered amounts which could be retained by the State

1 if such payments were reported by the State as part of  
2 the State share of amounts collected in fiscal year 1995.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is  
5 amended by striking “section 457(b)(4) or (d)(3)”  
6 and inserting “section 457”.

7 (2) Section 454 (42 U.S.C. 654) is amended—

8 (A) in paragraph (11)—

9 (i) by striking “(11)” and inserting  
10 “(11)(A)”; and

11 (ii) by inserting after the semicolon  
12 “and”; and

13 (B) by redesignating paragraph (12) as  
14 subparagraph (B) of paragraph (11).

15 (c) EFFECTIVE DATES.—

16 (1) IN GENERAL.—Except as provided in para-  
17 graph (2), the amendments made by this section  
18 shall be effective on October 1, 1996, or earlier at  
19 the State’s option.

20 (2) CONFORMING AMENDMENTS.—The amend-  
21 ments made by subsection (b)(2) shall become effec-  
22 tive on the date of the enactment of this Act.

1 **SEC. 4303. PRIVACY SAFEGUARDS.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
3 U.S.C. 654), as amended by section 4301(b) of this Act,  
4 is amended—

5 (1) by striking “and” at the end of paragraph  
6 (24);

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

9 (3) by adding after paragraph (25) the follow-  
10 ing new paragraph:

11 “(26) will have in effect safeguards, applicable  
12 to all confidential information handled by the State  
13 agency, that are designed to protect the privacy  
14 rights of the parties, including—

15 “(A) safeguards against unauthorized use  
16 or disclosure of information relating to proceed-  
17 ings or actions to establish paternity, or to es-  
18 tablish or enforce support;

19 “(B) prohibitions against the release of in-  
20 formation on the whereabouts of 1 party to an-  
21 other party against whom a protective order  
22 with respect to the former party has been en-  
23 tered; and

24 “(C) prohibitions against the release of in-  
25 formation on the whereabouts of 1 party to an-  
26 other party if the State has reason to believe

1           that the release of the information may result  
2           in physical or emotional harm to the former  
3           party.”.

4           (b) **EFFECTIVE DATE.**—The amendment made by  
5 subsection (a) shall become effective on October 1, 1997.

6 **SEC. 4304. RIGHTS TO NOTIFICATION OF HEARINGS.**

7           (a) **IN GENERAL.**—Section 454 (42 U.S.C. 654), as  
8 amended by section 4302(b)(2) of this Act, is amended  
9 by inserting after paragraph (11) the following new para-  
10 graph:

11           “(12) provide for the establishment of proce-  
12 dures to require the State to provide individuals who  
13 are applying for or receiving services under the State  
14 plan, or who are parties to cases in which services  
15 are being provided under the State plan—

16           “(A) with notice of all proceedings in  
17 which support obligations might be established  
18 or modified; and

19           “(B) with a copy of any order establishing  
20 or modifying a child support obligation, or (in  
21 the case of a petition for modification) a notice  
22 of determination that there should be no change  
23 in the amount of the child support award, with-  
24 in 14 days after issuance of such order or de-  
25 termination;”.



1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall become effective on October 1, 1997.

## 3 CHAPTER 2—LOCATE AND CASE

### 4 TRACKING

#### 5 SEC. 4311. STATE CASE REGISTRY.

6 Section 454A, as added by section 4344(a)(2) of this  
7 Act, is amended by adding at the end the following new  
8 subsections:

9 “(e) STATE CASE REGISTRY.—

10 “(1) CONTENTS.—The automated system re-  
11 quired by this section shall include a registry (which  
12 shall be known as the ‘State case registry’) that con-  
13 tains records with respect to—

14 “(A) each case in which services are being  
15 provided by the State agency under the State  
16 plan approved under this part; and

17 “(B) each support order established or  
18 modified in the State on or after October 1,  
19 1998.

20 “(2) LINKING OF LOCAL REGISTRIES.—The  
21 State case registry may be established by linking  
22 local case registries of support orders through an  
23 automated information network, subject to this sec-  
24 tion.

1           “(3) USE OF STANDARDIZED DATA ELE-  
2           MENTS.—Such records shall use standardized data  
3           elements for both parents (such as names, social se-  
4           curity numbers and other uniform identification  
5           numbers, dates of birth, and case identification  
6           numbers), and contain such other information (such  
7           as on case status) as the Secretary may require.

8           “(4) PAYMENT RECORDS.—Each case record in  
9           the State case registry with respect to which services  
10          are being provided under the State plan approved  
11          under this part and with respect to which a support  
12          order has been established shall include a record  
13          of—

14                 “(A) the amount of monthly (or other peri-  
15                 odic) support owed under the order, and other  
16                 amounts (including arrearages, interest or late  
17                 payment penalties, and fees) due or overdue  
18                 under the order;

19                 “(B) any amount described in subpara-  
20                 graph (A) that has been collected;

21                 “(C) the distribution of such collected  
22                 amounts;

23                 “(D) the birth date of any child for whom  
24                 the order requires the provision of support; and

1           “(E) the amount of any lien imposed with  
2           respect to the order pursuant to section  
3           466(a)(4).

4           “(5) UPDATING AND MONITORING.—The State  
5           agency operating the automated system required by  
6           this section shall promptly establish and update,  
7           maintain, and regularly monitor, case records in the  
8           State case registry with respect to which services are  
9           being provided under the State plan approved under  
10          this part, on the basis of—

11           “(A) information on administrative actions  
12           and administrative and judicial proceedings and  
13           orders relating to paternity and support;

14           “(B) information obtained from compari-  
15           son with Federal, State, or local sources of in-  
16           formation;

17           “(C) information on support collections  
18           and distributions; and

19           “(D) any other relevant information.

20          “(f) INFORMATION COMPARISONS AND OTHER DIS-  
21          CLOSURES OF INFORMATION.—The State shall use the  
22          automated system required by this section to extract infor-  
23          mation from (at such times, and in such standardized for-  
24          mat or formats, as may be required by the Secretary), to  
25          share and compare information with, and to receive infor-

1 mation from, other data bases and information compari-  
2 son services, in order to obtain (or provide) information  
3 necessary to enable the State agency (or the Secretary or  
4 other State or Federal agencies) to carry out this part,  
5 subject to section 6103 of the Internal Revenue Code of  
6 1986. Such information comparison activities shall include  
7 the following:

8           “(1) FEDERAL CASE REGISTRY OF CHILD SUP-  
9           PORT ORDERS.—Furnishing to the Federal Case  
10          Registry of Child Support Orders established under  
11          section 453(h) (and update as necessary, with infor-  
12          mation including notice of expiration of orders) the  
13          minimum amount of information on child support  
14          cases recorded in the State case registry that is nec-  
15          essary to operate the registry (as specified by the  
16          Secretary in regulations).

17          “(2) FEDERAL PARENT LOCATOR SERVICE.—  
18          Exchanging information with the Federal Parent  
19          Locator Service for the purposes specified in section  
20          453.

21          “(3) TEMPORARY FAMILY ASSISTANCE AND  
22          MEDICAID AGENCIES.—Exchanging information with  
23          State agencies (of the State and of other States) ad-  
24          ministering programs funded under part A, pro-  
25          grams operated under a State plan approved under

1 title XIX, and other programs designated by the  
2 Secretary, as necessary to perform State agency re-  
3 sponsibilities under this part and under such pro-  
4 grams.

5 “(4) INTRASTATE AND INTERSTATE INFORMA-  
6 TION COMPARISONS.—Exchanging information with  
7 other agencies of the State, agencies of other States,  
8 and interstate information networks, as necessary  
9 and appropriate to carry out (or assist other States  
10 to carry out) the purposes of this part.”.

11 **SEC. 4312. COLLECTION AND DISBURSEMENT OF SUPPORT**  
12 **PAYMENTS.**

13 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
14 U.S.C. 654), as amended by sections 4301(b) and 4303(a)  
15 of this Act, is amended—

16 (1) by striking “and” at the end of paragraph  
17 (25);

18 (2) by striking the period at the end of para-  
19 graph (26) and inserting “; and”; and

20 (3) by adding after paragraph (26) the follow-  
21 ing new paragraph:

22 “(27) provide that, on and after October 1,  
23 1998, the State agency will—

24 “(A) operate a State disbursement unit in  
25 accordance with section 454B; and

1           “(B) have sufficient State staff (consisting  
2           of State employees) and (at State option) con-  
3           tractors reporting directly to the State agency  
4           to—

5                   “(i) monitor and enforce support col-  
6                   lections through the unit in cases being en-  
7                   forced by the State pursuant to section  
8                   454(4) (including carrying out the auto-  
9                   mated data processing responsibilities de-  
10                  scribed in section 454A(g)); and

11                   “(ii) take the actions described in sec-  
12                  tion 466(c)(1) in appropriate cases.”.

13           (b) ESTABLISHMENT OF STATE DISBURSEMENT  
14           UNIT.—Part D of title IV (42 U.S.C. 651–669), as  
15           amended by section 4344(a)(2) of this Act, is amended  
16           by inserting after section 454A the following new section:

17           **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**  
18                   **PORT PAYMENTS.**

19                   “(a) STATE DISBURSEMENT UNIT.—

20                   “(1) IN GENERAL.—In order for a State to  
21                   meet the requirements of this section, the State  
22                   agency must establish and operate a unit (which  
23                   shall be known as the ‘State disbursement unit’) for  
24                   the collection and disbursement of payments under  
25                   support orders—

1           “(A) in all cases being enforced by the  
2           State pursuant to section 454(4); and

3           “(B) in all cases not being enforced by the  
4           State under this part in which the support  
5           order is initially issued in the State on or after  
6           January 1, 1994, and in which the income of  
7           the noncustodial parent are subject to withhold-  
8           ing pursuant to section 466(a)(8)(B).

9           “(2) OPERATION.—The State disbursement  
10          unit shall be operated—

11           “(A) directly by the State agency (or 2 or  
12           more State agencies under a regional coopera-  
13           tive agreement), or (to the extent appropriate)  
14           by a contractor responsible directly to the State  
15           agency; and

16           “(B) except in cases described in para-  
17           graph (1)(B), in coordination with the auto-  
18           mated system established by the State pursuant  
19           to section 454A.

20           “(3) LINKING OF LOCAL DISBURSEMENT  
21          UNITS.—The State disbursement unit may be estab-  
22          lished by linking local disbursement units through  
23          an automated information network, subject to this  
24          section, if the Secretary agrees that the system will  
25          not cost more nor take more time to establish or op-

1 erate than a centralized system. In addition, employ-  
2 ers shall be given 1 location to which income with-  
3 holding is sent.

4 “(b) REQUIRED PROCEDURES.—The State disburse-  
5 ment unit shall use automated procedures, electronic proc-  
6 esses, and computer-driven technology to the maximum  
7 extent feasible, efficient, and economical, for the collection  
8 and disbursement of support payments, including proce-  
9 dures—

10 “(1) for receipt of payments from parents, em-  
11 ployers, and other States, and for disbursements to  
12 custodial parents and other obligees, the State agen-  
13 cy, and the agencies of other States;

14 “(2) for accurate identification of payments;

15 “(3) to ensure prompt disbursement of the cus-  
16 todial parent’s share of any payment; and

17 “(4) to furnish to any parent, upon request,  
18 timely information on the current status of support  
19 payments under an order requiring payments to be  
20 made by or to the parent, except that, with respect  
21 to a case described in subsection (a)(1)(B), the  
22 State disbursement unit shall not be required to  
23 maintain records of payments which, after the effec-  
24 tive date of this section, are made to, and distrib-  
25 uted by, the unit.



1       “(c) TIMING OF DISBURSEMENTS.—

2               “(1) IN GENERAL.—Except as provided in para-  
3 graph (2), the State disbursement unit shall distrib-  
4 ute all amounts payable under section 457(a) within  
5 2 business days after receipt from the employer or  
6 other source of periodic income, if sufficient infor-  
7 mation identifying the payee is provided.

8               “(2) PERMISSIVE RETENTION OF ARREAR-  
9 AGES.—The State disbursement unit may delay the  
10 distribution of collections toward arrearages until  
11 the resolution of any timely appeal with respect to  
12 such arrearages.

13       “(d) BUSINESS DAY DEFINED.—As used in this sec-  
14 tion, the term ‘business day’ means a day on which State  
15 offices are open for regular business.”.

16       (c) USE OF AUTOMATED SYSTEM.—Section 454A, as  
17 added by section 4344(a)(2) and as amended by section  
18 4311 of this Act, is amended by adding at the end the  
19 following new subsection:

20       “(g) COLLECTION AND DISTRIBUTION OF SUPPORT  
21 PAYMENTS.—

22               “(1) IN GENERAL.—The State shall use the  
23 automated system required by this section, to the  
24 maximum extent feasible, to assist and facilitate the  
25 collection and disbursement of support payments

1 through the State disbursement unit operated under  
2 section 454B, through the performance of functions,  
3 including, at a minimum—

4 “(A) transmission of orders and notices to  
5 employers (and other debtors) for the withhold-  
6 ing of income—

7 “(i) within 2 business days after re-  
8 ceipt of notice of, and the income source  
9 subject to, such withholding from a court,  
10 another State, an employer, the Federal  
11 Parent Locator Service, or another source  
12 recognized by the State; and

13 “(ii) using uniform formats prescribed  
14 by the Secretary;

15 “(B) ongoing monitoring to promptly iden-  
16 tify failures to make timely payment of support;  
17 and

18 “(C) automatic use of enforcement proce-  
19 dures (including procedures authorized pursu-  
20 ant to section 466(c)) if payments are not time-  
21 ly made.

22 “(2) BUSINESS DAY DEFINED.—As used in  
23 paragraph (1), the term ‘business day’ means a day  
24 on which State offices are open for regular busi-  
25 ness.”.

1 (d) EFFECTIVE DATES.—

2 (1) IN GENERAL.—Except as provided in para-  
3 graph (2), the amendments made by this section  
4 shall become effective on October 1, 1998.

5 (2) LIMITED EXCEPTION TO UNIT HANDLING  
6 PAYMENTS.—Notwithstanding section 454B(b)(1) of  
7 the Social Security Act, as added by this section,  
8 any State which, as of the date of the enactment of  
9 this Act, processes the receipt of child support pay-  
10 ments through local courts may, at the option of the  
11 State, continue to process through September 30,  
12 1999, such payments through such courts as proc-  
13 essed such payments on or before such date of en-  
14 actment.

15 (e) SENSE OF THE CONGRESS.—It is the sense of the  
16 Congress that, in determining whether to comply with sec-  
17 tion 454B of the Social Security Act by establishing a sin-  
18 gle, centralized unit for the collection and disbursement  
19 of support payments or by linking together through auto-  
20 mation local units for the collection and disbursement of  
21 support payments, a State should choose the method of  
22 compliance which best meets the needs of parents, employ-  
23 ers, and children.

1 **SEC. 4313. STATE DIRECTORY OF NEW HIRES.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
3 U.S.C. 654), as amended by sections 4301(b), 4303(a)  
4 and 4312(a) of this Act, is amended—

5 (1) by striking “and” at the end of paragraph  
6 (26);

7 (2) by striking the period at the end of para-  
8 graph (27) and inserting “; and”; and

9 (3) by adding after paragraph (27) the follow-  
10 ing new paragraph:

11 “(28) provide that, on and after October 1,  
12 1997, the State will operate a State Directory of  
13 New Hires in accordance with section 453A.”.

14 (b) STATE DIRECTORY OF NEW HIRES.—Part D of  
15 title IV (42 U.S.C. 651–669) is amended by inserting  
16 after section 453 the following new section:

17 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

18 **“(a) ESTABLISHMENT.—**

19 **“(1) IN GENERAL.—**

20 **“(A) REQUIREMENT FOR STATES THAT**  
21 **HAVE NO DIRECTORY.—**Except as provided in  
22 subparagraph (B), not later than October 1,  
23 1997, each State shall establish an automated  
24 directory (to be known as the ‘State Directory  
25 of New Hires’) which shall contain information

1           supplied in accordance with subsection (b) by  
2           employers on each newly hired employee.

3           “(B) STATES WITH NEW HIRE REPORTING  
4           IN EXISTENCE.—A State which has a new hire  
5           reporting law in existence on the date of the en-  
6           actment of this section may continue to operate  
7           under the State law, but the State must meet  
8           the requirements of subsection (g)(2) not later  
9           than October 1, 1997, and the requirements of  
10          this section (other than subsection (g)(2)) not  
11          later than October 1, 1998.

12          “(2) DEFINITIONS.—As used in this section:

13                 “(A) EMPLOYEE.—The term ‘employee’—

14                         “(i) means an individual who is an  
15                         employee within the meaning of chapter 24  
16                         of the Internal Revenue Code of 1986; and

17                         “(ii) does not include an employee of  
18                         a Federal or State agency performing in-  
19                         telligence or counterintelligence functions,  
20                         if the head of such agency has determined  
21                         that reporting pursuant to paragraph (1)  
22                         with respect to the employee could endan-  
23                         ger the safety of the employee or com-  
24                         promise an ongoing investigation or intel-  
25                         ligence mission.

1           “(B) EMPLOYER.—

2                   “(i) IN GENERAL.—The term ‘em-  
3           ployer’ has the meaning given such term in  
4           section 3401(d) of the Internal Revenue  
5           Code of 1986 and includes any govern-  
6           mental entity and any labor organization.

7                   “(ii) LABOR ORGANIZATION.—The  
8           term ‘labor organization’ shall have the  
9           meaning given such term in section 2(5) of  
10          the National Labor Relations Act, and in-  
11          cludes any entity (also known as a ‘hiring  
12          hall’) which is used by the organization  
13          and an employer to carry out requirements  
14          described in section 8(f)(3) of such Act of  
15          an agreement between the organization  
16          and the employer.

17          “(b) EMPLOYER INFORMATION.—

18                   “(1) REPORTING REQUIREMENT.—

19                   “(A) IN GENERAL.—Except as provided in  
20          subparagraphs (B) and (C), each employer shall  
21          furnish to the Directory of New Hires of the  
22          State in which a newly hired employee works, a  
23          report that contains the name, address, and so-  
24          cial security number of the employee, and the  
25          name and address of, and identifying number

1 assigned under section 6109 of the Internal  
2 Revenue Code of 1986 to, the employer.

3 “(B) MULTISTATE EMPLOYERS.—An em-  
4 ployer that has employees who are employed in  
5 2 or more States and that transmits reports  
6 magnetically or electronically may comply with  
7 subparagraph (A) by designating 1 State in  
8 which such employer has employees to which  
9 the employer will transmit the report described  
10 in subparagraph (A), and transmitting such re-  
11 port to such State. Any employer that transmits  
12 reports pursuant to this subparagraph shall no-  
13 tify the Secretary in writing as to which State  
14 such employer designates for the purpose of  
15 sending reports.

16 “(C) FEDERAL GOVERNMENT EMPLOY-  
17 ERS.—Any department, agency, or instrumen-  
18 tality of the United States shall comply with  
19 subparagraph (A) by transmitting the report  
20 described in subparagraph (A) to the National  
21 Directory of New Hires established pursuant to  
22 section 453.

23 “(2) TIMING OF REPORT.—Each State may  
24 provide the time within which the report required by

1 paragraph (1) shall be made with respect to an em-  
2 ployee, but such report shall be made—

3 “(A) not later than 20 days after the date  
4 the employer hires the employee; or

5 “(B) in the case of an employer transmit-  
6 ting reports magnetically or electronically, by 2  
7 monthly transmissions (if necessary) not less  
8 than 12 days nor more than 16 days apart.

9 “(c) REPORTING FORMAT AND METHOD.—Each re-  
10 port required by subsection (b) shall be made on a W-  
11 4 form or, at the option of the employer, an equivalent  
12 form, and may be transmitted by 1st class mail, magneti-  
13 cally, or electronically.

14 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING  
15 EMPLOYERS.—The State shall have the option to set a  
16 State civil money penalty which shall be less than—

17 “(1) \$25; or

18 “(2) \$500 if, under State law, the failure is the  
19 result of a conspiracy between the employer and the  
20 employee to not supply the required report or to  
21 supply a false or incomplete report.

22 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-  
23 mation shall be entered into the data base maintained by  
24 the State Directory of New Hires within 5 business days  
25 of receipt from an employer pursuant to subsection (b).



1 “(f) INFORMATION COMPARISONS.—

2 “(1) IN GENERAL.—Not later than May 1,  
3 1998, an agency designated by the State shall, di-  
4 rectly or by contract, conduct automated compari-  
5 sons of the social security numbers reported by em-  
6 ployers pursuant to subsection (b) and the social se-  
7 curity numbers appearing in the records of the State  
8 case registry for cases being enforced under the  
9 State plan.

10 “(2) NOTICE OF MATCH.—When an information  
11 comparison conducted under paragraph (1) reveals a  
12 match with respect to the social security number of  
13 an individual required to provide support under a  
14 support order, the State Directory of New Hires  
15 shall provide the agency administering the State  
16 plan approved under this part of the appropriate  
17 State with the name, address, and social security  
18 number of the employee to whom the social security  
19 number is assigned, and the name and address of,  
20 and identifying number assigned under section 6109  
21 of the Internal Revenue Code of 1986 to, the em-  
22 ployer.

23 “(g) TRANSMISSION OF INFORMATION.—

24 “(1) TRANSMISSION OF WAGE WITHHOLDING  
25 NOTICES TO EMPLOYERS.—Within 2 business days

1 after the date information regarding a newly hired  
2 employee is entered into the State Directory of New  
3 Hires, the State agency enforcing the employee's  
4 child support obligation shall transmit a notice to  
5 the employer of the employee directing the employer  
6 to withhold from the income of the employee an  
7 amount equal to the monthly (or other periodic)  
8 child support obligation (including any past due sup-  
9 port obligation) of the employee, unless the employ-  
10 ee's income is not subject to withholding pursuant to  
11 section 466(b)(3).

12 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-  
13 TORY OF NEW HIRES.—

14 “(A) NEW HIRE INFORMATION.—Within 3  
15 business days after the date information re-  
16 garding a newly hired employee is entered into  
17 the State Directory of New Hires, the State Di-  
18 rectory of New Hires shall furnish the informa-  
19 tion to the National Directory of New Hires.

20 “(B) WAGE AND UNEMPLOYMENT COM-  
21 PENSATION INFORMATION.—The State Direc-  
22 tory of New Hires shall, on a quarterly basis,  
23 furnish to the National Directory of New Hires  
24 extracts of the reports required under section  
25 303(a)(6) to be made to the Secretary of Labor

1           concerning the wages and unemployment com-  
2           pensation paid to individuals, by such dates, in  
3           such format, and containing such information  
4           as the Secretary of Health and Human Services  
5           shall specify in regulations.

6           “(3) BUSINESS DAY DEFINED.—As used in this  
7           subsection, the term ‘business day’ means a day on  
8           which State offices are open for regular business.

9           “(h) OTHER USES OF NEW HIRE INFORMATION.—

10           “(1) LOCATION OF CHILD SUPPORT OBLI-  
11           GORS.—The agency administering the State plan ap-  
12           proved under this part shall use information received  
13           pursuant to subsection (f)(2) to locate individuals  
14           for purposes of establishing paternity and establish-  
15           ing, modifying, and enforcing child support obliga-  
16           tions, and may disclose such information to any  
17           agent of the agency that is under contract with the  
18           agency to carry out such purposes.

19           “(2) VERIFICATION OF ELIGIBILITY FOR CER-  
20           TAIN PROGRAMS.—A State agency responsible for  
21           administering a program specified in section 1137(b)  
22           shall have access to information reported by employ-  
23           ers pursuant to subsection (b) of this section for  
24           purposes of verifying eligibility for the program.

1           “(3) ADMINISTRATION OF EMPLOYMENT SECUR-  
2           RITY AND WORKERS’ COMPENSATION.—State agen-  
3           cies operating employment security and workers’  
4           compensation programs shall have access to informa-  
5           tion reported by employers pursuant to subsection  
6           (b) for the purposes of administering such pro-  
7           grams.”.

8           (c) QUARTERLY WAGE REPORTING.—Section  
9           1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

10           (1) by inserting “(including State and local gov-  
11           ernmental entities and labor organizations (as de-  
12           fined in section 453A(a)(2)(B)(iii))” after “employ-  
13           ers”; and

14           (2) by inserting “, and except that no report  
15           shall be filed with respect to an employee of a State  
16           or local agency performing intelligence or counter-  
17           intelligence functions, if the head of such agency has  
18           determined that filing such a report could endanger  
19           the safety of the employee or compromise an ongo-  
20           ing investigation or intelligence mission” after  
21           “paragraph (2)”.

22           (d) DISCLOSURE TO CERTAIN AGENTS.—Section  
23           303(e) (42 U.S.C. 503(e)) is amended by adding at the  
24           end the following:

1       “(5) A State or local child support enforcement agen-  
2 cy may disclose to any agent of the agency that is under  
3 contract with the agency to carry out the purposes de-  
4 scribed in paragraph (1)(B) wage information that is dis-  
5 closed to an officer or employee of the agency under para-  
6 graph (1)(A). Any agent of a State or local child support  
7 agency that receives wage information under this para-  
8 graph shall comply with the safeguards established pursu-  
9 ant to paragraph (1)(B).”.

10 **SEC. 4314. AMENDMENTS CONCERNING INCOME WITH-**  
11 **HOLDING.**

12       (a) MANDATORY INCOME WITHHOLDING.—

13           (1) IN GENERAL.—Section 466(a)(1) (42  
14 U.S.C. 666(a)(1)) is amended to read as follows:

15           “(1)(A) Procedures described in subsection (b)  
16 for the withholding from income of amounts payable  
17 as support in cases subject to enforcement under the  
18 State plan.

19           “(B) Procedures under which the income of a  
20 person with a support obligation imposed by a sup-  
21 port order issued (or modified) in the State before  
22 October 1, 1996, if not otherwise subject to with-  
23 holding under subsection (b), shall become subject  
24 to withholding as provided in subsection (b) if ar-

1 rearages occur, without the need for a judicial or  
2 administrative hearing.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 466(b) (42 U.S.C. 666(b)) is  
5 amended in the matter preceding paragraph  
6 (1), by striking “subsection (a)(1)” and insert-  
7 ing “subsection (a)(1)(A)”.

8 (B) Section 466(b)(4) (42 U.S.C.  
9 666(b)(4)) is amended to read as follows:

10 “(4)(A) Such withholding must be carried out  
11 in full compliance with all procedural due process re-  
12 quirements of the State, and the State must send  
13 notice to each noncustodial parent to whom para-  
14 graph (1) applies—

15 “(i) that the withholding has commenced;

16 and

17 “(ii) of the procedures to follow if the non-  
18 custodial parent desires to contest such with-  
19 holding on the grounds that the withholding or  
20 the amount withheld is improper due to a mis-  
21 take of fact.

22 “(B) The notice under subparagraph (A) of this  
23 paragraph shall include the information provided to  
24 the employer under paragraph (6)(A).”.

1           (C) Section 466(b)(5) (42 U.S.C.  
2           666(b)(5)) is amended by striking all that fol-  
3           lows “administered by” and inserting “the  
4           State through the State disbursement unit es-  
5           tablished pursuant to section 454B, in accord-  
6           ance with the requirements of section 454B.”.

7           (D) Section 466(b)(6)(A) (42 U.S.C.  
8           666(b)(6)(A)) is amended—

9                   (i) in clause (i), by striking “to the  
10                   appropriate agency” and all that follows  
11                   and inserting “to the State disbursement  
12                   unit within 5 business days after the date  
13                   the amount would (but for this subsection)  
14                   have been paid or credited to the employee,  
15                   for distribution in accordance with this  
16                   part. The employer shall withhold funds as  
17                   directed in the notice. For terms and con-  
18                   ditions for withholding income that are not  
19                   specified in a notice issued by another  
20                   State, the employer shall apply the law of  
21                   the State in which the obligor works. An  
22                   employer who complies with an income  
23                   withholding notice that is regular on its  
24                   face shall not be subject to civil liability to

1 any individual or agency for conduct in  
2 compliance with the notice.”.

3 (ii) in clause (ii), by inserting “be in  
4 a standard format prescribed by the Sec-  
5 retary, and” after “shall”; and

6 (iii) by adding at the end the follow-  
7 ing new clause:

8 “(iii) As used in this subparagraph, the term  
9 ‘business day’ means a day on which State offices  
10 are open for regular business.”.

11 (E) Section 466(b)(6)(D) (42 U.S.C.  
12 666(b)(6)(D)) is amended by striking “any em-  
13 ployer” and all that follows and inserting “any  
14 employer who—

15 “(i) discharges from employment, refuses  
16 to employ, or takes disciplinary action against  
17 any noncustodial parent subject to income with-  
18 holding required by this subsection because of  
19 the existence of such withholding and the obli-  
20 gations or additional obligations which it im-  
21 poses upon the employer; or

22 “(ii) fails to withhold support from income  
23 or to pay such amounts to the State disburse-  
24 ment unit in accordance with this subsection.”.



1 (F) Section 466(b) (42 U.S.C. 666(b)) is  
2 amended by adding at the end the following  
3 new paragraph:

4 “(11) Procedures under which the agency ad-  
5 ministering the State plan approved under this part  
6 may execute a withholding order without advance  
7 notice to the obligor, including issuing the withhold-  
8 ing order through electronic means.”.

9 (b) DEFINITION OF INCOME.—

10 (1) IN GENERAL.—Section 466(b)(8) (42  
11 U.S.C. 666(b)(8)) is amended to read as follows:

12 “(8) For purposes of subsection (a) and this  
13 subsection, the term ‘income’ means any periodic  
14 form of payment due to an individual, regardless of  
15 source, including wages, salaries, commissions, bo-  
16 nuses, worker’s compensation, disability, payments  
17 pursuant to a pension or retirement program, and  
18 interest.”.

19 (2) CONFORMING AMENDMENTS.—

20 (A) Subsections (a)(8)(A), (a)(8)(B)(i),  
21 (b)(3)(A), (b)(3)(B), (b)(6)(A)(i), and  
22 (b)(6)(C), and (b)(7) of section 466 (42 U.S.C.  
23 666(a)(8)(A), (a)(8)(B)(i), (b)(3)(A), (b)(3)(B),  
24 (b)(6)(A)(i), and (b)(6)(C), and (b)(7)) are

1 each amended by striking “wages” each place  
2 such term appears and inserting “income”.

3 (B) Section 466(b)(1) (42 U.S.C.  
4 666(b)(1)) is amended by striking “wages (as  
5 defined by the State for purposes of this sec-  
6 tion)” and inserting “income”.

7 (c) CONFORMING AMENDMENT.—Section 466(c) (42  
8 U.S.C. 666(c)) is repealed.

9 **SEC. 4315. LOCATOR INFORMATION FROM INTERSTATE**  
10 **NETWORKS.**

11 Section 466(a) (42 U.S.C. 666(a)) is amended by in-  
12 serting after paragraph (11) the following new paragraph:

13 “(12) LOCATOR INFORMATION FROM INTER-  
14 STATE NETWORKS.—Procedures to ensure that all  
15 Federal and State agencies conducting activities  
16 under this part have access to any system used by  
17 the State to locate an individual for purposes relat-  
18 ing to motor vehicles or law enforcement.”.

19 **SEC. 4316. EXPANSION OF THE FEDERAL PARENT LOCATOR**  
20 **SERVICE.**

21 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-  
22 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is  
23 amended—

24 (1) in subsection (a), by striking all that follows  
25 “subsection (c)” and inserting “, for the purpose of

1 establishing parentage, establishing, setting the  
2 amount of, modifying, or enforcing child support ob-  
3 ligations, or enforcing child custody or visitation or-  
4 ders—

5 “(1) information on, or facilitating the discov-  
6 ery of, the location of any individual—

7 “(A) who is under an obligation to pay  
8 child support or provide child custody or visita-  
9 tion rights;

10 “(B) against whom such an obligation is  
11 sought;

12 “(C) to whom such an obligation is owed,  
13 including the individual’s social security number (or  
14 numbers), most recent address, and the name, ad-  
15 dress, and employer identification number of the in-  
16 dividual’s employer;

17 “(2) information on the individual’s wages (or  
18 other income) from, and benefits of, employment (in-  
19 cluding rights to or enrollment in group health care  
20 coverage); and

21 “(3) information on the type, status, location,  
22 and amount of any assets of, or debts owed by or  
23 to, any such individual.”; and

24 (2) in subsection (b)—

1 (A) in the matter preceding paragraph (1),  
2 by striking “social security” and all that follows  
3 through “absent parent” and inserting “infor-  
4 mation described in subsection (a)”;

5 (B) in the flush paragraph at the end, by  
6 adding the following: “No information shall be  
7 disclosed to any person if the State has notified  
8 the Secretary that the State has reasonable evi-  
9 dence of domestic violence or child abuse and  
10 the disclosure of such information could be  
11 harmful to the custodial parent or the child of  
12 such parent. Information received or transmit-  
13 ted pursuant to this section shall be subject to  
14 the safeguard provisions contained in section  
15 454(26).”.

16 (b) AUTHORIZED PERSON FOR INFORMATION RE-  
17 GARDING VISITATION RIGHTS.—Section 453(c) (42  
18 U.S.C. 653(c)) is amended—

19 (1) in paragraph (1), by striking “support” and  
20 inserting “support or to seek to enforce orders pro-  
21 viding child custody or visitation rights”; and

22 (2) in paragraph (2), by striking “, or any  
23 agent of such court; and” and inserting “or to issue  
24 an order against a resident parent for child custody  
25 or visitation rights, or any agent of such court;”.

1 (c) REIMBURSEMENT FOR INFORMATION FROM FED-  
2 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.  
3 653(e)(2)) is amended in the 4th sentence by inserting  
4 “in an amount which the Secretary determines to be rea-  
5 sonable payment for the information exchange (which  
6 amount shall not include payment for the costs of obtain-  
7 ing, compiling, or maintaining the information)” before  
8 the period.

9 (d) REIMBURSEMENT FOR REPORTS BY STATE  
10 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by  
11 adding at the end the following new subsection:

12 “(g) REIMBURSEMENT FOR REPORTS BY STATE  
13 AGENCIES.—The Secretary may reimburse Federal and  
14 State agencies for the costs incurred by such entities in  
15 furnishing information requested by the Secretary under  
16 this section in an amount which the Secretary determines  
17 to be reasonable payment for the information exchange  
18 (which amount shall not include payment for the costs of  
19 obtaining, compiling, or maintaining the information).”.

20 (e) CONFORMING AMENDMENTS.—

21 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),  
22 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),  
23 653(b), 663(a), 663(e), and 663(f)) are each amend-  
24 ed by inserting “Federal” before “Parent” each  
25 place such term appears.

1           (2) Section 453 (42 U.S.C. 653) is amended in  
2           the heading by adding “FEDERAL” before “PAR-  
3           ENT”.

4           (f) NEW COMPONENTS.—Section 453 (42 U.S.C.  
5           653), as amended by subsection (d) of this section, is  
6           amended by adding at the end the following new sub-  
7           sections:

8           “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT  
9           ORDERS.—

10           “(1) IN GENERAL.—Not later than October 1,  
11           1998, in order to assist States in administering pro-  
12           grams under State plans approved under this part  
13           and programs funded under part A, and for the  
14           other purposes specified in this section, the Sec-  
15           retary shall establish and maintain in the Federal  
16           Parent Locator Service an automated registry  
17           (which shall be known as the ‘Federal Case Registry  
18           of Child Support Orders’), which shall contain ab-  
19           stracts of support orders and other information de-  
20           scribed in paragraph (2) with respect to each case  
21           in each State case registry maintained pursuant to  
22           section 454A(e), as furnished (and regularly up-  
23           dated), pursuant to section 454A(f), by State agen-  
24           cies administering programs under this part.

1           “(2) CASE INFORMATION.—The information re-  
2           ferred to in paragraph (1) with respect to a case  
3           shall be such information as the Secretary may  
4           specify in regulations (including the names, social  
5           security numbers or other uniform identification  
6           numbers, and State case identification numbers) to  
7           identify the individuals who owe or are owed support  
8           (or with respect to or on behalf of whom support ob-  
9           ligations are sought to be established), and the State  
10          or States which have the case.

11          “(i) NATIONAL DIRECTORY OF NEW HIRES.—

12                 “(1) IN GENERAL.—In order to assist States in  
13                 administering programs under State plans approved  
14                 under this part and programs funded under part A,  
15                 and for the other purposes specified in this section,  
16                 the Secretary shall, not later than October 1, 1997,  
17                 establish and maintain in the Federal Parent Loca-  
18                 tor Service an automated directory to be known as  
19                 the National Directory of New Hires, which shall  
20                 contain the information supplied pursuant to section  
21                 453A(g)(2).

22                 “(2) ENTRY OF DATA.—Information shall be  
23                 entered into the data base maintained by the Na-  
24                 tional Directory of New Hires within 2 business  
25                 days of receipt pursuant to section 453A(g)(2).

1           “(3) ADMINISTRATION OF FEDERAL TAX  
2 LAWS.—The Secretary of the Treasury shall have  
3 access to the information in the National Directory  
4 of New Hires for purposes of administering section  
5 32 of the Internal Revenue Code of 1986, or the  
6 advance payment of the earned income tax credit  
7 under section 3507 of such Code, and verifying a  
8 claim with respect to employment in a tax return.

9           “(4) LIST OF MULTISTATE EMPLOYERS.—The  
10 Secretary shall maintain within the National Direc-  
11 tory of New Hires a list of multistate employers that  
12 report information regarding newly hired employees  
13 pursuant to section 453A(b)(1)(B), and the State  
14 which each such employer has designated to receive  
15 such information.

16           “(j) INFORMATION COMPARISONS AND OTHER DIS-  
17 CLOSURES.—

18           “(1) VERIFICATION BY SOCIAL SECURITY AD-  
19 MINISTRATION.—

20           “(A) IN GENERAL.—The Secretary shall  
21 transmit information on individuals and em-  
22 ployers maintained under this section to the So-  
23 cial Security Administration to the extent nec-  
24 essary for verification in accordance with sub-  
25 paragraph (B).



1           “(B) VERIFICATION BY SSA.—The Social  
2           Security Administration shall verify the accu-  
3           racy of, correct, or supply to the extent pos-  
4           sible, and report to the Secretary, the following  
5           information supplied by the Secretary pursuant  
6           to subparagraph (A):

7                   “(i) The name, social security num-  
8                   ber, and birth date of each such individual.

9                   “(ii) The employer identification num-  
10                  ber of each such employer.

11           “(2) INFORMATION COMPARISONS.—For the  
12           purpose of locating individuals in a paternity estab-  
13           lishment case or a case involving the establishment,  
14           modification, or enforcement of a support order, the  
15           Secretary shall—

16                   “(A) compare information in the National  
17                   Directory of New Hires against information in  
18                   the support case abstracts in the Federal Case  
19                   Registry of Child Support Orders not less often  
20                   than every 2 business days; and

21                   “(B) within 2 business days after such a  
22                   comparison reveals a match with respect to an  
23                   individual, report the information to the State  
24                   agency responsible for the case.

1           “(3) INFORMATION COMPARISONS AND DISCLO-  
2           SURES OF INFORMATION IN ALL REGISTRIES FOR  
3           TITLE IV PROGRAM PURPOSES.—To the extent and  
4           with the frequency that the Secretary determines to  
5           be effective in assisting States to carry out their re-  
6           sponsibilities under programs operated under this  
7           part and programs funded under part A, the Sec-  
8           retary shall—

9           “(A) compare the information in each com-  
10           ponent of the Federal Parent Locator Service  
11           maintained under this section against the infor-  
12           mation in each other such component (other  
13           than the comparison required by paragraph  
14           (2)), and report instances in which such a com-  
15           parison reveals a match with respect to an indi-  
16           vidual to State agencies operating such pro-  
17           grams; and

18           “(B) disclose information in such registries  
19           to such State agencies.

20           “(4) PROVISION OF NEW HIRE INFORMATION  
21           TO THE SOCIAL SECURITY ADMINISTRATION.—The  
22           National Directory of New Hires shall provide the  
23           Commissioner of Social Security with all information  
24           in the National Directory, which shall be used to de-  
25           termine the accuracy of payments under the supple-

1       mental security income program under title XVI and  
2       in connection with benefits under title II.

3           “(5) RESEARCH.—The Secretary may provide  
4       access to information reported by employers pursu-  
5       ant to section 453A(b) for research purposes found  
6       by the Secretary to be likely to contribute to achiev-  
7       ing the purposes of part A or this part, but without  
8       personal identifiers.

9           “(k) FEES.—

10           “(1) FOR SSA VERIFICATION.—The Secretary  
11       shall reimburse the Commissioner of Social Security,  
12       at a rate negotiated between the Secretary and the  
13       Commissioner, for the costs incurred by the Com-  
14       missioner in performing the verification services de-  
15       scribed in subsection (j).

16           “(2) FOR INFORMATION FROM STATE DIREC-  
17       TORIES OF NEW HIRES.—The Secretary shall reim-  
18       burse costs incurred by State directories of new  
19       hires in furnishing information as required by sub-  
20       section (j)(3), at rates which the Secretary deter-  
21       mines to be reasonable (which rates shall not include  
22       payment for the costs of obtaining, compiling, or  
23       maintaining such information).

24           “(3) FOR INFORMATION FURNISHED TO STATE  
25       AND FEDERAL AGENCIES.—A State or Federal agen-

1 cy that receives information from the Secretary pur-  
2 suant to this section shall reimburse the Secretary  
3 for costs incurred by the Secretary in furnishing the  
4 information, at rates which the Secretary determines  
5 to be reasonable (which rates shall include payment  
6 for the costs of obtaining, verifying, maintaining,  
7 and comparing the information).

8 “(1) RESTRICTION ON DISCLOSURE AND USE.—In-  
9 formation in the Federal Parent Locator Service, and in-  
10 formation resulting from comparisons using such informa-  
11 tion, shall not be used or disclosed except as expressly pro-  
12 vided in this section, subject to section 6103 of the Inter-  
13 nal Revenue Code of 1986.

14 “(m) INFORMATION INTEGRITY AND SECURITY.—  
15 The Secretary shall establish and implement safeguards  
16 with respect to the entities established under this section  
17 designed to—

18 “(1) ensure the accuracy and completeness of  
19 information in the Federal Parent Locator Service;  
20 and

21 “(2) restrict access to confidential information  
22 in the Federal Parent Locator Service to authorized  
23 persons, and restrict use of such information to au-  
24 thorized purposes.

1       “(n) FEDERAL GOVERNMENT REPORTING.—Each  
2 department, agency, and instrumentality of the United  
3 States shall on a quarterly basis report to the Federal  
4 Parent Locator Service the name and social security num-  
5 ber of each employee and the wages paid to the employee  
6 during the previous quarter, except that such a report  
7 shall not be filed with respect to an employee of a depart-  
8 ment, agency, or instrumentality performing intelligence  
9 or counterintelligence functions, if the head of such de-  
10 partment, agency, or instrumentality has determined that  
11 filing such a report could endanger the safety of the em-  
12 ployee or compromise an ongoing investigation or intel-  
13 ligence mission.”.

14       (g) CONFORMING AMENDMENTS.—

15               (1) TO PART D OF TITLE IV OF THE SOCIAL SE-  
16       CURITY ACT.—

17                       (A) Section 454(8)(B) (42 U.S.C.  
18       654(8)(B)) is amended to read as follows:

19                               “(B) the Federal Parent Locator Service  
20       established under section 453;”.

21                       (B) Section 454(13) (42 U.S.C.654(13)) is  
22       amended by inserting “and provide that infor-  
23       mation requests by parents who are residents of  
24       other States be treated with the same priority  
25       as requests by parents who are residents of the

1 State submitting the plan” before the semi-  
2 colon.

3 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—  
4 Section 3304(a)(16) of the Internal Revenue Code of  
5 1986 is amended—

6 (A) by striking “Secretary of Health, Edu-  
7 cation, and Welfare” each place such term ap-  
8 pears and inserting “Secretary of Health and  
9 Human Services”;

10 (B) in subparagraph (B), by striking  
11 “such information” and all that follows and in-  
12 serting “information furnished under subpara-  
13 graph (A) or (B) is used only for the purposes  
14 authorized under such subparagraph;”;

15 (C) by striking “and” at the end of sub-  
16 paragraph (A);

17 (D) by redesignating subparagraph (B) as  
18 subparagraph (C); and

19 (E) by inserting after subparagraph (A)  
20 the following new subparagraph:

21 “(B) wage and unemployment compensation in-  
22 formation contained in the records of such agency  
23 shall be furnished to the Secretary of Health and  
24 Human Services (in accordance with regulations pro-  
25 mulgated by such Secretary) as necessary for the

1 purposes of the National Directory of New Hires es-  
2 tablished under section 453(i) of the Social Security  
3 Act, and”.

4 (3) TO STATE GRANT PROGRAM UNDER TITLE  
5 III OF THE SOCIAL SECURITY ACT.—Subsection (h)  
6 of section 303 (42 U.S.C. 503) is amended to read  
7 as follows:

8 “(h)(1) The State agency charged with the adminis-  
9 tration of the State law shall, on a reimbursable basis—

10 “(A) disclose quarterly, to the Secretary of  
11 Health and Human Services, wage and claim infor-  
12 mation, as required pursuant to section 453(i)(1),  
13 contained in the records of such agency;

14 “(B) ensure that information provided pursuant  
15 to subparagraph (A) meets such standards relating  
16 to correctness and verification as the Secretary of  
17 Health and Human Services, with the concurrence  
18 of the Secretary of Labor, may find necessary; and

19 “(C) establish such safeguards as the Secretary  
20 of Labor determines are necessary to insure that in-  
21 formation disclosed under subparagraph (A) is used  
22 only for purposes of section 453(i)(1) in carrying out  
23 the child support enforcement program under title  
24 IV.

1           “(2) Whenever the Secretary of Labor, after reason-  
2 able notice and opportunity for hearing to the State agen-  
3 cy charged with the administration of the State law, finds  
4 that there is a failure to comply substantially with the re-  
5 quirements of paragraph (1), the Secretary of Labor shall  
6 notify such State agency that further payments will not  
7 be made to the State until the Secretary of Labor is satis-  
8 fied that there is no longer any such failure. Until the  
9 Secretary of Labor is so satisfied, the Secretary shall  
10 make no future certification to the Secretary of the Treas-  
11 ury with respect to the State.

12           “(3) For purposes of this subsection—

13           “(A) the term ‘wage information’ means infor-  
14 mation regarding wages paid to an individual, the  
15 social security account number of such individual,  
16 and the name, address, State, and the Federal em-  
17 ployer identification number of the employer paying  
18 such wages to such individual; and

19           “(B) the term ‘claim information’ means infor-  
20 mation regarding whether an individual is receiving,  
21 has received, or has made application for, unemploy-  
22 ment compensation, the amount of any such com-  
23 pensation being received (or to be received by such  
24 individual), and the individual’s current (or most re-  
25 cent) home address.”.



1           (4) DISCLOSURE OF CERTAIN INFORMATION TO  
2 AGENTS OF CHILD SUPPORT ENFORCEMENT AGEN-  
3 CIES.—

4           (A) IN GENERAL.—Paragraph (6) of sec-  
5 tion 6103(l) of the Internal Revenue Code of  
6 1986 (relating to disclosure of return informa-  
7 tion to Federal, State, and local child support  
8 enforcement agencies) is amended by redesign-  
9 ating subparagraph (B) as subparagraph (C)  
10 and by inserting after subparagraph (A) the fol-  
11 lowing new subparagraph:

12           “(B) DISCLOSURE TO CERTAIN AGENTS.—  
13 The following information disclosed to any child  
14 support enforcement agency under subpara-  
15 graph (A) with respect to any individual with  
16 respect to whom child support obligations are  
17 sought to be established or enforced may be dis-  
18 closed by such agency to any agent of such  
19 agency which is under contract with such agen-  
20 cy to carry out the purposes described in sub-  
21 paragraph (C):

22           “(i) The address and social security  
23 account number (or numbers) of such indi-  
24 vidual.

1           “(ii) The amount of any reduction  
2           under section 6402(c) (relating to offset of  
3           past-due support against overpayments) in  
4           any overpayment otherwise payable to such  
5           individual.”

6           (B) CONFORMING AMENDMENTS.—

7           (i) Paragraph (3) of section 6103(a)  
8           of such Code is amended by striking  
9           “(l)(12)” and inserting “paragraph (6) or  
10          (12) of subsection (l)”.

11          (ii) Subparagraph (C) of section  
12          6103(l)(6) of such Code, as redesignated  
13          by subsection (a), is amended to read as  
14          follows:

15          “(C) RESTRICTION ON DISCLOSURE.—In-  
16          formation may be disclosed under this para-  
17          graph only for purposes of, and to the extent  
18          necessary in, establishing and collecting child  
19          support obligations from, and locating, individ-  
20          uals owing such obligations.”

21          (iii) The material following subpara-  
22          graph (F) of section 6103(p)(4) of such  
23          Code is amended by striking “subsection  
24          (l)(12)(B)” and inserting “paragraph  
25          (6)(A) or (12)(B) of subsection (l)”.

1       (h) REQUIREMENT FOR COOPERATION.—The Sec-  
2 retary of Labor and the Secretary of Health and Human  
3 Services shall work jointly to develop cost-effective and ef-  
4 ficient methods of accessing the information in the various  
5 State directories of new hires and the National Directory  
6 of New Hires as established pursuant to the amendments  
7 made by this chapter. In developing these methods the  
8 Secretaries shall take into account the impact, including  
9 costs, on the States, and shall also consider the need to  
10 insure the proper and authorized use of wage record infor-  
11 mation.

12 **SEC. 4317. COLLECTION AND USE OF SOCIAL SECURITY**  
13 **NUMBERS FOR USE IN CHILD SUPPORT EN-**  
14 **FORCEMENT.**

15       (a) STATE LAW REQUIREMENT.—Section 466(a) (42  
16 U.S.C. 666(a)), as amended by section 4315 of this Act,  
17 is amended by inserting after paragraph (12) the following  
18 new paragraph:

19               “(13) RECORDING OF SOCIAL SECURITY NUM-  
20 BERS IN CERTAIN FAMILY MATTERS.—Procedures  
21 requiring that the social security number of—

22               “(A) any applicant for a professional li-  
23 cense, commercial driver’s license, occupational  
24 license, or marriage license be recorded on the  
25 application;

1           “(B) any individual who is subject to a di-  
2           vorce decree, support order, or paternity deter-  
3           mination or acknowledgment be placed in the  
4           records relating to the matter; and

5           “(C) any individual who has died be placed  
6           in the records relating to the death and be re-  
7           corded on the death certificate.

8           For purposes of subparagraph (A), if a State allows  
9           the use of a number other than the social security  
10          number, the State shall so advise any applicants.”.

11          (b)       CONFORMING        AMENDMENTS.—Section  
12          205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by  
13          section 321(a)(9) of the Social Security Independence and  
14          Program Improvements Act of 1994, is amended—

15                (1) in clause (i), by striking “may require” and  
16                inserting “shall require”;

17                (2) in clause (ii), by inserting after the 1st sen-  
18                tence the following: “In the administration of any  
19                law involving the issuance of a marriage certificate  
20                or license, each State shall require each party named  
21                in the certificate or license to furnish to the State  
22                (or political subdivision thereof), or any State agen-  
23                cy having administrative responsibility for the law  
24                involved, the social security number of the party.”;

1           (3) in clause (ii), by inserting “or marriage cer-  
2           tificate” after “Such numbers shall not be recorded  
3           on the birth certificate”.

4           (4) in clause (vi), by striking “may” and insert-  
5           ing “shall”; and

6           (5) by adding at the end the following new  
7           clauses:

8           “(x) An agency of a State (or a political subdivision  
9           thereof) charged with the administration of any law con-  
10          cerning the issuance or renewal of a license, certificate,  
11          permit, or other authorization to engage in a profession,  
12          an occupation, or a commercial activity shall require all  
13          applicants for issuance or renewal of the license, certifi-  
14          cate, permit, or other authorization to provide the appli-  
15          cant’s social security number to the agency for the purpose  
16          of administering such laws, and for the purpose of re-  
17          sponding to requests for information from an agency oper-  
18          ating pursuant to part D of title IV.

19          “(xi) All divorce decrees, support orders, and pater-  
20          nity determinations issued, and all paternity acknowledg-  
21          ments made, in each State shall include the social security  
22          number of each party to the decree, order, determination,  
23          or acknowledgment in the records relating to the matter,  
24          for the purpose of responding to requests for information  
25          from an agency operating pursuant to part D of title IV.”.

1           **CHAPTER 3—STREAMLINING AND**  
2           **UNIFORMITY OF PROCEDURES**

3   **SEC. 4321. ADOPTION OF UNIFORM STATE LAWS.**

4           Section 466 (42 U.S.C. 666) is amended by adding  
5 at the end the following new subsection:

6           “(f) UNIFORM INTERSTATE FAMILY SUPPORT  
7 ACT.—

8           “(1) ENACTMENT AND USE.—In order to sat-  
9 isfy section 454(20)(A), on and after January 1,  
10 1998, each State must have in effect the Uniform  
11 Interstate Family Support Act, as approved by the  
12 American Bar Association on February 9, 1993, to-  
13 gether with any amendments officially adopted be-  
14 fore January 1, 1998 by the National Conference of  
15 Commissioners on Uniform State Laws.

16           “(2) EMPLOYERS TO FOLLOW PROCEDURAL  
17 RULES OF STATE WHERE EMPLOYEE WORKS.—The  
18 State law enacted pursuant to paragraph (1) shall  
19 provide that an employer that receives an income  
20 withholding order or notice pursuant to section 501  
21 of the Uniform Interstate Family Support Act follow  
22 the procedural rules that apply with respect to such  
23 order or notice under the laws of the State in which  
24 the obligor works.”.

1 **SEC. 4322. IMPROVEMENTS TO FULL FAITH AND CREDIT**  
2 **FOR CHILD SUPPORT ORDERS.**

3 Section 1738B of title 28, United States Code, is  
4 amended—

5 (1) in subsection (a)(2), by striking “subsection  
6 (e)” and inserting “subsections (e), (f), and (i)”;

7 (2) in subsection (b), by inserting after the 2nd  
8 undesignated paragraph the following:

9 “‘child’s home State’ means the State in which a  
10 child lived with a parent or a person acting as parent for  
11 at least 6 consecutive months immediately preceding the  
12 time of filing of a petition or comparable pleading for sup-  
13 port and, if a child is less than 6 months old, the State  
14 in which the child lived from birth with any of them. A  
15 period of temporary absence of any of them is counted  
16 as part of the 6-month period.”;

17 (3) in subsection (c), by inserting “by a court  
18 of a State” before “is made”;

19 (4) in subsection (c)(1), by inserting “and sub-  
20 sections (e), (f), and (g)” after “located”;

21 (5) in subsection (d)—

22 (A) by inserting “individual” before “con-  
23 testant”; and

24 (B) by striking “subsection (e)” and in-  
25 serting “subsections (e) and (f)”;

1           (6) in subsection (e), by striking “make a modi-  
2           fication of a child support order with respect to a  
3           child that is made” and inserting “modify a child  
4           support order issued”;

5           (7) in subsection (e)(1), by inserting “pursuant  
6           to subsection (i)” before the semicolon;

7           (8) in subsection (e)(2)—

8                 (A) by inserting “individual” before “con-  
9                 testant” each place such term appears; and

10                (B) by striking “to that court’s making the  
11                modification and assuming” and inserting “with  
12                the State of continuing, exclusive jurisdiction  
13                for a court of another State to modify the order  
14                and assume”;

15           (9) by redesignating subsections (f) and (g) as  
16           subsections (g) and (h), respectively;

17           (10) by inserting after subsection (e) the follow-  
18           ing new subsection:

19           “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—  
20           If 1 or more child support orders have been issued with  
21           regard to an obligor and a child, a court shall apply the  
22           following rules in determining which order to recognize for  
23           purposes of continuing, exclusive jurisdiction and enforce-  
24           ment:



1           “(1) If only 1 court has issued a child support  
2 order, the order of that court must be recognized.

3           “(2) If 2 or more courts have issued child sup-  
4 port orders for the same obligor and child, and only  
5 1 of the courts would have continuing, exclusive ju-  
6 risdiction under this section, the order of that court  
7 must be recognized.

8           “(3) If 2 or more courts have issued child sup-  
9 port orders for the same obligor and child, and more  
10 than 1 of the courts would have continuing, exclusive  
11 jurisdiction under this section, an order issued by a  
12 court in the current home State of the child must  
13 be recognized, but if an order has not been issued  
14 in the current home State of the child, the order  
15 most recently issued must be recognized.

16           “(4) If 2 or more courts have issued child sup-  
17 port orders for the same obligor and child, and none  
18 of the courts would have continuing, exclusive juris-  
19 diction under this section, a court may issue a child  
20 support order, which must be recognized.

21           “(5) The court that has issued an order recog-  
22 nized under this subsection is the court having con-  
23 tinuing, exclusive jurisdiction.”;

24           (11) in subsection (g) (as so redesignated)—

1 (A) by striking “PRIOR” and inserting  
2 “MODIFIED”; and

3 (B) by striking “subsection (e)” and in-  
4 serting “subsections (e) and (f)”;

5 (12) in subsection (h) (as so redesignated)—

6 (A) in paragraph (2), by inserting “includ-  
7 ing the duration of current payments and other  
8 obligations of support” before the comma; and

9 (B) in paragraph (3), by inserting “arrear  
10 under” after “enforce”; and

11 (13) by adding at the end the following new  
12 subsection:

13 “(i) REGISTRATION FOR MODIFICATION.—If there is  
14 no individual contestant or child residing in the issuing  
15 State, the party or support enforcement agency seeking  
16 to modify, or to modify and enforce, a child support order  
17 issued in another State shall register that order in a State  
18 with jurisdiction over the nonmovant for the purpose of  
19 modification.”

20 **SEC. 4323. ADMINISTRATIVE ENFORCEMENT IN INTER-**  
21 **STATE CASES.**

22 Section 466(a) (42 U.S.C. 666(a)), as amended by  
23 sections 4315 and 4317(a) of this Act, is amended by in-  
24 serting after paragraph (13) the following new paragraph:

1           “(14) ADMINISTRATIVE ENFORCEMENT IN  
2 INTERSTATE CASES.—Procedures under which—

3           “(A)(i) the State shall respond within 5  
4 business days to a request made by another  
5 State to enforce a support order; and

6           “(ii) the term ‘business day’ means a day  
7 on which State offices are open for regular  
8 business;

9           “(B) the State may, by electronic or other  
10 means, transmit to another State a request for  
11 assistance in a case involving the enforcement  
12 of a support order, which request—

13           “(i) shall include such information as  
14 will enable the State to which the request  
15 is transmitted to compare the information  
16 about the case to the information in the  
17 data bases of the State; and

18           “(ii) shall constitute a certification by  
19 the requesting State—

20           “(I) of the amount of support  
21 under the order the payment of which  
22 is in arrears; and

23           “(II) that the requesting State  
24 has complied with all procedural due

1 process requirements applicable to the  
2 case;

3 “(C) if the State provides assistance to an-  
4 other State pursuant to this paragraph with re-  
5 spect to a case, neither State shall consider the  
6 case to be transferred to the caseload of such  
7 other State; and

8 “(D) the State shall maintain records of—

9 “(i) the number of such requests for  
10 assistance received by the State;

11 “(ii) the number of cases for which  
12 the State collected support in response to  
13 such a request; and

14 “(iii) the amount of such collected  
15 support.”.

16 **SEC. 4324. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

17 (a) **PROMULGATION.**—Section 452(a) (42 U.S.C.  
18 652(a)) is amended—

19 (1) by striking “and” at the end of paragraph  
20 (9);

21 (2) by striking the period at the end of para-  
22 graph (10) (as amended by section 4346(a) of this  
23 Act) and inserting “; and”; and

24 (3) by adding at the end the following new  
25 paragraph:

1           “(11) not later than October 1, 1996, after con-  
2           sulting with the State directors of programs under  
3           this part, promulgate forms to be used by States in  
4           interstate cases for—

5                   “(A) collection of child support through in-  
6                   come withholding;

7                   “(B) imposition of liens; and

8                   “(C) administrative subpoenas.”.

9           (b) USE BY STATES.—Section 454(9) (42 U.S.C.  
10 654(9)) is amended—

11                   (1) by striking “and” at the end of subpara-  
12                   graph (C);

13                   (2) by inserting “and” at the end of subpara-  
14                   graph (D); and

15                   (3) by adding at the end the following new sub-  
16                   paragraph:

17                           “(E) not later than March 1, 1997, in  
18                           using the forms promulgated pursuant to sec-  
19                           tion 452(a)(11) for income withholding, imposi-  
20                           tion of liens, and issuance of administrative  
21                           subpoenas in interstate child support cases;”.

1 **SEC. 4325. STATE LAWS PROVIDING EXPEDITED PROCE-**  
2 **DURES.**

3 (a) STATE LAW REQUIREMENTS.—Section 466 (42  
4 U.S.C. 666), as amended by section 4314 of this Act, is  
5 amended—

6 (1) in subsection (a)(2), by striking the first  
7 sentence and inserting the following: “Expedited ad-  
8 ministrative and judicial procedures (including the  
9 procedures specified in subsection (c)) for establish-  
10 ing paternity and for establishing, modifying, and  
11 enforcing support obligations.”; and

12 (2) by inserting after subsection (b) the follow-  
13 ing new subsection:

14 “(c) EXPEDITED PROCEDURES.—The procedures  
15 specified in this subsection are the following:

16 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-  
17 CY.—Procedures which give the State agency the au-  
18 thority to take the following actions relating to es-  
19 tablishment of paternity or to establishment, modi-  
20 fication, or enforcement of support orders, without  
21 the necessity of obtaining an order from any other  
22 judicial or administrative tribunal, and to recognize  
23 and enforce the authority of State agencies of other  
24 States to take the following actions:

1           “(A) GENETIC TESTING.—To order genetic  
2           testing for the purpose of paternity establish-  
3           ment as provided in section 466(a)(5).

4           “(B) FINANCIAL OR OTHER INFORMA-  
5           TION.—To subpoena any financial or other in-  
6           formation needed to establish, modify, or en-  
7           force a support order, and to impose penalties  
8           for failure to respond to such a subpoena.

9           “(C) RESPONSE TO STATE AGENCY RE-  
10          QUEST.—To require all entities in the State (in-  
11          cluding for-profit, nonprofit, and governmental  
12          employers) to provide promptly, in response to  
13          a request by the State agency of that or any  
14          other State administering a program under this  
15          part, information on the employment, com-  
16          pensation, and benefits of any individual em-  
17          ployed by such entity as an employee or con-  
18          tractor, and to sanction failure to respond to  
19          any such request.

20          “(D) ACCESS TO INFORMATION CON-  
21          TAINED IN CERTAIN RECORDS.—To obtain ac-  
22          cess, subject to safeguards on privacy and infor-  
23          mation security, and subject to the nonliability  
24          of entities that afford such access under this  
25          subparagraph, to information contained in the

1 following records (including automated access,  
2 in the case of records maintained in automated  
3 data bases):

4 “(i) Records of other State and local  
5 government agencies, including—

6 “(I) vital statistics (including  
7 records of marriage, birth, and di-  
8 vorce);

9 “(II) State and local tax and rev-  
10 enue records (including information  
11 on residence address, employer, in-  
12 come and assets);

13 “(III) records concerning real  
14 and titled personal property;

15 “(IV) records of occupational and  
16 professional licenses, and records con-  
17 cerning the ownership and control of  
18 corporations, partnerships, and other  
19 business entities;

20 “(V) employment security  
21 records;

22 “(VI) records of agencies admin-  
23 istering public assistance programs;

24 “(VII) records of the motor vehi-  
25 cle department; and



1 “(VIII) corrections records.

2 “(ii) Certain records held by private  
3 entities with respect to individuals who owe  
4 or are owed support (or against or with re-  
5 spect to whom a support obligation is  
6 sought), consisting of—

7 “(I) the names and addresses of  
8 such individuals and the names and  
9 addresses of the employers of such in-  
10 dividuals, as appearing in customer  
11 records of public utilities and cable  
12 television companies, pursuant to an  
13 administrative subpoena authorized by  
14 subparagraph (B); and

15 “(II) information (including in-  
16 formation on assets and liabilities) on  
17 such individuals held by financial in-  
18 stitutions.

19 “(E) CHANGE IN PAYEE.—In cases in  
20 which support is subject to an assignment in  
21 order to comply with a requirement imposed  
22 pursuant to part A or section 1912, or to a re-  
23 quirement to pay through the State disburse-  
24 ment unit established pursuant to section  
25 454B, upon providing notice to obligor and obli-

1           gee, to direct the obligor or other payor to  
2           change the payee to the appropriate government  
3           entity.

4           “(F) INCOME WITHHOLDING.—To order  
5           income withholding in accordance with sub-  
6           sections (a)(1)(A) and (b) of section 466.

7           “(G) SECURING ASSETS.—In cases in  
8           which there is a support arrearage, to secure  
9           assets to satisfy the arrearage by—

10                   “(i) intercepting or seizing periodic or  
11                   lump-sum payments from—

12                           “(I) a State or local agency, in-  
13                           cluding unemployment compensation,  
14                           workers’ compensation, and other ben-  
15                           efits; and

16                           “(II) judgments, settlements, and  
17                           lotteries;

18                           “(ii) attaching and seizing assets of  
19                           the obligor held in financial institutions;

20                           “(iii) attaching public and private re-  
21                           tirement funds; and

22                           “(iv) imposing liens in accordance  
23                           with subsection (a)(4) and, in appropriate  
24                           cases, to force sale of property and dis-  
25                           tribution of proceeds.

1           “(H) INCREASE MONTHLY PAYMENTS.—

2           For the purpose of securing overdue support, to  
3           increase the amount of monthly support pay-  
4           ments to include amounts for arrearages, sub-  
5           ject to such conditions or limitations as the  
6           State may provide.

7           Such procedures shall be subject to due process safe-  
8           guards, including (as appropriate) requirements for  
9           notice, opportunity to contest the action, and oppor-  
10          tunity for an appeal on the record to an independent  
11          administrative or judicial tribunal.

12          “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

13          The expedited procedures required under subsection  
14          (a)(2) shall include the following rules and author-  
15          ity, applicable with respect to all proceedings to es-  
16          tablish paternity or to establish, modify, or enforce  
17          support orders:

18                 “(A) LOCATOR INFORMATION; PRESUMP-  
19                 TIONS        CONCERNING        NOTICE.—Procedures  
20                 under which—

21                         “(i) each party to any paternity or  
22                         child support proceeding is required (sub-  
23                         ject to privacy safeguards) to file with the  
24                         tribunal and the State case registry upon  
25                         entry of an order, and to update as appro-

1           priate, information on location and identity  
2           of the party, including social security num-  
3           ber, residential and mailing addresses, tele-  
4           phone number, driver's license number,  
5           and name, address, and telephone number  
6           of employer; and

7           “(ii) in any subsequent child support  
8           enforcement action between the parties,  
9           upon sufficient showing that diligent effort  
10          has been made to ascertain the location of  
11          such a party, the tribunal may deem State  
12          due process requirements for notice and  
13          service of process to be met with respect to  
14          the party, upon delivery of written notice  
15          to the most recent residential or employer  
16          address filed with the tribunal pursuant to  
17          clause (i).

18          “(B) STATEWIDE JURISDICTION.—Proce-  
19          dures under which—

20                 “(i) the State agency and any admin-  
21                 istrative or judicial tribunal with authority  
22                 to hear child support and paternity cases  
23                 exerts statewide jurisdiction over the par-  
24                 ties; and

1                   “(ii) in a State in which orders are is-  
2                   sued by courts or administrative tribunals,  
3                   a case may be transferred between local ju-  
4                   risdictions in the State without need for  
5                   any additional filing by the petitioner, or  
6                   service of process upon the respondent, to  
7                   retain jurisdiction over the parties.

8                   “(3) COORDINATION WITH ERISA.—Notwith-  
9                   standing subsection (d) of section 514 of the Em-  
10                  ployee Retirement Income Security Act of 1974 (re-  
11                  lating to effect on other laws), nothing in this sub-  
12                  section shall be construed to alter, amend, modify,  
13                  invalidate, impair, or supersede subsections (a), (b),  
14                  and (c) of such section 514 as it applies with respect  
15                  to any procedure referred to in paragraph (1) and  
16                  any expedited procedure referred to in paragraph  
17                  (2), except to the extent that such procedure would  
18                  be consistent with the requirements of section  
19                  206(d)(3) of such Act (relating to qualified domestic  
20                  relations orders) or the requirements of section  
21                  609(a) of such Act (relating to qualified medical  
22                  child support orders) if the reference in such section  
23                  206(d)(3) to a domestic relations order and the ref-  
24                  erence in such section 609(a) to a medical child sup-  
25                  port order were a reference to a support order re-

1       ferred to in paragraphs (1) and (2) relating to the  
2       same matters, respectively.”.

3       (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—  
4 Section 454A, as added by section 4344(a)(2) and as  
5 amended by sections 4311 and 4312(c) of this Act, is  
6 amended by adding at the end the following new sub-  
7 section:

8       “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—  
9 The automated system required by this section shall be  
10 used, to the maximum extent feasible, to implement the  
11 expedited administrative procedures required by section  
12 466(c).”.

### 13 **CHAPTER 4—PATERNITY ESTABLISHMENT**

#### 14 **SEC. 4331. STATE LAWS CONCERNING PATERNITY ESTAB-** 15 **LISHMENT.**

16       (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42  
17 U.S.C. 666(a)(5)) is amended to read as follows:

18       “(5) PROCEDURES CONCERNING PATERNITY ES-  
19       TABLISHMENT.—

20               “(A) ESTABLISHMENT PROCESS AVAIL-  
21       ABLE FROM BIRTH UNTIL AGE 18.—

22               “(i) Procedures which permit the es-  
23       tablishment of the paternity of a child at  
24       any time before the child attains 18 years  
25       of age.

1           “(ii) As of August 16, 1984, clause (i)  
2           shall also apply to a child for whom pater-  
3           nity has not been established or for whom  
4           a paternity action was brought but dis-  
5           missed because a statute of limitations of  
6           less than 18 years was then in effect in the  
7           State.

8           “(B) PROCEDURES CONCERNING GENETIC  
9           TESTING.—

10           “(i) GENETIC TESTING REQUIRED IN  
11           CERTAIN CONTESTED CASES.—Procedures  
12           under which the State is required, in a  
13           contested paternity case (unless otherwise  
14           barred by State law) to require the child  
15           and all other parties (other than individ-  
16           uals found under section 454(29) to have  
17           good cause and other exceptions for refus-  
18           ing to cooperate) to submit to genetic tests  
19           upon the request of any such party, if the  
20           request is supported by a sworn statement  
21           by the party—

22           “(I) alleging paternity, and set-  
23           ting forth facts establishing a reason-  
24           able possibility of the requisite sexual  
25           contact between the parties; or

1           “(II) denying paternity, and set-  
2           ting forth facts establishing a reason-  
3           able possibility of the nonexistence of  
4           sexual contact between the parties.

5           “(ii) OTHER REQUIREMENTS.—Proce-  
6           dures which require the State agency, in  
7           any case in which the agency orders ge-  
8           netic testing—

9           “(I) to pay costs of such tests,  
10           subject to recoupment (if the State so  
11           elects) from the alleged father if pa-  
12           ternity is established; and

13           “(II) to obtain additional testing  
14           in any case if an original test result is  
15           contested, upon request and advance  
16           payment by the contestant.

17           “(C) VOLUNTARY PATERNITY ACKNOWLEDG-  
18           EDGMENT.—

19           “(i) SIMPLE CIVIL PROCESS.—Proce-  
20           dures for a simple civil process for volun-  
21           tarily acknowledging paternity under which  
22           the State must provide that, before a  
23           mother and a putative father can sign an  
24           acknowledgment of paternity, the mother  
25           and the putative father must be given no-



1 tice, orally and in writing, of the alter-  
2 natives to, the legal consequences of, and  
3 the rights (including, if 1 parent is a  
4 minor, any rights afforded due to minority  
5 status) and responsibilities that arise from,  
6 signing the acknowledgment.

7 “(ii) HOSPITAL-BASED PROGRAM.—  
8 Such procedures must include a hospital-  
9 based program for the voluntary acknowl-  
10 edgment of paternity focusing on the pe-  
11 riod immediately before or after the birth  
12 of a child.

13 “(iii) PATERNITY ESTABLISHMENT  
14 SERVICES.—

15 “(I) STATE-OFFERED SERV-  
16 ICES.—Such procedures must require  
17 the State agency responsible for main-  
18 taining birth records to offer vol-  
19 untary paternity establishment serv-  
20 ices.

21 “(II) REGULATIONS.—

22 “(aa) SERVICES OFFERED  
23 BY HOSPITALS AND BIRTH  
24 RECORD AGENCIES.—The Sec-  
25 retary shall prescribe regulations

1 governing voluntary paternity es-  
2 tablishment services offered by  
3 hospitals and birth record agen-  
4 cies.

5 “(bb) SERVICES OFFERED  
6 BY OTHER ENTITIES.—The Sec-  
7 retary shall prescribe regulations  
8 specifying the types of other enti-  
9 ties that may offer voluntary pa-  
10 ternity establishment services,  
11 and governing the provision of  
12 such services, which shall include  
13 a requirement that such an entity  
14 must use the same notice provi-  
15 sions used by, use the same ma-  
16 terials used by, provide the per-  
17 sonnel providing such services  
18 with the same training provided  
19 by, and evaluate the provision of  
20 such services in the same manner  
21 as the provision of such services  
22 is evaluated by, voluntary pater-  
23 nity establishment programs of  
24 hospitals and birth record agen-  
25 cies.

1           “(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures  
2           must require the State to develop and use  
3           an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit specified by the Secretary under section  
4           452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith  
5           and credit to such an affidavit signed in  
6           any other State according to its procedures.  
7  
8  
9  
10  
11  
12

13           “(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—  
14

15           “(i) INCLUSION IN BIRTH RECORDS.—  
16           Procedures under which the name of the  
17           father shall be included on the record of  
18           birth of the child of unmarried parents  
19           only if—

20                   “(I) the father and mother have  
21                   signed a voluntary acknowledgment of  
22                   paternity; or

23                   “(II) a court or an administrative  
24                   agency of competent jurisdiction has  
25                   issued an adjudication of paternity.

1 Nothing in this clause shall preclude a  
2 State agency from obtaining an admission  
3 of paternity from the father for submission  
4 in a judicial or administrative proceeding,  
5 or prohibit the issuance of an order in a  
6 judicial or administrative proceeding which  
7 bases a legal finding of paternity on an ad-  
8 mission of paternity by the father and any  
9 other additional showing required by State  
10 law.

11 “(ii) LEGAL FINDING OF PATER-  
12 NITY.—Procedures under which a signed  
13 voluntary acknowledgment of paternity is  
14 considered a legal finding of paternity,  
15 subject to the right of any signatory to re-  
16 scind the acknowledgment within the ear-  
17 lier of—

18 “(I) 60 days; or

19 “(II) the date of an administra-  
20 tive or judicial proceeding relating to  
21 the child (including a proceeding to  
22 establish a support order) in which  
23 the signatory is a party.

24 “(iii) CONTEST.—Procedures under  
25 which, after the 60-day period referred to

1 in clause (ii), a signed voluntary acknowl-  
2 edgment of paternity may be challenged in  
3 court only on the basis of fraud, duress, or  
4 material mistake of fact, with the burden  
5 of proof upon the challenger, and under  
6 which the legal responsibilities (including  
7 child support obligations) of any signatory  
8 arising from the acknowledgment may not  
9 be suspended during the challenge, except  
10 for good cause shown.

11 “(E) BAR ON ACKNOWLEDGMENT RATIFI-  
12 CATION PROCEEDINGS.—Procedures under  
13 which judicial or administrative proceedings are  
14 not required or permitted to ratify an unchal-  
15 lenged acknowledgment of paternity.

16 “(F) ADMISSIBILITY OF GENETIC TESTING  
17 RESULTS.—Procedures—

18 “(i) requiring the admission into evi-  
19 dence, for purposes of establishing pater-  
20 nity, of the results of any genetic test that  
21 is—

22 “(I) of a type generally acknowl-  
23 edged as reliable by accreditation bod-  
24 ies designated by the Secretary; and

1                   “(II) performed by a laboratory  
2                   approved by such an accreditation  
3                   body;

4                   “(ii) requiring an objection to genetic  
5                   testing results to be made in writing not  
6                   later than a specified number of days be-  
7                   fore any hearing at which the results may  
8                   be introduced into evidence (or, at State  
9                   option, not later than a specified number  
10                  of days after receipt of the results); and

11                  “(iii) making the test results admissi-  
12                  ble as evidence of paternity without the  
13                  need for foundation testimony or other  
14                  proof of authenticity or accuracy, unless  
15                  objection is made.

16                  “(G) PRESUMPTION OF PATERNITY IN  
17                  CERTAIN CASES.—Procedures which create a re-  
18                  buttable or, at the option of the State, conclu-  
19                  sive presumption of paternity upon genetic test-  
20                  ing results indicating a threshold probability  
21                  that the alleged father is the father of the child.

22                  “(H) DEFAULT ORDERS.—Procedures re-  
23                  quiring a default order to be entered in a pater-  
24                  nity case upon a showing of service of process

1 on the defendant and any additional showing  
2 required by State law.

3 “(I) NO RIGHT TO JURY TRIAL.—Proce-  
4 dures providing that the parties to an action to  
5 establish paternity are not entitled to a trial by  
6 jury.

7 “(J) TEMPORARY SUPPORT ORDER BASED  
8 ON PROBABLE PATERNITY IN CONTESTED  
9 CASES.—Procedures which require that a tem-  
10 porary order be issued, upon motion by a party,  
11 requiring the provision of child support pending  
12 an administrative or judicial determination of  
13 parentage, if there is clear and convincing evi-  
14 dence of paternity (on the basis of genetic tests  
15 or other evidence).

16 “(K) PROOF OF CERTAIN SUPPORT AND  
17 PATERNITY ESTABLISHMENT COSTS.—Proce-  
18 dures under which bills for pregnancy, child-  
19 birth, and genetic testing are admissible as evi-  
20 dence without requiring third-party foundation  
21 testimony, and shall constitute prima facie evi-  
22 dence of amounts incurred for such services or  
23 for testing on behalf of the child.

24 “(L) STANDING OF PUTATIVE FATHERS.—  
25 Procedures ensuring that the putative father

1 has a reasonable opportunity to initiate a pater-  
2 nity action.

3 “(M) FILING OF ACKNOWLEDGMENTS AND  
4 ADJUDICATIONS IN STATE REGISTRY OF BIRTH  
5 RECORDS.—Procedures under which voluntary  
6 acknowledgments and adjudications of paternity  
7 by judicial or administrative processes are filed  
8 with the State registry of birth records for com-  
9 parison with information in the State case reg-  
10 istry.”.

11 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-  
12 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is  
13 amended by inserting “, and specify the minimum require-  
14 ments of an affidavit to be used for the voluntary acknowl-  
15 edgment of paternity which shall include the social secu-  
16 rity number of each parent and, after consultation with  
17 the States, other common elements as determined by such  
18 designee” before the semicolon.

19 (c) CONFORMING AMENDMENT.—Section 468 (42  
20 U.S.C. 668) is amended by striking “a simple civil process  
21 for voluntarily acknowledging paternity and”.

22 **SEC. 4332. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**  
23 **LISHMENT.**

24 Section 454(23) (42 U.S.C. 654(23)) is amended by  
25 inserting “and will publicize the availability and encourage



1 the use of procedures for voluntary establishment of pater-  
2 nity and child support by means the State deems appro-  
3 priate” before the semicolon.

4 **SEC. 4333. COOPERATION BY APPLICANTS FOR AND RECIPI-**  
5 **ENTS OF PART A ASSISTANCE.**

6 Section 454 (42 U.S.C. 654), as amended by sections  
7 4301(b), 4303(a), 4312(a), and 4313(a) of this Act, is  
8 amended—

9 (1) by striking “and” at the end of paragraph  
10 (27);

11 (2) by striking the period at the end of para-  
12 graph (28) and inserting “; and”; and

13 (3) by inserting after paragraph (28) the fol-  
14 lowing new paragraph:

15 “(29) provide that the State agency responsible  
16 for administering the State plan—

17 “(A) shall make the determination (and re-  
18 determination at appropriate intervals) as to  
19 whether an individual who has applied for or is  
20 receiving assistance under the State program  
21 funded under part A of this title or the State  
22 program under title XIX is cooperating in good  
23 faith with the State in establishing the pater-  
24 nity of, or in establishing, modifying, or enforce-  
25 ing a support order for, any child of the individ-

1 ual by providing the State agency with the  
2 name of, and such other information as the  
3 State agency may require with respect to, the  
4 noncustodial parent of the child, subject to good  
5 cause and other exceptions which—

6 “(i) shall be defined, taking into ac-  
7 count the best interests of the child, and

8 “(ii) shall be applied in each case,  
9 by, at the option of the State, the State agency  
10 administering the State program under part A,  
11 this part, or title XIX;

12 “(B) shall require the individual to supply  
13 additional necessary information and appear at  
14 interviews, hearings, and legal proceedings;

15 “(C) shall require the individual and the  
16 child to submit to genetic tests pursuant to ju-  
17 dicial or administrative order;

18 “(D) may request that the individual sign  
19 a voluntary acknowledgment of paternity, after  
20 notice of the rights and consequences of such  
21 an acknowledgment, but may not require the in-  
22 dividual to sign an acknowledgment or other-  
23 wise relinquish the right to genetic tests as a  
24 condition of cooperation and eligibility for as-  
25 sistance under the State program funded under

1 part A, or the State program under title XIX;  
2 and

3 “(E) shall promptly notify the individual,  
4 the State agency administering the State pro-  
5 gram funded under part A, and the State agen-  
6 cy administering the State program under title  
7 XIX, of each such determination, and if non-  
8 cooperation is determined, the basis therefor.”.

9 **CHAPTER 5—PROGRAM ADMINISTRATION**  
10 **AND FUNDING**

11 **SEC. 4341. PERFORMANCE-BASED INCENTIVES AND PEN-**  
12 **ALTIES.**

13 (a) DEVELOPMENT OF NEW SYSTEM.—The Sec-  
14 retary of Health and Human Services, in consultation with  
15 State directors of programs under part D of title IV of  
16 the Social Security Act, shall develop a new incentive sys-  
17 tem to replace, in a revenue neutral manner, the system  
18 under section 458 of such Act. The new system shall pro-  
19 vide additional payments to any State based on such  
20 State’s performance under such a program. Not later than  
21 November 1, 1996, the Secretary shall report on the new  
22 system to the Committee on Ways and Means of the  
23 House of Representatives and the Committee on Finance  
24 of the Senate.

1 (b) CONFORMING AMENDMENTS TO PRESENT SYS-  
2 TEM.—Section 458 (42 U.S.C. 658) is amended—

3 (1) in subsection (a), by striking “aid to fami-  
4 lies with dependent children under a State plan ap-  
5 proved under part A of this title” and inserting “as-  
6 sistance under a program funded under part A”;

7 (2) in subsection (b)(1)(A), by striking “section  
8 402(a)(26)” and inserting “section 408(a)(4)”;

9 (3) in subsections (b) and (c)—

10 (A) by striking “AFDC collections” each  
11 place it appears and inserting “title IV–A col-  
12 lections”, and

13 (B) by striking “non-AFDC collections”  
14 each place it appears and inserting “non-title  
15 IV–A collections”; and

16 (4) in subsection (c), by striking “combined  
17 AFDC/non-AFDC administrative costs” both places  
18 it appears and inserting “combined title IV–A/non-  
19 title IV–A administrative costs”.

20 (c) CALCULATION OF PATERNITY ESTABLISHMENT  
21 PERCENTAGE.—

22 (1) Section 452(g)(1)(A) (42 U.S.C.  
23 652(g)(1)(A)) is amended by striking “75” and in-  
24 serting “90”.

1           (2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is  
2 amended—

3           (A) by redesignating subparagraphs (B)  
4 through (E) as subparagraphs (C) through (F),  
5 respectively, and by inserting after subpara-  
6 graph (A) the following new subparagraph:

7           “(B) for a State with a paternity establishment  
8 percentage of not less than 75 percent but less than  
9 90 percent for such fiscal year, the paternity estab-  
10 lishment percentage of the State for the immediately  
11 preceding fiscal year plus 2 percentage points;” and

12           (B) by adding at the end the following new  
13 flush sentence:

14 “In determining compliance under this section, a State  
15 may use as its paternity establishment percentage either  
16 the State’s IV–D paternity establishment percentage (as  
17 defined in paragraph (2)(A)) or the State’s statewide pa-  
18 ternity establishment percentage (as defined in paragraph  
19 (2)(B)).”

20           (3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is  
21 amended—

22           (A) in subparagraph (A)—

23           (i) in the matter preceding clause

24           (i)—

1 (I) by striking “paternity estab-  
2 lishment percentage” and inserting  
3 “IV–D paternity establishment per-  
4 centage”; and

5 (II) by striking “(or all States, as  
6 the case may be)”; and

7 (ii) by striking “and” at the end; and

8 (B) by redesignating subparagraph (B) as  
9 subparagraph (C) and by inserting after sub-  
10 paragraph (A) the following new subparagraph:

11 “(B) the term ‘statewide paternity establish-  
12 ment percentage’ means, with respect to a State for  
13 a fiscal year, the ratio (expressed as a percentage)  
14 that the total number of minor children—

15 “(i) who have been born out of wedlock,  
16 and

17 “(ii) the paternity of whom has been estab-  
18 lished or acknowledged during the fiscal year,  
19 bears to the total number of children born out of  
20 wedlock during the preceding fiscal year; and”.

21 (4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is  
22 amended—

23 (A) by striking subparagraph (A) and re-  
24 designating subparagraphs (B) and (C) as sub-  
25 paragraphs (A) and (B), respectively; and

1 (B) in subparagraph (A) (as so redesignig-  
2 nated), by striking “the percentage of children  
3 born out-of-wedlock in a State” and inserting  
4 “the percentage of children in a State who are  
5 born out of wedlock or for whom support has  
6 not been established”.

7 (d) EFFECTIVE DATES.—

8 (1) INCENTIVE ADJUSTMENTS.—

9 (A) IN GENERAL.—The system developed under  
10 subsection (a) and the amendments made by sub-  
11 section (b) shall become effective on October 1,  
12 1998, except to the extent provided in subparagraph  
13 (B).

14 (B) APPLICATION OF SECTION 458.—Section  
15 458 of the Social Security Act, as in effect on the  
16 day before the date of the enactment of this section,  
17 shall be effective for purposes of incentive payments  
18 to States for fiscal years before fiscal year 1999.

19 (2) PENALTY REDUCTIONS.—The amendments  
20 made by subsection (c) shall become effective with  
21 respect to calendar quarters beginning on or after  
22 the date of the enactment of this Act.

23 **SEC. 4342. FEDERAL AND STATE REVIEWS AND AUDITS.**

24 (a) STATE AGENCY ACTIVITIES.—Section 454 (42  
25 U.S.C. 654) is amended—

1 (1) in paragraph (14), by striking “(14)” and  
2 inserting “(14)(A)”;

3 (2) by redesignating paragraph (15) as sub-  
4 paragraph (B) of paragraph (14); and

5 (3) by inserting after paragraph (14) the fol-  
6 lowing new paragraph:

7 “(15) provide for—

8 (A) a process for annual reviews of and  
9 reports to the Secretary on the State program  
10 operated under the State plan approved under  
11 this part, including such information as may be  
12 necessary to measure State compliance with  
13 Federal requirements for expedited procedures,  
14 using such standards and procedures as are re-  
15 quired by the Secretary, under which the State  
16 agency will determine the extent to which the  
17 program is operated in compliance with this  
18 part; and

19 (B) a process of extracting from the auto-  
20 mated data processing system required by para-  
21 graph (16) and transmitting to the Secretary  
22 data and calculations concerning the levels of  
23 accomplishment (and rates of improvement)  
24 with respect to applicable performance indica-  
25 tors (including paternity establishment percent-



1           ages) to the extent necessary for purposes of  
2           sections 452(g) and 458;”.

3           (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42  
4 U.S.C. 652(a)(4)) is amended to read as follows:

5           “(4)(A) review data and calculations transmit-  
6           ted by State agencies pursuant to section  
7           454(15)(B) on State program accomplishments with  
8           respect to performance indicators for purposes of  
9           subsection (g) of this section and section 458;

10           “(B) review annual reports submitted pursuant  
11           to section 454(15)(A) and, as appropriate, provide  
12           to the State comments, recommendations for addi-  
13           tional or alternative corrective actions, and technical  
14           assistance; and

15           “(C) conduct audits, in accordance with the  
16           Government auditing standards of the Comptroller  
17           General of the United States—

18           “(i) at least once every 3 years (or more  
19           frequently, in the case of a State which fails to  
20           meet the requirements of this part concerning  
21           performance standards and reliability of pro-  
22           gram data) to assess the completeness, reliabil-  
23           ity, and security of the data and the accuracy  
24           of the reporting systems used in calculating

1 performance indicators under subsection (g) of  
2 this section and section 458;

3 “(ii) of the adequacy of financial manage-  
4 ment of the State program operated under the  
5 State plan approved under this part, including  
6 assessments of—

7 “(I) whether Federal and other funds  
8 made available to carry out the State pro-  
9 gram are being appropriately expended,  
10 and are properly and fully accounted for;  
11 and

12 “(II) whether collections and disburse-  
13 ments of support payments are carried out  
14 correctly and are fully accounted for; and

15 “(iii) for such other purposes as the Sec-  
16 retary may find necessary;”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall be effective with respect to calendar  
19 quarters beginning 12 months or more after the date of  
20 the enactment of this Act.

21 **SEC. 4343. REQUIRED REPORTING PROCEDURES.**

22 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.  
23 652(a)(5)) is amended by inserting “, and establish proce-  
24 dures to be followed by States for collecting and reporting  
25 information required to be provided under this part, and

1 establish uniform definitions (including those necessary to  
2 enable the measurement of State compliance with the re-  
3 quirements of this part relating to expedited processes) to  
4 be applied in following such procedures” before the semi-  
5 colon.

6 (b) STATE PLAN REQUIREMENT.—Section 454 (42  
7 U.S.C. 654), as amended by sections 4301(b), 4303(a),  
8 4312(a), 4313(a), and 4333 of this Act, is amended—

9 (1) by striking “and” at the end of paragraph  
10 (28);

11 (2) by striking the period at the end of para-  
12 graph (29) and inserting “; and”; and

13 (3) by adding after paragraph (29) the follow-  
14 ing new paragraph:

15 “(30) provide that the State shall use the defi-  
16 nitions established under section 452(a)(5) in col-  
17 lecting and reporting information as required under  
18 this part.”.

19 **SEC. 4344. AUTOMATED DATA PROCESSING REQUIRE-**  
20 **MENTS.**

21 (a) REVISED REQUIREMENTS.—

22 (1) IN GENERAL.—Section 454(16) (42 U.S.C.  
23 654(16)) is amended—

24 (A) by striking “, at the option of the  
25 State,”;

1 (B) by inserting “and operation by the  
2 State agency” after “for the establishment”;

3 (C) by inserting “meeting the requirements  
4 of section 454A” after “information retrieval  
5 system”;

6 (D) by striking “in the State and localities  
7 thereof, so as (A)” and inserting “so as”;

8 (E) by striking “(i)”; and

9 (F) by striking “(including” and all that  
10 follows and inserting a semicolon.

11 (?) AUTOMATED DATA PROCESSING.—Part D of  
12 title IV (42 U.S.C. 651–669) is amended by insert-  
13 ing after section 454 the following new section:

14 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

15 “(a) IN GENERAL.—In order for a State to meet the  
16 requirements of this section, the State agency administer-  
17 ing the State program under this part shall have in oper-  
18 ation a single statewide automated data processing and  
19 information retrieval system which has the capability to  
20 perform the tasks specified in this section with the fre-  
21 quency and in the manner required by or under this part.

22 “(b) PROGRAM MANAGEMENT.—The automated sys-  
23 tem required by this section shall perform such functions  
24 as the Secretary may specify relating to management of  
25 the State program under this part, including—

1           “(1) controlling and accounting for use of Fed-  
2           eral, State, and local funds in carrying out the pro-  
3           gram; and

4           “(2) maintaining the data necessary to meet  
5           Federal reporting requirements under this part on a  
6           timely basis.

7           “(c) CALCULATION OF PERFORMANCE INDICA-  
8           TORS.—In order to enable the Secretary to determine the  
9           incentive payments and penalty adjustments required by  
10          sections 452(g) and 458, the State agency shall—

11          “(1) use the automated system—

12                 “(A) to maintain the requisite data on  
13                 State performance with respect to paternity es-  
14                 tablishment and child support enforcement in  
15                 the State; and

16                 “(B) to calculate the paternity establish-  
17                 ment percentage for the State for each fiscal  
18                 year; and

19          “(2) have in place systems controls to ensure  
20          the completeness and reliability of, and ready access  
21          to, the data described in paragraph (1)(A), and the  
22          accuracy of the calculations described in paragraph  
23          (1)(B).

24          “(d) INFORMATION INTEGRITY AND SECURITY.—The  
25          State agency shall have in effect safeguards on the integ-

1 rity, accuracy, and completeness of, access to, and use of  
2 data in the automated system required by this section,  
3 which shall include the following (in addition to such other  
4 safeguards as the Secretary may specify in regulations):

5           “(1) POLICIES RESTRICTING ACCESS.—Written  
6 policies concerning access to data by State agency  
7 personnel, and sharing of data with other persons,  
8 which—

9           “(A) permit access to and use of data only  
10 to the extent necessary to carry out the State  
11 program under this part; and

12           “(B) specify the data which may be used  
13 for particular program purposes, and the per-  
14 sonnel permitted access to such data.

15           “(2) SYSTEMS CONTROLS.—Systems controls  
16 (such as passwords or blocking of fields) to ensure  
17 strict adherence to the policies described in para-  
18 graph (1).

19           “(3) MONITORING OF ACCESS.—Routine mon-  
20 itoring of access to and use of the automated sys-  
21 tem, through methods such as audit trails and feed-  
22 back mechanisms, to guard against and promptly  
23 identify unauthorized access or use.

24           “(4) TRAINING AND INFORMATION.—Proce-  
25 dures to ensure that all personnel (including State

1 and local agency staff and contractors) who may  
2 have access to or be required to use confidential pro-  
3 gram data are informed of applicable requirements  
4 and penalties (including those in section 6103 of the  
5 Internal Revenue Code of 1986), and are adequately  
6 trained in security procedures.

7 “(5) PENALTIES.—Administrative penalties (up  
8 to and including dismissal from employment) for un-  
9 authorized access to, or disclosure or use of, con-  
10 fidential data.”.

11 (3) REGULATIONS.—The Secretary of Health  
12 and Human Services shall prescribe final regulations  
13 for implementation of section 454A of the Social Se-  
14 curity Act not later than 2 years after the date of  
15 the enactment of this Act.

16 (4) IMPLEMENTATION TIMETABLE.—Section  
17 454(24) (42 U.S.C. 654(24)), as amended by section  
18 4303(a)(1) of this Act, is amended to read as fol-  
19 lows:

20 “(24) provide that the State will have in effect  
21 an automated data processing and information re-  
22 trieval system—

23 “(A) by October 1, 1997, which meets all  
24 requirements of this part which were enacted on

1 or before the date of enactment of the Family  
2 Support Act of 1988, and

3 “(B) by October 1, 1999, which meets all  
4 requirements of this part enacted on or before  
5 the date of the enactment of the Personal Re-  
6 sponsibility and Work Opportunity Act of 1996,  
7 except that such deadline shall be extended by  
8 1 day for each day (if any) by which the Sec-  
9 retary fails to meet the deadline imposed by  
10 section 4344(a)(3) of the Personal Responsibil-  
11 ity and Work Opportunity Act of 1996;”.

12 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-  
13 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

14 (1) IN GENERAL.—Section 455(a) (42 U.S.C.  
15 655(a)) is amended—

16 (A) in paragraph (1)(B)—

17 (i) by striking “90 percent” and in-  
18 sserting “the percent specified in paragraph  
19 (3)”;

20 (ii) by striking “so much of”; and

21 (iii) by striking “which the Secretary”  
22 and all that follows and inserting “, and”;  
23 and

24 (B) by adding at the end the following new  
25 paragraph:



1       “(3)(A) The Secretary shall pay to each State, for  
2 each quarter in fiscal years 1996 and 1997, 90 percent  
3 of so much of the State expenditures described in para-  
4 graph (1)(B) as the Secretary finds are for a system meet-  
5 ing the requirements specified in section 454(16) (as in  
6 effect on September 30, 1995) but limited to the amount  
7 approved for States in the advance planning documents  
8 of such States submitted on or before September 30,  
9 1995.

10       “(B)(i) The Secretary shall pay to each State, for  
11 each quarter in fiscal years 1996 through 2001, the per-  
12 centage specified in clause (ii) of so much of the State  
13 expenditures described in paragraph (1)(B) as the Sec-  
14 retary finds are for a system meeting the requirements  
15 of sections 454(16) and 454A.

16       “(ii) The percentage specified in this clause is 80 per-  
17 cent.”.

18               (2) TEMPORARY LIMITATION ON PAYMENTS  
19 UNDER SPECIAL FEDERAL MATCHING RATE.—

20               (A) IN GENERAL.—The Secretary of  
21 Health and Human Services may not pay more  
22 than \$400,000,000 in the aggregate under sec-  
23 tion 455(a)(3)(B) of the Social Security Act for  
24 fiscal years 1996 through 2001.

1 (B) ALLOCATION OF LIMITATION AMONG  
2 STATES.—The total amount payable to a State  
3 under section 455(a)(3)(B) of such Act for fis-  
4 cal years 1996 through 2001 shall not exceed  
5 the limitation determined for the State by the  
6 Secretary of Health and Human Services in  
7 regulations.

8 (C) ALLOCATION FORMULA.—The regula-  
9 tions referred to in subparagraph (B) shall pre-  
10 scribe a formula for allocating the amount spec-  
11 ified in subparagraph (A) among States with  
12 plans approved under part D of title IV of the  
13 Social Security Act, which shall take into ac-  
14 count—

15 (i) the relative size of State caseloads  
16 under such part; and

17 (ii) the level of automation needed to  
18 meet the automated data processing re-  
19 quirements of such part.

20 (c) CONFORMING AMENDMENT.—Section 123(e) of  
21 the Family Support Act of 1988 (102 Stat. 2352; Public  
22 Law 100-485) is repealed.

23 **SEC. 4345. TECHNICAL ASSISTANCE.**

24 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,  
25 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

1 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-  
2 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-  
3 ing at the end the following new subsection:

4 “(j) Out of any money in the Treasury of the United  
5 States not otherwise appropriated, there is hereby appro-  
6 priated to the Secretary for each fiscal year an amount  
7 equal to 1 percent of the total amount paid to the Federal  
8 Government pursuant to section 457(a) during the imme-  
9 diately preceding fiscal year (as determined on the basis  
10 of the most recent reliable data available to the Secretary  
11 as of the end of the 3rd calendar quarter following the  
12 end of such preceding fiscal year), to cover costs incurred  
13 by the Secretary for—

14 “(1) information dissemination and technical  
15 assistance to States, training of State and Federal  
16 staff, staffing studies, and related activities needed  
17 to improve programs under this part (including tech-  
18 nical assistance concerning State automated systems  
19 required by this part); and

20 “(2) research, demonstration, and special  
21 projects of regional or national significance relating  
22 to the operation of State programs under this part.  
23 The amount appropriated under this subsection shall re-  
24 main available until expended.”.

1 (b) OPERATION OF FEDERAL PARENT LOCATOR  
2 SERVICE.--Section 453 (42 U.S.C. 653), as amended by  
3 section 4316 of this Act, is amended by adding at the end  
4 the following new subsection:

5 “(o) RECOVERY OF COSTS.—Out of any money in the  
6 Treasury of the United States not otherwise appropriated,  
7 there is hereby appropriated to the Secretary for each fis-  
8 cal year an amount equal to 2 percent of the total amount  
9 paid to the Federal Government pursuant to section  
10 457(a) during the immediately preceding fiscal year (as  
11 determined on the basis of the most recent reliable data  
12 available to the Secretary as of the end of the 3rd calendar  
13 quarter following the end of such preceding fiscal year),  
14 to cover costs incurred by the Secretary for operation of  
15 the Federal Parent Locator Service under this section, to  
16 the extent such costs are not recovered through user  
17 fees.”.

18 **SEC. 4346. REPORTS AND DATA COLLECTION BY THE SEC-**  
19 **RETARY.**

20 (a) ANNUAL REPORT TO CONGRESS.—

21 (1) Section 452(a)(10)(A) (42 U.S.C.  
22 652(a)(10)(A)) is amended—

23 (A) by striking “this part;” and inserting  
24 “this part, including—”; and

1 (B) by adding at the end the following new  
2 clauses:

3 “(i) the total amount of child support  
4 payments collected as a result of services  
5 furnished during the fiscal year to individ-  
6 uals receiving services under this part;

7 “(ii) the cost to the States and to the  
8 Federal Government of so furnishing the  
9 services; and

10 “(iii) the number of cases involving  
11 families—

12 “(I) who became ineligible for as-  
13 sistance under State programs funded  
14 under part A during a month in the  
15 fiscal year; and

16 “(II) with respect to whom a  
17 child support payment was received in  
18 the month;”.

19 (2) Section 452(a)(10)(C) (42 U.S.C.  
20 652(a)(10)(C)) is amended—

21 (A) in the matter preceding clause (i)—

22 (i) by striking “with the data required  
23 under each clause being separately stated  
24 for cases” and inserting “separately stated  
25 for cases”;

1 (ii) by striking “cases where the child  
2 was formerly receiving” and inserting “or  
3 formerly received”;

4 (iii) by inserting “or 1912” after  
5 “471(a)(17)”; and

6 (iv) by inserting “for” before “all  
7 other”;

8 (B) in each of clauses (i) and (ii), by strik-  
9 ing “, and the total amount of such obliga-  
10 tions”;

11 (C) in clause (iii), by striking “described  
12 in” and all that follows and inserting “in which  
13 support was collected during the fiscal year.”;

14 (D) by striking clause (iv); and

15 (E) by redesignating clause (v) as clause  
16 (vii), and inserting after clause (iii) the follow-  
17 ing new clauses:

18 “(iv) the total amount of support col-  
19 lected during such fiscal year and distrib-  
20 uted as current support;

21 “(v) the total amount of support col-  
22 lected during such fiscal year and distrib-  
23 uted as arrearages;

24 “(vi) the total amount of support due  
25 and unpaid for all fiscal years; and”.

1           (3) Section 452(a)(10)(G) (42 U.S.C.  
2           652(a)(10)(G)) is amended by striking “on the use  
3           of Federal courts and”.

4           (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))  
5           is amended—

6                   (A) in subparagraph (H), by striking  
7                   “and”;

8                   (B) in subparagraph (I), by striking the  
9                   period and inserting “; and”; and

10                   (C) by inserting after subparagraph (I) the  
11                   following new subparagraph:

12                           “(J) compliance, by State, with the stand-  
13                           ards established pursuant to subsections (h)  
14                           and (i).”.

15           (5) Section 452(a)(10) (42 U.S.C. 652(a)(10))  
16           is amended by striking “The information contained  
17           in any such report under subpargraph (A)” and all  
18           that follows through “the State plan approved under  
19           part A.”.

20           (b) EFFECTIVE DATE.—The amendments made by  
21           subsection (a) shall be effective with respect to fiscal year  
22           1997 and succeeding fiscal years.

1 **SEC. 4347. CHILD SUPPORT DELINQUENCY PENALTY.**

2 Section 454 (42 U.S.C. 654), as amended by sections  
3 4301(b), 4303(a), 4312(a), 4313(a), 4333, and 4343(b)  
4 of this Act, is amended—

5 (1) by striking “and” at the end of paragraph  
6 (29);

7 (2) by striking the period at the end of para-  
8 graph (30) and inserting “; and”; and

9 (3) by adding after paragraph (30) the follow-  
10 ing new paragraph:

11 “(31) provide that the State shall have in effect  
12 such laws and procedures as may be necessary to en-  
13 sure that—

14 “(A) any person who, at the end of any  
15 calendar year, is delinquent in the payment of  
16 child support is civilly liable to the State for a  
17 penalty in an amount equal to 10 percent of the  
18 amount of the delinquency (excluding any delin-  
19 quency of the person with respect to which a  
20 penalty has been imposed pursuant to this  
21 paragraph for a prior calendar year); and

22 “(B) the State shall apply amounts col-  
23 lected from a person described in subparagraph  
24 (A) to the payment of penalties imposed pursu-  
25 ant to subparagraph (A), after all child support  
26 delinquencies of the person have been extin-



1           guished and the person has repaid the State for  
2           all public assistance provided to the person  
3           owed such support, and shall remit to the Fed-  
4           eral Government an amount equal to 50 percent  
5           of the amount applied to the payment of such  
6           penalties.”

7           **CHAPTER 6—ESTABLISHMENT AND**  
8           **MODIFICATION OF SUPPORT ORDERS**

9           **SEC. 4351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**  
10           **MENT OF CHILD SUPPORT ORDERS.**

11           Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-  
12           ed to read as follows:

13           “(10) REVIEW AND ADJUSTMENT OF SUPPORT  
14           ORDERS UPON REQUEST.—

15           “(A) IN GENERAL.—Procedures under  
16           which—

17           “(i) upon the request of either parent,  
18           the State shall review and, as appropriate,  
19           adjust each support order being enforced  
20           under this part, taking into account the  
21           best interests of the child involved; and

22           “(ii) upon the State’s own initiative,  
23           the State may review and, if appropriate,  
24           adjust any support order being enforced  
25           under this part with respect to which there

1 is an assignment under part A, taking into  
2 account the best interests of the child in-  
3 volved. Such procedures shall provide the  
4 following:

5 “(B) METHODS OF ADJUSTMENT.—Such  
6 procedures shall provide that the State may  
7 elect to review and, if appropriate, adjust an  
8 order—

9 “(i) by reviewing and, if appropriate,  
10 adjusting the order in accordance with the  
11 guidelines established pursuant to section  
12 467(a) if the amount of the child support  
13 award under the order differs from the  
14 amount that would be awarded in accord-  
15 ance with the guidelines;

16 “(ii) by applying a cost-of-living ad-  
17 justment to the order in accordance with a  
18 formula developed by the State and permit  
19 either party to contest the adjustment,  
20 within 30 days after the date of the notice  
21 of the adjustment, by making a request for  
22 review and, if appropriate, adjustment of  
23 the order in accordance with the child sup-  
24 port guidelines established pursuant to sec-  
25 tion 467(a); or

1           “(iii) by using automated methods  
2           (including automated comparisons with  
3           wage or State income tax data) to identify  
4           orders eligible for review, conduct the re-  
5           view, identify orders eligible for adjust-  
6           ment, and apply the appropriate adjust-  
7           ment to the orders eligible for adjustment  
8           under the threshold established by the  
9           State.

10           “(C) NO PROOF OF CHANGE IN CIR-  
11           CUMSTANCES NECESSARY.—Such procedures  
12           shall provide that any adjustment under this  
13           paragraph shall be made without a requirement  
14           for proof or showing of a change in cir-  
15           cumstances.

16           “(D) NOTICE OF RIGHT TO REVIEW.—  
17           Such procedures shall require the State to pro-  
18           vide notice not less than once every 3 years to  
19           the parents subject to an order being enforced  
20           under this part informing them of their right to  
21           request the State to review and, if appropriate,  
22           adjust the order pursuant to this paragraph.  
23           The notice may be included in the order.”.

1 **SEC. 4352. FURNISHING CONSUMER REPORTS FOR CER-**  
2 **TAIN PURPOSES RELATING TO CHILD SUP-**  
3 **PORT.**

4 Section 604 of the Fair Credit Reporting Act (15  
5 U.S.C. 1681b) is amended by adding at the end the follow-  
6 ing new paragraphs:

7 “(4) In response to a request by the head of a State  
8 or local child support enforcement agency (or a State or  
9 local government official authorized by the head of such  
10 an agency), if the person making the request certifies to  
11 the consumer reporting agency that—

12 “(A) the consumer report is needed for the pur-  
13 pose of establishing an individual’s capacity to make  
14 child support payments or determining the appro-  
15 priate level of such payments;

16 “(B) the paternity of the consumer for the child  
17 to which the obligation relates has been established  
18 or acknowledged by the consumer in accordance with  
19 State laws under which the obligation arises (if re-  
20 quired by those laws);

21 “(C) the person has provided at least 10 days’  
22 prior notice to the consumer whose report is re-  
23 quested, by certified or registered mail to the last  
24 known address of the consumer, that the report will  
25 be requested; and

1           “(D) the consumer report will be kept confiden-  
2           tial, will be used solely for a purpose described in  
3           subparagraph (A), and will not be used in connec-  
4           tion with any other civil, administrative, or criminal  
5           proceeding, or for any other purpose.

6           “(5) To an agency administering a State plan under  
7           section 454 of the Social Security Act (42 U.S.C. 654)  
8           for use to set an initial or modified child support award.”.

9   **SEC. 4353. NONLIABILITY FOR FINANCIAL INSTITUTIONS**  
10                   **PROVIDING FINANCIAL RECORDS TO STATE**  
11                   **CHILD SUPPORT ENFORCEMENT AGENCIES**  
12                   **IN CHILD SUPPORT CASES.**

13           Part D of title IV (42 U.S.C. 651–669) is amended  
14           by adding at the end the following:

15   **“SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS**  
16                   **PROVIDING FINANCIAL RECORDS TO STATE**  
17                   **CHILD SUPPORT ENFORCEMENT AGENCIES**  
18                   **IN CHILD SUPPORT CASES.**

19           “(a) IN GENERAL.—Notwithstanding any other pro-  
20           vision of Federal or State law, a financial institution shall  
21           not be liable under any Federal or State law to any person  
22           for disclosing any financial record of an individual to a  
23           State child support enforcement agency attempting to es-  
24           tablish, modify, or enforce a child support obligation of  
25           such individual.

1       “(b) PROHIBITION OF DISCLOSURE OF FINANCIAL  
2 RECORD OBTAINED BY STATE CHILD SUPPORT EN-  
3 FORCEMENT AGENCY.—A State child support enforcement  
4 agency which obtains a financial record of an individual  
5 from a financial institution pursuant to subsection (a)  
6 may disclose such financial record only for the purpose  
7 of, and to the extent necessary in, establishing, modifying,  
8 or enforcing a child support obligation of such individual.

9       “(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-  
10 SURE.—

11           “(1) DISCLOSURE BY STATE OFFICER OR EM-  
12 PLOYEE.—If any person knowingly, or by reason of  
13 negligence, discloses a financial record of an individ-  
14 ual in violation of subsection (b), such individual  
15 may bring a civil action for damages against such  
16 person in a district court of the United States.

17           “(2) NO LIABILITY FOR GOOD FAITH BUT ER-  
18 RONEOUS INTERPRETATION.—No liability shall arise  
19 under this subsection with respect to any disclosure  
20 which results from a good faith, but erroneous, in-  
21 terpretation of subsection (b).

22           “(3) DAMAGES.—In any action brought under  
23 paragraph (1), upon a finding of liability on the part  
24 of the defendant, the defendant shall be liable to the  
25 plaintiff in an amount equal to the sum of—

1           “(A) the greater of—

2                   “(i) \$1,000 for each act of unauthor-  
3           ized disclosure of a financial record with  
4           respect to which such defendant is found  
5           liable; or

6                   “(ii) the sum of—

7                           “(I) the actual damages sus-  
8                           tained by the plaintiff as a result of  
9                           such unauthorized disclosure; plus

10                           “(II) in the case of a willful dis-  
11                           closure or a disclosure which is the re-  
12                           sult of gross negligence, punitive dam-  
13                           ages; plus

14                   “(B) the costs (including attorney’s fees)  
15           of the action.

16           “(d) DEFINITIONS.—For purposes of this section—

17                   “(1) FINANCIAL INSTITUTION.—The term ‘fi-  
18           nancial institution’ means—

19                           “(A) a depository institution, as defined in  
20                           section 3(e) of the Federal Deposit Insurance  
21                           Act (12 U.S.C. 1813(e));

22                           “(B) an institution-affiliated party, as de-  
23                           fined in section 3(u) of such Act (12 U.S.C.  
24                           1813(u));

1           “(C) any Federal credit union or State  
2           credit union, as defined in section 101 of the  
3           Federal Credit Union Act (12 U.S.C. 1752), in-  
4           cluding an institution-affiliated party of such a  
5           credit union, as defined in section 206(r) of  
6           such Act (12 U.S.C. 1786(r)); and

7           “(D) any benefit association, insurance  
8           company, safe deposit company, money-market  
9           mutual fund, or similar entity authorized to do  
10          business in the State.

11          “(2) FINANCIAL RECORD.—The term ‘financial  
12          record’ has the meaning given such term in section  
13          1101 of the Right to Financial Privacy Act of 1978  
14          (12 U.S.C. 3401).”.

## 15   **CHAPTER 7—ENFORCEMENT OF SUPPORT** 16   **ORDERS**

### 17   **SEC. 4361. INTERNAL REVENUE SERVICE COLLECTION OF** 18   **ARREARAGES.**

19          (a) COLLECTION OF FEES.—Section 6305(a) of the  
20          Internal Revenue Code of 1986 (relating to collection of  
21          certain liability) is amended—

22                  (1) by striking “and” at the end of paragraph  
23                  (3);

24                  (2) by striking the period at the end of para-  
25                  graph (4) and inserting “, and”;



1 (3) by adding at the end the following new  
2 paragraph:

3 “(5) no additional fee may be assessed for ad-  
4 justments to an amount previously certified pursu-  
5 ant to such section 452(b) with respect to the same  
6 obligor.”; and

7 (4) by striking “Secretary of Health, Edu-  
8 cation, and Welfare” each place it appears and in-  
9 serting “Secretary of Health and Human Services”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall become effective October 1, 1997.

12 **SEC. 4362. AUTHORITY TO COLLECT SUPPORT FROM FED-**  
13 **ERAL EMPLOYEES.**

14 (a) CONSOLIDATION AND STREAMLINING OF AU-  
15 THORITIES.—Section 459 (42 U.S.C. 659) is amended to  
16 read as follows:

17 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**  
18 **WITHHOLDING, GARNISHMENT, AND SIMILAR**  
19 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**  
20 **SUPPORT AND ALIMONY OBLIGATIONS.**

21 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-  
22 withstanding any other provision of law (including section  
23 207 of this Act and section 5301 of title 38, United States  
24 Code), effective January 1, 1975, moneys (the entitlement  
25 to which is based upon remuneration for employment) due

1 from, or payable by, the United States or the District of  
2 Columbia (including any agency, subdivision, or instru-  
3 mentality thereof) to any individual, including members  
4 of the Armed Forces of the United States, shall be subject,  
5 in like manner and to the same extent as if the United  
6 States or the District of Columbia were a private person,  
7 to withholding in accordance with State law enacted pur-  
8 suant to subsections (a)(1) and (b) of section 466 and reg-  
9 ulations of the Secretary under such subsections, and to  
10 any other legal process brought, by a State agency admin-  
11 istering a program under a State plan approved under this  
12 part or by an individual obligee, to enforce the legal obliga-  
13 tion of the individual to provide child support or alimony.

14       “(b) CONSENT TO REQUIREMENTS APPLICABLE TO  
15 PRIVATE PERSON.—With respect to notice to withhold in-  
16 come pursuant to subsection (a)(1) or (b) of section 466,  
17 or any other order or process to enforce support obliga-  
18 tions against an individual (if the order or process con-  
19 tains or is accompanied by sufficient data to permit  
20 prompt identification of the individual and the moneys in-  
21 volved), each governmental entity specified in subsection  
22 (a) shall be subject to the same requirements as would  
23 apply if the entity were a private person, except as other-  
24 wise provided in this section.

1       “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE  
2 OR PROCESS—

3           “(1) DESIGNATION OF AGENT.—The head of  
4 each agency subject to this section shall—

5           “(A) designate an agent or agents to re-  
6 ceive orders and accept service of process in  
7 matters relating to child support or alimony;  
8 and

9           “(B) annually publish in the Federal Reg-  
10 ister the designation of the agent or agents,  
11 identified by title or position, mailing address,  
12 and telephone number.

13       “(2) RESPONSE TO NOTICE OR PROCESS.—If an  
14 agent designated pursuant to paragraph (1) of this  
15 subsection receives notice pursuant to State proce-  
16 dures in effect pursuant to subsection (a)(1) or (b)  
17 of section 466, or is effectively served with any  
18 order, process, or interrogatory, with respect to an  
19 individual’s child support or alimony payment obli-  
20 gations, the agent shall—

21           “(A) as soon as possible (but not later  
22 than 15 days) thereafter, send written notice of  
23 the notice or service (together with a copy of  
24 the notice or service) to the individual at the

1 duty station or last-known home address of the  
2 individual;

3 “(B) within 30 days (or such longer period  
4 as may be prescribed by applicable State law)  
5 after receipt of a notice pursuant to such State  
6 procedures, comply with all applicable provi-  
7 sions of section 466; and

8 “(C) within 30 days (or such longer period  
9 as may be prescribed by applicable State law)  
10 after effective service of any other such order,  
11 process, or interrogatory, respond to the order,  
12 process, or interrogatory.

13 “(d) PRIORITY OF CLAIMS.—If a governmental entity  
14 specified in subsection (a) receives notice or is served with  
15 process, as provided in this section, concerning amounts  
16 owed by an individual to more than 1 person—

17 “(1) support collection under section 466(b)  
18 must be given priority over any other process, as  
19 provided in section 466(b)(7);

20 “(2) allocation of moneys due or payable to an  
21 individual among claimants under section 466(b)  
22 shall be governed by section 466(b) and the regula-  
23 tions prescribed under such section; and

24 “(3) such moneys as remain after compliance  
25 with paragraphs (1) and (2) shall be available to

1 satisfy any other such processes on a first-come,  
2 first-served basis, with any such process being satis-  
3 fied out of such moneys as remain after the satisfac-  
4 tion of all such processes which have been previously  
5 served.

6 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A  
7 governmental entity that is affected by legal process  
8 served for the enforcement of an individual’s child support  
9 or alimony payment obligations shall not be required to  
10 vary its normal pay and disbursement cycle in order to  
11 comply with the legal process.

12 “(f) RELIEF FROM LIABILITY.—

13 “(1) Neither the United States, nor the govern-  
14 ment of the District of Columbia, nor any disbursing  
15 officer shall be liable with respect to any payment  
16 made from moneys due or payable from the United  
17 States to any individual pursuant to legal process  
18 regular on its face, if the payment is made in ac-  
19 cordance with this section and the regulations issued  
20 to carry out this section.

21 “(2) No Federal employee whose duties include  
22 taking actions necessary to comply with the require-  
23 ments of subsection (a) with regard to any individ-  
24 ual shall be subject under any law to any discipli-  
25 nary action or civil or criminal liability or penalty

1 for, or on account of, any disclosure of information  
2 made by the employee in connection with the carry-  
3 ing out of such actions.

4 “(g) REGULATIONS.—Authority to promulgate regu-  
5 lations for the implementation of this section shall, insofar  
6 as this section applies to moneys due from (or payable  
7 by)—

8 “(1) the United States (other than the legisla-  
9 tive or judicial branches of the Federal Government)  
10 or the government of the District of Columbia, be  
11 vested in the President (or the designee of the Presi-  
12 dent);

13 “(2) the legislative branch of the Federal Gov-  
14 ernment, be vested jointly in the President pro tem-  
15 pore of the Senate and the Speaker of the House of  
16 Representatives (or their designees), and

17 “(3) the judicial branch of the Federal Govern-  
18 ment, be vested in the Chief Justice of the United  
19 States (or the designee of the Chief Justice).

20 “(h) MONEYS SUBJECT TO PROCESS.—

21 “(1) IN GENERAL.—Subject to paragraph (2),  
22 moneys paid or payable to an individual which are  
23 considered to be based upon remuneration for em-  
24 ployment, for purposes of this section—

25 “(A) consist of—

1           “(i) compensation paid or payable for  
2           personal services of the individual, whether  
3           the compensation is denominated as wages,  
4           salary, commission, bonus, pay, allowances,  
5           or otherwise (including severance pay, sick  
6           pay, and incentive pay);

7           “(ii) periodic benefits (including a  
8           periodic benefit as defined in section  
9           228(h)(3)) or other payments—

10           “(I) under the insurance system  
11           established by title II;

12           “(II) under any other system or  
13           fund established by the United States  
14           which provides for the payment of  
15           pensions, retirement or retired pay,  
16           annuities, dependents’ or survivors’  
17           benefits, or similar amounts payable  
18           on account of personal services per-  
19           formed by the individual or any other  
20           individual;

21           “(III) as compensation for death  
22           under any Federal program;

23           “(IV) under any Federal pro-  
24           gram established to provide ‘black  
25           lung’ benefits; or

1           “(V) by the Secretary of Veter-  
2           ans Affairs as compensation for a  
3           service-connected disability paid by  
4           the Secretary to a former member of  
5           the Armed Forces who is in receipt of  
6           retired or retainer pay if the former  
7           member has waived a portion of the  
8           retired or retainer pay in order to re-  
9           ceive such compensation; and

10           “(iii) worker’s compensation benefits  
11           paid under Federal or State law but

12           “(B) do not include any payment—

13           “(i) by way of reimbursement or oth-  
14           erwise, to defray expenses incurred by the  
15           individual in carrying out duties associated  
16           with the employment of the individual; or

17           “(ii) as allowances for members of the  
18           uniformed services payable pursuant to  
19           chapter 7 of title 37, United States Code,  
20           as prescribed by the Secretaries concerned  
21           (defined by section 101(5) of such title) as  
22           necessary for the efficient performance of  
23           duty.

24           “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-  
25           mining the amount of any moneys due from, or pay-



1       able by, the United States to any individual, there  
2       shall be excluded amounts which—

3               “(A) are owed by the individual to the  
4       United States;

5               “(B) are required by law to be, and are,  
6       deducted from the remuneration or other pay-  
7       ment involved, including Federal employment  
8       taxes, and fines and forfeitures ordered by  
9       court-martial;

10              “(C) are properly withheld for Federal,  
11       State, or local income tax purposes, if the with-  
12       holding of the amounts is authorized or re-  
13       quired by law and if amounts withheld are not  
14       greater than would be the case if the individual  
15       claimed all dependents to which he was entitled  
16       (the withholding of additional amounts pursu-  
17       ant to section 3402(i) of the Internal Revenue  
18       Code of 1986 may be permitted only when the  
19       individual presents evidence of a tax obligation  
20       which supports the additional withholding);

21              “(D) are deducted as health insurance pre-  
22       miums;

23              “(E) are deducted as normal retirement  
24       contributions (not including amounts deducted  
25       for supplementary coverage); or

1           “(F) are deducted as normal life insurance  
2           premiums from salary or other remuneration  
3           for employment (not including amounts de-  
4           ducted for supplementary coverage).

5           “(i) DEFINITIONS.—For purposes of this section—

6           “(1) UNITED STATES.—The term ‘United  
7           States’ includes any department, agency, or instru-  
8           mentality of the legislative, judicial, or executive  
9           branch of the Federal Government, the United  
10          States Postal Service, the Postal Rate Commission,  
11          any Federal corporation created by an Act of Con-  
12          gress that is wholly owned by the Federal Govern-  
13          ment, and the governments of the territories and  
14          possessions of the United States.

15          “(2) CHILD SUPPORT.—The term ‘child sup-  
16          port’, when used in reference to the legal obligations  
17          of an individual to provide such support, means  
18          amounts required to be paid under a judgment, de-  
19          cree, or order, whether temporary, final, or subject  
20          to modification, issued by a court or an administra-  
21          tive agency of competent jurisdiction, for the sup-  
22          port and maintenance of a child, including a child  
23          who has attained the age of majority under the law  
24          of the issuing State, or a child and the parent with  
25          whom the child is living, which provides for mone-

1 tary support, health care, arrearages or reimburse-  
2 ment, and which may include other related costs and  
3 fees, interest and penalties, income withholding, at-  
4 torney's fees, and other relief.

5 “(3) ALIMONY.—

6 “(A) IN GENERAL.—The term ‘alimony’,  
7 when used in reference to the legal obligations  
8 of an individual to provide the same, means  
9 periodic payments of funds for the support and  
10 maintenance of the spouse (or former spouse)  
11 of the individual, and (subject to and in accord-  
12 ance with State law) includes separate mainte-  
13 nance, alimony pendente lite, maintenance, and  
14 spousal support, and includes attorney's fees,  
15 interest, and court costs when and to the extent  
16 that the same are expressly made recoverable as  
17 such pursuant to a decree, order, or judgment  
18 issued in accordance with applicable State law  
19 by a court of competent jurisdiction.

20 “(B) EXCEPTIONS.—Such term does not  
21 include—

22 “(i) any child support; or

23 “(ii) any payment or transfer of prop-  
24 erty or its value by an individual to the  
25 spouse or a former spouse of the individual

1 in compliance with any community prop-  
2 erty settlement, equitable distribution of  
3 property, or other division of property be-  
4 tween spouses or former spouses.

5 “(4) PRIVATE PERSON.—The term ‘private per-  
6 son’ means a person who does not have sovereign or  
7 other special immunity or privilege which causes the  
8 person not to be subject to legal process.

9 “(5) LEGAL PROCESS.—The term ‘legal proc-  
10 ess’ means any writ, order, summons, or other simi-  
11 lar process in the nature of garnishment—

12 “(A) which is issued by—

13 “(i) a court or an administrative  
14 agency of competent jurisdiction in any  
15 State, territory, or possession of the Unit-  
16 ed States;

17 “(ii) a court or an administrative  
18 agency of competent jurisdiction in any  
19 foreign country with which the United  
20 States has entered into an agreement  
21 which requires the United States to honor  
22 the process; or

23 “(iii) an authorized official pursuant  
24 to an order of such a court or an adminis-

1           trative agency of competent jurisdiction or  
2           pursuant to State or local law; and

3           “(B) which is directed to, and the purpose  
4           of which is to compel, a governmental entity  
5           which holds moneys which are otherwise pay-  
6           able to an individual to make a payment from  
7           the moneys to another party in order to satisfy  
8           a legal obligation of the individual to provide  
9           child support or make alimony payments.”.

10       (b) CONFORMING AMENDMENTS.—

11           (1) TO PART D OF TITLE IV.—Sections 461 and  
12       462 (42 U.S.C. 661 and 662) are repealed.

13           (2) TO TITLE 5, UNITED STATES CODE.—Sec-  
14       tion 5520a of title 5, United States Code, is amend-  
15       ed, in subsections (h)(2) and (i), by striking “sec-  
16       tions 459, 461, and 462 of the Social Security Act  
17       (42 U.S.C. 659, 661, and 662)” and inserting “sec-  
18       tion 459 of the Social Security Act (42 U.S.C.  
19       659)”.

20       (c) MILITARY RETIRED AND RETAINER PAY.—

21           (1) DEFINITION OF COURT.—Section  
22       1408(a)(1) of title 10, United States Code, is  
23       amended—

24           (A) by striking “and” at the end of sub-  
25       paragraph (B);

1 (B) by striking the period at the end of  
2 subparagraph (C) and inserting “; and”; and

3 (C) by adding after subparagraph (C) the  
4 following new subparagraph:

5 “(D) any administrative or judicial tribu-  
6 nal of a State competent to enter orders for  
7 support or maintenance (including a State  
8 agency administering a program under a State  
9 plan approved under part D of title IV of the  
10 Social Security Act), and, for purposes of this  
11 subparagraph, the term ‘State’ includes the  
12 District of Columbia, the Commonwealth of  
13 Puerto Rico, the Virgin Islands, Guam, and  
14 American Samoa.”.

15 (2) DEFINITION OF COURT ORDER.—Section  
16 1408(a)(2) of such title is amended—

17 (A) by inserting “or a support order, as  
18 defined in section 453(p) of the Social Security  
19 Act (42 U.S.C. 653(p)),” before “which—”;

20 (B) in subparagraph (B)(i), by striking  
21 “(as defined in section 462(b) of the Social Se-  
22 curity Act (42 U.S.C. 662(b)))” and inserting  
23 “(as defined in section 459(i)(2) of the Social  
24 Security Act (42 U.S.C. 659(i)(2)))”; and

1 (C) in subparagraph (B)(ii), by striking  
2 “(as defined in section 462(c) of the Social Se-  
3 curity Act (42 U.S.C. 662(c))” and inserting  
4 “(as defined in section 459(i)(3) of the Social  
5 Security Act (42 U.S.C. 659(i)(3)))”.

6 (3) PUBLIC PAYEE.—Section 1408(d) of such  
7 title is amended—

8 (A) in the heading, by inserting “(OR FOR  
9 BENEFIT OF)” before “SPOUSE OR”; and

10 (B) in paragraph (1), in the 1st sentence,  
11 by inserting “(or for the benefit of such spouse  
12 or former spouse to a State disbursement unit  
13 established pursuant to section 454B of the So-  
14 cial Security Act or other public payee des-  
15 ignated by a State, in accordance with part D  
16 of title IV of the Social Security Act, as di-  
17 rected by court order, or as otherwise directed  
18 in accordance with such part D)” before “in an  
19 amount sufficient”.

20 (4) RELATIONSHIP TO PART D OF TITLE IV.—  
21 Section 1408 of such title is amended by adding at  
22 the end the following new subsection:

23 “(j) RELATIONSHIP TO OTHER LAWS.—In any case  
24 involving an order providing for payment of child support  
25 (as defined in section 459(i)(2) of the Social Security Act)

1 by a member who has never been married to the other  
2 parent of the child, the provisions of this section shall not  
3 apply, and the case shall be subject to the provisions of  
4 section 459 of such Act.”.

5 (d) EFFECTIVE DATE.—The amendments made by  
6 this section shall become effective 6 months after the date  
7 of the enactment of this Act.

8 **SEC. 4363. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**  
9 **TIONS OF MEMBERS OF THE ARMED FORCES.**

10 (a) AVAILABILITY OF LOCATOR INFORMATION.—

11 (1) MAINTENANCE OF ADDRESS INFORMA-  
12 TION.—The Secretary of Defense shall establish a  
13 centralized personnel locator service that includes  
14 the address of each member of the Armed Forces  
15 under the jurisdiction of the Secretary. Upon re-  
16 quest of the Secretary of Transportation, addresses  
17 for members of the Coast Guard shall be included in  
18 the centralized personnel locator service.

19 (2) TYPE OF ADDRESS.—

20 (A) RESIDENTIAL ADDRESS.—Except as  
21 provided in subparagraph (B), the address for  
22 a member of the Armed Forces shown in the lo-  
23 cator service shall be the residential address of  
24 that member.



1 (B) DUTY ADDRESS.—The address for a  
2 member of the Armed Forces shown in the loca-  
3 tor service shall be the duty address of that  
4 member in the case of a member—

5 (i) who is permanently assigned over-  
6 seas, to a vessel, or to a routinely  
7 deployable unit; or

8 (ii) with respect to whom the Sec-  
9 retary concerned makes a determination  
10 that the member's residential address  
11 should not be disclosed due to national se-  
12 curity or safety concerns.

13 (3) UPDATING OF LOCATOR INFORMATION.—  
14 Within 30 days after a member listed in the locator  
15 service establishes a new residential address (or a  
16 new duty address, in the case of a member covered  
17 by paragraph (2)(B)), the Secretary concerned shall  
18 update the locator service to indicate the new ad-  
19 dress of the member.

20 (4) AVAILABILITY OF INFORMATION.—The Sec-  
21 retary of Defense shall make information regarding  
22 the address of a member of the Armed Forces listed  
23 in the locator service available, on request, to the  
24 Federal Parent Locator Service established under  
25 section 453 of the Social Security Act.

1 (b) FACILITATING GRANTING OF LEAVE FOR AT-  
2 TENDANCE AT HEARINGS.—

3 (1) REGULATIONS.—The Secretary of each  
4 military department, and the Secretary of Transpor-  
5 tation with respect to the Coast Guard when it is  
6 not operating as a service in the Navy, shall pre-  
7 scribe regulations to facilitate the granting of leave  
8 to a member of the Armed Forces under the juris-  
9 diction of that Secretary in a case in which—

10 (A) the leave is needed for the member to  
11 attend a hearing described in paragraph (2);

12 (B) the member is not serving in or with  
13 a unit deployed in a contingency operation (as  
14 defined in section 101 of title 10, United States  
15 Code); and

16 (C) the exigencies of military service (as  
17 determined by the Secretary concerned) do not  
18 otherwise require that such leave not be grant-  
19 ed.

20 (2) COVERED HEARINGS.—Paragraph (1) ap-  
21 plies to a hearing that is conducted by a court or  
22 pursuant to an administrative process established  
23 under State law, in connection with a civil action—

24 (A) to determine whether a member of the  
25 Armed Forces is a natural parent of a child; or

1 (B) to determine an obligation of a mem-  
2 ber of the Armed Forces to provide child sup-  
3 port.

4 (3) DEFINITIONS.—For purposes of this sub-  
5 section—

6 (A) The term “court” has the meaning  
7 given that term in section 1408(a) of title 10,  
8 United States Code.

9 (B) The term “child support” has the  
10 meaning given such term in section 459(i) of  
11 the Social Security Act (42 U.S.C. 659(i)).

12 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-  
13 PLIANCE WITH CHILD SUPPORT ORDERS.—

14 (1) DATE OF CERTIFICATION OF COURT  
15 ORDER.—Section 1408 of title 10, United States  
16 Code, as amended by section 4362(c)(4) of this Act,  
17 is amended—

18 (A) by redesignating subsections (i) and (j)  
19 as subsections (j) and (k), respectively; and

20 (B) by inserting after subsection (h) the  
21 following new subsection:

22 “(i) CERTIFICATION DATE.—It is not necessary that  
23 the date of a certification of the authenticity or complete-  
24 ness of a copy of a court order for child support received  
25 by the Secretary concerned for the purposes of this section

1 be recent in relation to the date of receipt by the Sec-  
2 retary.”.

3           (2) PAYMENTS CONSISTENT WITH ASSIGN-  
4           MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)  
5           of such title is amended by inserting after the 1st  
6           sentence the following new sentence: “In the case of  
7           a spouse or former spouse who, pursuant to section  
8           408(a)(4) of the Social Security Act (42 U.S.C.  
9           608(a)(4)), assigns to a State the rights of the  
10          spouse or former spouse to receive support, the Sec-  
11          retary concerned may make the child support pay-  
12          ments referred to in the preceding sentence to that  
13          State in amounts consistent with that assignment of  
14          rights.”.

15          (3) ARREARAGES OWED BY MEMBERS OF THE  
16          UNIFORMED SERVICES.—Section 1408(d) of such  
17          title is amended by adding at the end the following  
18          new paragraph:

19          “(6) In the case of a court order for which effective  
20          service is made on the Secretary concerned on or after  
21          the date of the enactment of this paragraph and which  
22          provides for payments from the disposable retired pay of  
23          a member to satisfy the amount of child support set forth  
24          in the order, the authority provided in paragraph (1) to  
25          make payments from the disposable retired pay of a mem-

1 ber to satisfy the amount of child support set forth in a  
 2 court order shall apply to payment of any amount of child  
 3 support arrearages set forth in that order as well as to  
 4 amounts of child support that currently become due.”.

5 (4) PAYROLL DEDUCTIONS.—The Secretary of  
 6 Defense shall begin payroll deductions within 30  
 7 days after receiving notice of withholding, or for the  
 8 1st pay period that begins after such 30-day period.

9 **SEC. 4364. VOIDING OF FRAUDULENT TRANSFERS.**

10 Section 466 (42 U.S.C. 666), as amended by section  
 11 4321 of this Act, is amended by adding at the end the  
 12 following new subsection:

13 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In  
 14 order to satisfy section 454(20)(A), each State must have  
 15 in effect—

16 “(1)(A) the Uniform Fraudulent Conveyance  
 17 Act of 1981;

18 “(B) the Uniform Fraudulent Transfer Act of  
 19 1984; or

20 “(C) another law, specifying indicia of fraud  
 21 which create a prima facie case that a debtor trans-  
 22 ferred income or property to avoid payment to a  
 23 child support creditor, which the Secretary finds af-  
 24 fords comparable rights to child support creditors;  
 25 and

1           “(2) procedures under which, in any case in  
2           which the State knows of a transfer by a child sup-  
3           port debtor with respect to which such a prima facie  
4           case is established, the State must—

5                       “(A) seek to void such transfer; or

6                       “(B) obtain a settlement in the best inter-  
7           ests of the child support creditor.”.

8 **SEC. 4365. WORK REQUIREMENT FOR PERSONS OWING**  
9                       **PAST-DUE CHILD SUPPORT.**

10       (a) **IN GENERAL.**—Section 466(a) (42 U.S.C.  
11 666(a)), as amended by sections 4315, 4317(a), and 4323  
12 of this Act, is amended by inserting after paragraph (14)  
13 the following new paragraph:

14                       “(15) **PROCEDURES TO ENSURE THAT PERSONS**  
15           **OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN**  
16           **FOR PAYMENT OF SUCH SUPPORT.**—

17                       “(A) **IN GENERAL.**—Procedures under  
18           which the State has the authority, in any case  
19           in which an individual owes past-due support  
20           with respect to a child receiving assistance  
21           under a State program funded under part A, to  
22           issue an order or to request that a court or an  
23           administrative process established pursuant to  
24           State law issue an order that requires the indi-  
25           vidual to—

1           “(i) pay such support in accordance  
2           with a plan approved by the court, or, at  
3           the option of the State, a plan approved by  
4           the State agency administering the State  
5           program under this part; or

6           “(ii) if the individual is subject to  
7           such a plan and is not incapacitated, par-  
8           ticipate in such work activities (as defined  
9           in section 407(d)) as the court, or, at the  
10          option of the State, the State agency ad-  
11          ministering the State program under this  
12          part, deems appropriate.

13          “(B) PAST-DUE SUPPORT DEFINED.—For  
14          purposes of subparagraph (A), the term ‘past-  
15          due support’ means the amount of a delin-  
16          quency, determined under a court order, or an  
17          order of an administrative process established  
18          under State law, for support and maintenance  
19          of a child, or of a child and the parent with  
20          whom the child is living.”.

21          (b) CONFORMING AMENDMENT.—The flush para-  
22          graph at the end of section 466(a) (42 U.S.C.666(a)) is  
23          amended by striking “and (7)” and inserting “(7), and  
24          (15)”.

1 **SEC. 4366. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections  
3 4316 and 4345(b) of this Act, is amended by adding at  
4 the end the following new subsection:

5 “(p) **SUPPORT ORDER DEFINED.**—As used in this  
6 part, the term ‘support order’ means a judgment, decree,  
7 or order, whether temporary, final, or subject to modifica-  
8 tion, issued by a court or an administrative agency of com-  
9 petent jurisdiction, for the support and maintenance of a  
10 child, including a child who has attained the age of major-  
11 ity under the law of the issuing State, or a child and the  
12 parent with whom the child is living, which provides for  
13 monetary support, health care, arrearages, or reimburse-  
14 ment, and which may include related costs and fees, inter-  
15 est and penalties, income withholding, attorneys’ fees, and  
16 other relief.”.

17 **SEC. 4367. REPORTING ARREARAGES TO CREDIT BUREAUS.**

18 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended  
19 to read as follows:

20 “(7) **REPORTING ARREARAGES TO CREDIT BU-**  
21 **REAUS.**—

22 “(A) **IN GENERAL.**—Procedures (subject to  
23 safeguards pursuant to subparagraph (B)) re-  
24 quiring the State to report periodically to  
25 consumer reporting agencies (as defined in sec-  
26 tion 603(f) of the Fair Credit Reporting Act



1 (15 U.S.C. 1681a(f)) the name of any non-  
2 custodial parent who is delinquent in the pay-  
3 ment of support, and the amount of overdue  
4 support owed by such parent.

5 “(B) SAFEGUARDS.—Procedures ensuring  
6 that, in carrying out subparagraph (A), infor-  
7 mation with respect to a noncustodial parent is  
8 reported—

9 “(i) only after such parent has been  
10 afforded all due process required under  
11 State law, including notice and a reason-  
12 able opportunity to contest the accuracy of  
13 such information; and

14 “(ii) only to an entity that has fur-  
15 nished evidence satisfactory to the State  
16 that the entity is a consumer reporting  
17 agency (as so defined).”.

18 **SEC. 4368. LIENS.**

19 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended  
20 to read as follows:

21 “(4) LIENS.—Procedures under which—

22 “(A) liens arise by operation of law against  
23 real and personal property for amounts of over-  
24 due support owed by a noncustodial parent who  
25 resides or owns property in the State; and

1           “(B) the State accords full faith and credit  
2           to liens described in subparagraph (A) arising  
3           in another State, when the State agency, party,  
4           or other entity seeking to enforce such a lien  
5           complies with the procedural rules relating to  
6           recording or serving liens that arise within the  
7           State, except that such rules may not require  
8           judicial notice or hearing prior to the enforce-  
9           ment of such a lien.”.

10 **SEC. 4369. STATE LAW AUTHORIZING SUSPENSION OF LI-**  
11 **CENSES.**

12           Section 466(a) (42 U.S.C. 666(a)), as amended by  
13 sections 4315, 4317(a), 4323, and 4365 of this Act, is  
14 amended by inserting after paragraph (15) the following:

15           “(16) AUTHORITY TO WITHHOLD OR SUSPEND  
16           LICENSES.—Procedures under which the State has  
17           (and uses in appropriate cases) authority to withhold  
18           or suspend, or to restrict the use of driver’s licenses,  
19           professional and occupational licenses, and rec-  
20           reational licenses of individuals owing overdue sup-  
21           port or failing, after receiving appropriate notice, to  
22           comply with subpoenas or warrants relating to pa-  
23           ternity or child support proceedings.”.

1 **SEC. 4370. DENIAL OF PASSPORTS FOR NONPAYMENT OF**  
2 **CHILD SUPPORT.**

3 (a) HHS CERTIFICATION PROCEDURE.—

4 (1) SECRETARIAL RESPONSIBILITY.—Section  
5 452 (42 U.S.C. 652), as amended by section 4345  
6 of this Act, is amended by adding at the end the fol-  
7 lowing new subsection:

8 “(k)(1) If the Secretary receives a certification by a  
9 State agency in accordance with the requirements of sec-  
10 tion 454(31) that an individual owes arrearages of child  
11 support in an amount exceeding \$5,000, the Secretary  
12 shall transmit such certification to the Secretary of State  
13 for action (with respect to denial, revocation, or limitation  
14 of passports) pursuant to paragraph (2).

15 “(2) The Secretary of State shall, upon certification  
16 by the Secretary transmitted under paragraph (1), refuse  
17 to issue a passport to such individual, and may revoke,  
18 restrict, or limit a passport issued previously to such indi-  
19 vidual.

20 “(3) The Secretary and the Secretary of State shall  
21 not be liable to an individual for any action with respect  
22 to a certification by a State agency under this section.”.

23 (2) STATE AGENCY RESPONSIBILITY.—Section  
24 454 (42 U.S.C. 654), as amended by sections  
25 4301(b), 4303(a), 4312(b), 4313(a), 4333, 4343(b),  
26 and 4347 of this Act, is amended—

1 (A) by striking “and” at the end of para-  
2 graph (30);

3 (B) by striking the period at the end of  
4 paragraph (31) and inserting “; and”; and

5 (C) by adding after paragraph (31) the fol-  
6 lowing new paragraph:

7 “(32) provide that the State agency will have in  
8 effect a procedure for certifying to the Secretary, for  
9 purposes of the procedure under section 452(k), de-  
10 terminations that individuals owe arrearages of child  
11 support in an amount exceeding \$5,000, under  
12 which procedure—

13 “(A) each individual concerned is afforded  
14 notice of such determination and the con-  
15 sequences thereof, and an opportunity to con-  
16 test the determination; and

17 “(B) the certification by the State agency  
18 is furnished to the Secretary in such format,  
19 and accompanied by such supporting docu-  
20 mentation, as the Secretary may require.”.

21 (b) EFFECTIVE DATE.—This section and the amend-  
22 ments made by this section shall become effective October  
23 1, 1997.

1 **SEC. 4371. INTERNATIONAL SUPPORT ENFORCEMENT.**

2 (a) AUTHORITY FOR INTERNATIONAL AGREE-  
3 MENTS.—Part D of title IV, as amended by section  
4 4362(a) of this Act, is amended by adding after section  
5 459 the following new section:

6 **“SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.**

7 “(a) AUTHORITY FOR DECLARATIONS.—

8 “(1) DECLARATION.—The Secretary of State,  
9 with the concurrence of the Secretary of Health and  
10 Human Services, is authorized to declare any foreign  
11 country (or a political subdivision thereof) to be a  
12 foreign reciprocating country if the foreign country  
13 has established, or undertakes to establish, proce-  
14 dures for the establishment and enforcement of du-  
15 ties of support owed to obligees who are residents of  
16 the United States, and such procedures are substan-  
17 tially in conformity with the standards prescribed  
18 under subsection (b).

19 “(2) REVOCATION.—A declaration with respect  
20 to a foreign country made pursuant to paragraph  
21 (1) may be revoked if the Secretaries of State and  
22 Health and Human Services determine that—

23 “(A) the procedures established by the for-  
24 eign country regarding the establishment and  
25 enforcement of duties of support have been so  
26 changed, or the foreign country’s implementa-

1           tion of such procedures is so unsatisfactory,  
2           that such procedures do not meet the criteria  
3           for such a declaration; or

4           “(B) continued operation of the declaration  
5           is not consistent with the purposes of this part.

6           “(3) FORM OF DECLARATION.—A declaration  
7           under paragraph (1) may be made in the form of an  
8           international agreement, in connection with an inter-  
9           national agreement or corresponding foreign declara-  
10          tion, or on a unilateral basis.

11          “(b) STANDARDS FOR FOREIGN SUPPORT ENFORCE-  
12          MENT PROCEDURES.—

13           “(1) MANDATORY ELEMENTS.—Support en-  
14          forcement procedures of a foreign country which  
15          may be the subject of a declaration pursuant to sub-  
16          section (a)(1) shall include the following elements:

17           “(A) The foreign country (or political sub-  
18          division thereof) has in effect procedures, avail-  
19          able to residents of the United States—

20           “(i) for establishment of paternity,  
21          and for establishment of orders of support  
22          for children and custodial parents; and

23           “(ii) for enforcement of orders to pro-  
24          vide support to children and custodial par-  
25          ents, including procedures for collection

1                   and appropriate distribution of support  
2                   payments under such orders.

3                   “(B) The procedures described in subpara-  
4                   graph (A), including legal and administrative  
5                   assistance, are provided to residents of the  
6                   United States at no cost.

7                   “(C) An agency of the foreign country is  
8                   designated as a Central Authority responsible  
9                   for—

10                   “(i) facilitating support enforcement  
11                   in cases involving residents of the foreign  
12                   country and residents of the United States;  
13                   and

14                   “(ii) ensuring compliance with the  
15                   standards established pursuant to this sub-  
16                   section.

17                   “(2) ADDITIONAL ELEMENTS.—The Secretary  
18                   of Health and Human Services and the Secretary of  
19                   State, in consultation with the States, may establish  
20                   such additional standards as may be considered nec-  
21                   essary to further the purposes of this section.

22                   “(c) DESIGNATION OF UNITED STATES CENTRAL  
23                   AUTHORITY.—It shall be the responsibility of the Sec-  
24                   retary of Health and Human Services to facilitate support  
25                   enforcement in cases involving residents of the United

1 States and residents of foreign countries that are the sub-  
2 ject of a declaration under this section, by activities in-  
3 cluding—

4 “(1) development of uniform forms and proce-  
5 dures for use in such cases;

6 “(2) notification of foreign reciprocating coun-  
7 tries of the State of residence of individuals sought  
8 for support enforcement purposes, on the basis of in-  
9 formation provided by the Federal Parent Locator  
10 Service; and

11 “(3) such other oversight, assistance, and co-  
12 ordination activities as the Secretary may find nec-  
13 essary and appropriate.

14 “(d) EFFECT ON OTHER LAWS.—States may enter  
15 into reciprocal arrangements for the establishment and en-  
16 forcement of support obligations with foreign countries  
17 that are not the subject of a declaration pursuant to sub-  
18 section (a), to the extent consistent with Federal law.”.

19 (b) STATE PLAN REQUIREMENT.—Section 454 (42  
20 U.S.C. 654), as amended by sections 4301(b), 4303(a),  
21 4312(b), 4313(a), 4333, 4343(b), 4347, and 4370(a)(2)  
22 of this Act, is amended—

23 (1) by striking “and” at the end of paragraph  
24 (31);



1 (2) by striking the period at the end of para-  
2 graph (32) and inserting “; and”; and

3 (3) by adding after paragraph (32) the follow-  
4 ing new paragraph:

5 “(33)(A) provide that any request for services  
6 under this part by a foreign reciprocating country or  
7 a foreign country with which the State has an ar-  
8 rangement described in section 459A(d)(2) shall be  
9 treated as a request by a State;

10 “(B) provide, at State option, notwithstanding  
11 paragraph (4) or any other provision of this part,  
12 for services under the plan for enforcement of a  
13 spousal support order not described in paragraph  
14 (4)(B) entered by such a country (or subdivision);  
15 and

16 “(C) provide that no applications will be re-  
17 quired from, and no costs will be assessed for such  
18 services against, the foreign reciprocating country or  
19 foreign obligee (but costs may at State option be as-  
20 sessed against the obligor).”.

21 **SEC. 4372. FINANCIAL INSTITUTION DATA MATCHES.**

22 Section 466(a) (42 U.S.C. 666(a)), as amended by  
23 sections 4315, 4317(a), 4323, 4365, and 4369 of this Act,  
24 is amended by inserting after paragraph (16) the following  
25 new paragraph:

1           “(17) FINANCIAL INSTITUTION DATA  
2 MATCHES.—

3           “(A) IN GENERAL.—Procedures under  
4 which the State agency shall enter into agree-  
5 ments with financial institutions doing business  
6 in the State—

7           “(i) to develop and operate, in coordi-  
8 nation with such financial institutions, a  
9 data match system, using automated data  
10 exchanges to the maximum extent feasible,  
11 in which each such financial institution is  
12 required to provide for each calendar quar-  
13 ter the name, record address, social secu-  
14 rity number or other taxpayer identifica-  
15 tion number, and other identifying infor-  
16 mation for each noncustodial parent who  
17 maintains an account at such institution  
18 and who owes past-due support, as identi-  
19 fied by the State by name and social secu-  
20 rity number or other taxpayer identifica-  
21 tion number; and

22           “(ii) in response to a notice of lien or  
23 levy, encumber or surrender, as the case  
24 may be, assets held by such institution on  
25 behalf of any noncustodial parent who is

1 subject to a child support lien pursuant to  
2 paragraph (4).

3 “(B) REASONABLE FEES.—The State  
4 agency may pay a reasonable fee to a financial  
5 institution for conducting the data match pro-  
6 vided for in subparagraph (A)(i), not to exceed  
7 the actual costs incurred by such financial insti-  
8 tution.

9 “(C) LIABILITY.—A financial institution  
10 shall not be liable under any Federal or State  
11 law to any person—

12 “(i) for any disclosure of information  
13 to the State agency under subparagraph  
14 (A)(i);

15 “(ii) for encumbering or surrendering  
16 any assets held by such financial institu-  
17 tion in response to a notice of lien or levy  
18 issued by the State agency as provided for  
19 in subparagraph (A)(ii); or

20 “(iii) for any other action taken in  
21 good faith to comply with the requirements  
22 of subparagraph (A).

23 “(D) DEFINITIONS.—For purposes of this  
24 paragraph—

1                   “(i) FINANCIAL INSTITUTION.—The  
2                   term ‘financial institution’ has the mean-  
3                   ing given to such term by section  
4                   469A(d)(1).

5                   “(ii) ACCOUNT.—The term ‘account’  
6                   means a demand deposit account, checking  
7                   or negotiable withdrawal order account,  
8                   savings account, time deposit account, or  
9                   money-market mutual fund account.”.

10 **SEC. 4373. ENFORCEMENT OF ORDERS AGAINST PATERNAL**  
11 **OR MATERNAL GRANDPARENTS IN CASES OF**  
12 **MINOR PARENTS.**

13                   Section 466(a) (42 U.S.C. 666(a)), as amended by  
14 sections 4315, 4317(a), 4323, 4365, 4369, and 4372 of  
15 this Act, is amended by inserting after paragraph (17) the  
16 following new paragraph:

17                   “(18) ENFORCEMENT OF ORDERS AGAINST PA-  
18                   TERNAL OR MATERNAL GRANDPARENTS.—Proce-  
19                   dures under which, at the State’s option, any child  
20                   support order enforced under this part with respect  
21                   to a child of minor parents, if the custodial parent  
22                   of such child is receiving assistance under the State  
23                   program under part A, shall be enforceable, jointly  
24                   and severally, against the parents of the noncusto-  
25                   dial parent of such child.”.

1 **SEC. 4374. NONDISCHARGEABILITY IN BANKRUPTCY OF**  
2 **CERTAIN DEBTS FOR THE SUPPORT OF A**  
3 **CHILD.**

4 (a) AMENDMENT TO TITLE 11 OF THE UNITED  
5 STATES CODE.—Section 523(a) of title 11, United States  
6 Code, is amended—

7 (1) by striking “or” at the end of paragraph  
8 (16);

9 (2) by striking the period at the end of para-  
10 graph (17) and inserting “; or”;

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

12 “(18) owed under State law to a State or mu-  
13 nicipality that is—

14 “(A) in the nature of support, and

15 “(B) enforceable under part D of title IV  
16 of the Social Security Act (42 U.S.C. 601 et  
17 seq.)”; and

18 (4) in paragraph (5), by striking “section  
19 402(a)(26)” and inserting “section 408(a)(4)”.

20 (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—  
21 Section 456(b) (42 U.S.C. 656(b)) is amended to read as  
22 follows:

23 “(b) NONDISCHARGEABILITY.—A debt (as defined in  
24 section 101 of title 11 of the United States Code) owed  
25 under State law to a State (as defined in such section)  
26 or municipality (as defined in such section) that is in the

1 nature of support and that is enforceable under this part  
2 is not released by a discharge in bankruptcy under title  
3 11 of the United States Code.”.

4 (c) APPLICATION OF AMENDMENTS.—The amend-  
5 ments made by this section shall apply only with respect  
6 to cases commenced under title 11 of the United States  
7 Code after the date of the enactment of this Act.

## 8 **CHAPTER 8—MEDICAL SUPPORT**

### 9 **SEC. 4376. CORRECTION TO ERISA DEFINITION OF MEDI-** 10 **CAL CHILD SUPPORT ORDER.**

11 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-  
12 ployee Retirement Income Security Act of 1974 (29  
13 U.S.C. 1169(a)(2)(B)) is amended—

14 (1) by striking “issued by a court of competent  
15 jurisdiction”;

16 (2) by striking the period at the end of clause  
17 (ii) and inserting a comma; and

18 (3) by adding, after and below clause (ii), the  
19 following:

20 “if such judgment, decree, or order (I) is issued  
21 by a court of competent jurisdiction or (II) is  
22 issued through an administrative process estab-  
23 lished under State law and has the force and ef-  
24 fect of law under applicable State law.”.

25 (b) EFFECTIVE DATE.—

1           (1) IN GENERAL.—The amendments made by  
2 this section shall take effect on the date of the en-  
3 actment of this Act.

4           (2) PLAN AMENDMENTS NOT REQUIRED UNTIL  
5 JANUARY 1, 1997.—Any amendment to a plan re-  
6 quired to be made by an amendment made by this  
7 section shall not be required to be made before the  
8 1st plan year beginning on or after January 1,  
9 1997, if—

10           (A) during the period after the date before  
11 the date of the enactment of this Act and be-  
12 fore such 1st plan year, the plan is operated in  
13 accordance with the requirements of the amend-  
14 ments made by this section; and

15           (B) such plan amendment applies retro-  
16 actively to the period after the date before the  
17 date of the enactment of this Act and before  
18 such 1st plan year.

19 A plan shall not be treated as failing to be operated  
20 in accordance with the provisions of the plan merely  
21 because it operates in accordance with this para-  
22 graph.

1 **SEC. 4377. ENFORCEMENT OF ORDERS FOR HEALTH CARE**  
2 **COVERAGE.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by  
4 sections 4315, 4317(a), 4323, 4365, 4369, 4372, and  
5 4373 of this Act, is amended by inserting after paragraph  
6 (18) the following new paragraph:

7 “(19) **HEALTH CARE COVERAGE.**—Procedures  
8 under which all child support orders enforced pursu-  
9 ant to this part shall include a provision for the  
10 health care coverage of the child, and in the case in  
11 which a noncustodial parent provides such coverage  
12 and changes employment, and the new employer pro-  
13 vides health care coverage, the State agency shall  
14 transfer notice of the provision to the employer,  
15 which notice shall operate to enroll the child in the  
16 noncustodial parent’s health plan, unless the non-  
17 custodial parent contests the notice.”.

18 **CHAPTER 9—ENHANCING RESPONSIBIL-**  
19 **ITY AND OPPORTUNITY FOR NON-RES-**  
20 **IDENTIAL PARENTS**

21 **SEC. 4381. GRANTS TO STATES FOR ACCESS AND VISITA-**  
22 **TION PROGRAMS.**

23 Part D of title IV (42 U.S.C. 651–669), as amended  
24 by section 4353 of this Act, is amended by adding at the  
25 end the following new section:



1 **“SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITA-**  
2 **TION PROGRAMS.**

3 “(a) IN GENERAL.—The Administration for Children  
4 and Families shall make grants under this section to en-  
5 able States to establish and administer programs to sup-  
6 port and facilitate noncustodial parents’ access to and visi-  
7 tation of their children, by means of activities including  
8 mediation (both voluntary and mandatory), counseling,  
9 education, development of parenting plans, visitation en-  
10 forcement (including monitoring, supervision and neutral  
11 drop-off and pickup), and development of guidelines for  
12 visitation and alternative custody arrangements.

13 “(b) AMOUNT OF GRANT.—The amount of the grant  
14 to be made to a State under this section for a fiscal year  
15 shall be an amount equal to the lesser of—

16 “(1) 90 percent of State expenditures during  
17 the fiscal year for activities described in subsection  
18 (a); or

19 “(2) the allotment of the State under sub-  
20 section (c) for the fiscal year.

21 “(c) ALLOTMENTS TO STATES.—

22 “(1) IN GENERAL.—The allotment of a State  
23 for a fiscal year is the amount that bears the same  
24 ratio to \$10,000,000 for grants under this section  
25 for the fiscal year as the number of children in the

1 State living with only 1 biological parent bears to  
2 the total number of such children in all States.

3 “(2) MINIMUM ALLOTMENT.—The Administra-  
4 tion for Children and Families shall adjust allot-  
5 ments to States under paragraph (1) as necessary to  
6 ensure that no State is allotted less than—

7 “(A) \$50,000 for fiscal year 1997 or 1998;

8 or

9 “(B) \$100,000 for any succeeding fiscal  
10 year.

11 “(d) NO SUPPLANTATION OF STATE EXPENDITURES  
12 FOR SIMILAR ACTIVITIES.—A State to which a grant is  
13 made under this section may not use the grant to supplant  
14 expenditures by the State for activities specified in sub-  
15 section (a), but shall use the grant to supplement such  
16 expenditures at a level at least equal to the level of such  
17 expenditures for fiscal year 1995.

18 “(e) STATE ADMINISTRATION.—Each State to which  
19 a grant is made under this section—

20 “(1) may administer State programs funded  
21 with the grant, directly or through grants to or con-  
22 tracts with courts, local public agencies, or nonprofit  
23 private entities;

24 “(2) shall not be required to operate such pro-  
25 grams on a statewide basis; and

1           “(3) shall monitor, evaluate, and report on such  
2           programs in accordance with regulations prescribed  
3           by the Secretary.”.

4           **CHAPTER 10—EFFECTIVE DATES AND**  
5           **CONFORMING AMENDMENTS**

6           **SEC. 4391. EFFECTIVE DATES AND CONFORMING AMEND-**  
7           **MENTS.**

8           (a) IN GENERAL.—Except as otherwise specifically  
9           provided (but subject to subsections (b) and (c))—

10           (1) the provisions of this subtitle requiring the  
11           enactment or amendment of State laws under sec-  
12           tion 466 of the Social Security Act, or revision of  
13           State plans under section 454 of such Act, shall be  
14           effective with respect to periods beginning on and  
15           after October 1, 1996; and

16           (2) all other provisions of this subtitle shall be-  
17           come effective upon the date of the enactment of  
18           this Act.

19           (b) GRACE PERIOD FOR STATE LAW CHANGES.—The  
20           provisions of this subtitle shall become effective with re-  
21           spect to a State on the later of—

22           (1) the date specified in this subtitle, or

23           (2) the effective date of laws enacted by the leg-  
24           islature of such State implementing such provisions,

1 but in no event later than the 1st day of the 1st calendar  
2 quarter beginning after the close of the 1st regular session  
3 of the State legislature that begins after the date of the  
4 enactment of this Act. For purposes of the previous sen-  
5 tence, in the case of a State that has a 2-year legislative  
6 session, each year of such session shall be deemed to be  
7 a separate regular session of the State legislature.

8 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL  
9 AMENDMENT.—A State shall not be found out of compli-  
10 ance with any requirement enacted by this subtitle if the  
11 State is unable to so comply without amending the State  
12 constitution until the earlier of—

13 (1) 1 year after the effective date of the nec-  
14 essary State constitutional amendment; or

15 (2) 5 years after the date of the enactment of  
16 this Act.

17 (d) CONFORMING AMENDMENTS.—

18 (1) The following provisions are amended by  
19 striking “absent” each place it appears and inserting  
20 “noncustodial”:

21 (A) Section 451 (42 U.S.C. 651).

22 (B) Subsections (a)(1), (a)(8), (a)(10)(E),  
23 (a)(10)(F), (f), and (h) of section 452 (42  
24 U.S.C. 652).

25 (C) Section 453(f) (42 U.S.C. 653(f)).

1 (D) Paragraphs (8), (13), and (21)(A) of  
2 section 454 (42 U.S.C. 654).

3 (E) Section 455(e)(1) (42 U.S.C.  
4 655(e)(1)).

5 (F) Section 458(a) (42 U.S.C. 658(a)).

6 (G) Subsections (a), (b), and (c) of section  
7 463 (42 U.S.C. 663).

8 (H) Subsections (a)(3)(A), (a)(3)(C),  
9 (a)(6), and (a)(8)(B)(ii), the last sentence of  
10 subsection (a), and subsections (b)(1),  
11 (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(9), and  
12 (e) of section 466 (42 U.S.C. 666).

13 (2) The following provisions are amended by  
14 striking “an absent” each place it appears and in-  
15 serting “a noncustodial”:

16 (A) Paragraphs (2) and (3) of section  
17 453(c) (42 U.S.C. 653(c)).

18 (B) Subparagraphs (B) and (C) of section  
19 454(9) (42 U.S.C. 654(9)).

20 (C) Section 456(a)(3) (42 U.S.C.  
21 656(a)(3)).

22 (D) Subsections (a)(3)(A), (a)(6),  
23 (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section  
24 466 (42 U.S.C. 666).

1 (E) Paragraphs (2) and (4) of section  
2 469(b) (42 U.S.C. 669(b)).

3 **Subtitle D—Restricting Welfare**  
4 **and Public Benefits for Aliens**

5 **SEC. 4400. STATEMENTS OF NATIONAL POLICY CONCERN-**  
6 **ING WELFARE AND IMMIGRATION.**

7 The Congress makes the following statements con-  
8 cerning national policy with respect to welfare and immi-  
9 gration:

10 (1) Self-sufficiency has been a basic principle of  
11 United States immigration law since this country's  
12 earliest immigration statutes.

13 (2) It continues to be the immigration policy of  
14 the United States that—

15 (A) aliens within the Nation's borders not  
16 depend on public resources to meet their needs,  
17 but rather rely on their own capabilities and the  
18 resources of their families, their sponsors, and  
19 private organizations, and

20 (B) the availability of public benefits not  
21 constitute an incentive for immigration to the  
22 United States.

23 (3) Despite the principle of self-sufficiency,  
24 aliens have been applying for and receiving public

1 benefits from Federal, State, and local governments  
2 at increasing rates.

3 (4) Current eligibility rules for public assistance  
4 and unenforceable financial support agreements have  
5 proved wholly incapable of assuring that individual  
6 aliens not burden the public benefits system.

7 (5) It is a compelling government interest to  
8 enact new rules for eligibility and sponsorship agree-  
9 ments in order to assure that aliens be self-reliant  
10 in accordance with national immigration policy.

11 (6) It is a compelling government interest to re-  
12 move the incentive for illegal immigration provided  
13 by the availability of public benefits.

14 (7) With respect to the State authority to make  
15 determinations concerning the eligibility of qualified  
16 aliens for public benefits in this subtitle, a State  
17 that chooses to follow the Federal classification in  
18 determining the eligibility of such aliens for public  
19 assistance shall be considered to have chosen the  
20 least restrictive means available for achieving the  
21 compelling governmental interest of assuring that  
22 aliens be self-reliant in accordance with national im-  
23 migration policy.

1     **CHAPTER 1—ELIGIBILITY FOR FEDERAL**  
2                                   **BENEFITS**

3     **SEC. 4401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELI-**  
4                                   **GIBLE FOR FEDERAL PUBLIC BENEFITS.**

5           (a) **IN GENERAL.**—Notwithstanding any other provi-  
6 sion of law and except as provided in subsection (b), an  
7 alien who is not a qualified alien (as defined in section  
8 4431) is not eligible for any Federal public benefit (as de-  
9 fined in subsection (c)).

10          (b) **EXCEPTIONS.**—

11               (1) Subsection (a) shall not apply with respect  
12 to the following Federal public benefits:

13                       (A) Emergency medical services under title  
14 XIX of the Social Security Act.

15                       (B) Short-term, non-cash, in-kind emer-  
16 gency disaster relief.

17                       (C) Public health assistance for immuniza-  
18 tions with respect to immunizable diseases and  
19 for testing and treatment of symptoms of com-  
20 municable diseases whether or not such symp-  
21 toms are caused by a communicable disease.

22                       (D) Programs, services, or assistance (such  
23 as soup kitchens, crisis counseling and interven-  
24 tion, and short-term shelter) specified by the  
25 Attorney General, in the Attorney General's



1           sole and unreviewable discretion after consulta-  
2           tion with appropriate Federal agencies and de-  
3           partments, which (i) deliver in-kind services at  
4           the community level, including through public  
5           or private nonprofit agencies; (ii) do not condi-  
6           tion the provision of assistance, the amount of  
7           assistance provided, or the cost of assistance  
8           provided on the individual recipient's income or  
9           resources; and (iii) are necessary for the protec-  
10          tion of life or safety.

11                   (E) Programs for housing or community  
12           development assistance or financial assistance  
13           administered by the Secretary of Housing and  
14           Urban Development, any program under title V  
15           of the Housing Act of 1949, or any assistance  
16           under section 306C of the Consolidated Farm  
17           and Rural Development Act, to the extent that  
18           the alien is receiving such a benefit on the date  
19           of the enactment of this Act.

20                   (2) Subsection (a) shall not apply to any benefit  
21           payable under title II of the Social Security Act to  
22           an alien who is lawfully present in the United States  
23           as determined by the Attorney General, to any bene-  
24           fit if nonpayment of such benefit would contravene  
25           an international agreement described in section 233

1 of the Social Security Act, to any benefit if nonpay-  
2 ment would be contrary to section 202(t) of the So-  
3 cial Security Act, or to any benefit payable under  
4 title II of the Social Security Act to which entitle-  
5 ment is based on an application filed in or before the  
6 month in which this Act becomes law.

7 (c) FEDERAL PUBLIC BENEFIT DEFINED.—

8 (1) Except as provided in paragraph (2), for  
9 purposes of this subtitle the term “Federal public  
10 benefit” means—

11 (A) any grant, contract, loan, professional  
12 license, or commercial license provided by an  
13 agency of the United States or by appropriated  
14 funds of the United States; and

15 (B) any retirement, welfare, health, dis-  
16 ability, public or assisted housing, postsecond-  
17 ary education, food assistance, unemployment  
18 benefit, or any other similar benefit for which  
19 payments or assistance are provided to an indi-  
20 vidual, household, or family eligibility unit by  
21 an agency of the United States or by appro-  
22 priated funds of the United States.

23 (2) Such term shall not apply—

24 (A) to any contract, professional license, or  
25 commercial license for a nonimmigrant whose

1 visa for entry is related to such employment in  
2 the United States; or

3 (B) with respect to benefits for an alien  
4 who as a work authorized nonimmigrant or as  
5 an alien lawfully admitted for permanent resi-  
6 dence under the Immigration and Nationality  
7 Act qualified for such benefits and for whom  
8 the United States under reciprocal treaty agree-  
9 ments is required to pay benefits, as determined  
10 by the Attorney General, after consultation with  
11 the Secretary of State.

12 **SEC. 4402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS**  
13 **FOR CERTAIN FEDERAL PROGRAMS.**

14 (a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL  
15 PROGRAMS.—

16 (1) IN GENERAL.—Notwithstanding any other  
17 provision of law and except as provided in paragraph  
18 (2), an alien who is a qualified alien (as defined in  
19 section 4431) is not eligible for any specified Fed-  
20 eral program (as defined in paragraph (3)).

21 (2) EXCEPTIONS.—

22 (A) TIME-LIMITED EXCEPTION FOR REFUG-  
23 GEES AND ASYLEES.—Paragraph (1) shall not  
24 apply to an alien until 5 years after the date—

1 (i) an alien is admitted to the United  
2 States as a refugee under section 207 of  
3 the Immigration and Nationality Act;

4 (ii) an alien is granted asylum under  
5 section 208 of such Act; or

6 (iii) an alien's deportation is withheld  
7 under section 243(h) of such Act.

8 (B) CERTAIN PERMANENT RESIDENT  
9 ALIENS.—Paragraph (1) shall not apply to an  
10 alien who—

11 (i) is lawfully admitted to the United  
12 States for permanent residence under the  
13 Immigration and Nationality Act; and

14 (ii)(I) has worked 40 qualifying quar-  
15 ters of coverage as defined under title II of  
16 the Social Security Act or can be credited  
17 with such qualifying quarters as provided  
18 under section 435, and (II) did not receive  
19 any Federal means-tested public benefit  
20 (as defined in section 4403(c)) during any  
21 such quarter.

22 (C) VETERAN AND ACTIVE DUTY EXCEP-  
23 TION.—Paragraph (1) shall not apply to an  
24 alien who is lawfully residing in any State and  
25 is—

- 1 (i) a veteran (as defined in section  
2 101 of title 38, United States Code) with  
3 a discharge characterized as an honorable  
4 discharge and not on account of alienage,  
5 (ii) on active duty (other than active  
6 duty for training) in the Armed Forces of  
7 the United States, or  
8 (iii) the spouse or unmarried depend-  
9 ent child of an individual described in  
10 clause (i) or (ii).

11 (D) TRANSITION FOR ALIENS CURRENTLY  
12 RECEIVING BENEFITS.—

13 (i) SSI.—

14 (I) IN GENERAL.—With respect  
15 to the specified Federal program de-  
16 scribed in paragraph (3)(A), during  
17 the period beginning on the date of  
18 the enactment of this Act and ending  
19 on the date which is 1 year after such  
20 date of enactment, the Commissioner  
21 of Social Security shall redetermine  
22 the eligibility of any individual who is  
23 receiving benefits under such program  
24 as of the date of the enactment of this  
25 Act and whose eligibility for such ben-

1           efits may terminate by reason of the  
2           provisions of this subsection.

3           (II) REDETERMINATION CRI-  
4           TERIA.— With respect to any redeter-  
5           mination under subclause (I), the  
6           Commissioner of Social Security shall  
7           apply the eligibility criteria for new  
8           applicants for benefits under such  
9           program.

10          (III) GRANDFATHER PROVI-  
11          SION.—The provisions of this sub-  
12          section and the redetermination under  
13          subclause (I), shall only apply with re-  
14          spect to the benefits of an individual  
15          described in subclause (I) for months  
16          beginning on or after the date of the  
17          redetermination with respect to such  
18          individual.

19          (IV) NOTICE.—Not later than  
20          January 1, 1997, the Commissioner of  
21          Social Security shall notify an individ-  
22          ual described in subclause (I) of the  
23          provisions of this clause.

24          (ii) FOOD STAMPS.—

1 (I) IN GENERAL.—With respect  
2 to the specified Federal program de-  
3 scribed in paragraph (3)(B), during  
4 the period beginning on the date of  
5 enactment of this Act and ending on  
6 the date which is 1 year after the date  
7 of enactment, the State agency shall,  
8 at the time of the recertification, re-  
9 certify the eligibility of any individual  
10 who is receiving benefits under such  
11 program as of the date of enactment  
12 of this Act and whose eligibility for  
13 such benefits may terminate by reason  
14 of the provisions of this subsection.

15 (II) RECERTIFICATION CRI-  
16 TERIA.—With respect to any recertifi-  
17 cation under subclause (I), the State  
18 agency shall apply the eligibility cri-  
19 teria for applicants for benefits under  
20 such program.

21 (III) GRANDFATHER PROVI-  
22 SION.—The provisions of this sub-  
23 section and the recertification under  
24 subclause (I) shall only apply with re-  
25 spect to the eligibility of an alien for

1 a program for months beginning on or  
2 after the date of recertification, if on  
3 the date of enactment of this Act the  
4 alien is lawfully residing in any State  
5 and is receiving benefits under such  
6 program on such date of enactment.

7 (iii) MEDICAID.—

8 (I) IN GENERAL.—With respect  
9 to the specified Federal program de-  
10 scribed in paragraph (3)(C), during  
11 the period beginning on the date of  
12 enactment of this Act and ending on  
13 the date which is 1 year after the date  
14 of enactment, the State agency shall,  
15 at the time of the redetermination, re-  
16 determine the eligibility of any indi-  
17 vidual who is receiving benefits under  
18 such program as of the date of enact-  
19 ment of this Act and whose eligibility  
20 for such benefits may terminate by  
21 reason of the provisions of this sub-  
22 section.

23 (II) REDETERMINATION.—With  
24 respect to any redetermination under  
25 subclause (I), the State agency shall



1 apply the eligibility criteria for appli-  
2 cants for benefits under such pro-  
3 gram.

4 (III) GRANDFATHER PROVI-  
5 SION.—The provisions of this sub-  
6 section and the redetermination under  
7 subclause (I) shall only apply with re-  
8 spect to the eligibility of an alien for  
9 a program for months beginning on or  
10 after the date of redetermination, if  
11 on the date of enactment of this Act  
12 the alien is lawfully residing in any  
13 State and is receiving benefits under  
14 such program on such date of enact-  
15 ment.

16 (3) SPECIFIED FEDERAL PROGRAM DEFINED.—  
17 For purposes of this subtitle, the term “specified  
18 Federal program” means any of the following:

19 (A) SSI.—The supplemental security in-  
20 come program under title XVI of the Social Se-  
21 curity Act, including supplementary payments  
22 pursuant to an agreement for Federal adminis-  
23 tration under section 1616(a) of the Social Se-  
24 curity Act and payments pursuant to an agree-

1           ment entered into under section 212(b) of Pub-  
2           lic Law 93-66.

3           (B) FOOD STAMPS.—The food stamp pro-  
4           gram as defined in section 3(h) of the Food  
5           Stamp Act of 1977.

6           (C) MEDICAID.—A State plan approved  
7           under title XIX of the Social Security Act.

8           (b) LIMITED ELIGIBILITY FOR DESIGNATED FED-  
9           ERAL PROGRAMS.—

10           (1) IN GENERAL.—Notwithstanding any other  
11           provision of law and except as provided in section  
12           4403 and paragraph (2), a State is authorized to de-  
13           termine the eligibility of an alien who is a qualified  
14           alien (as defined in section 4431) for any designated  
15           Federal program (as defined in paragraph (3)).

16           (2) EXCEPTIONS.—Qualified aliens under this  
17           paragraph shall be eligible for any designated Fed-  
18           eral program.

19           (A) TIME-LIMITED EXCEPTION FOR REFU-  
20           GEES AND ASYLEES.—

21           (i) An alien who is admitted to the  
22           United States as a refugee under section  
23           207 of the Immigration and Nationality  
24           Act until 5 years after the date of an  
25           alien's entry into the United States.

1 (ii) An alien who is granted asylum  
2 under section 208 of such Act until 5 years  
3 after the date of such grant of asylum.

4 (iii) An alien whose deportation is  
5 being withheld under section 243(h) of  
6 such Act until 5 years after such withhold-  
7 ing.

8 (B) CERTAIN PERMANENT RESIDENT  
9 ALIENS.—An alien who—

10 (i) is lawfully admitted to the United  
11 States for permanent residence under the  
12 Immigration and Nationality Act; and

13 (ii)(I) has worked 40 qualifying quar-  
14 ters of coverage as defined under title II of  
15 the Social Security Act or can be credited  
16 with such qualifying quarters as provided  
17 under section 4435, and (II) did not re-  
18 ceive any Federal means-tested public ben-  
19 efit (as defined in section 4403(c)) during  
20 any such quarter.

21 (C) VETERAN AND ACTIVE DUTY EXCEP-  
22 TION.—An alien who is lawfully residing in any  
23 State and is—

24 (i) a veteran (as defined in section  
25 101 of title 38, United States Code) with

1 a discharge characterized as an honorable  
2 discharge and not on account of alienage,

3 (ii) on active duty (other than active  
4 duty for training) in the Armed Forces of  
5 the United States, or

6 (iii) the spouse or unmarried depend-  
7 ent child of an individual described in  
8 clause (i) or (ii).

9 (D) TRANSITION FOR THOSE CURRENTLY  
10 RECEIVING BENEFITS.—An alien who on the  
11 date of the enactment of this Act is lawfully re-  
12 siding in any State and is receiving benefits  
13 under such program on the date of the enact-  
14 ment of this Act shall continue to be eligible to  
15 receive such benefits until January 1, 1997.

16 (3) DESIGNATED FEDERAL PROGRAM DE-  
17 FINED.—For purposes of this subtitle, the term  
18 “designated Federal program” means any of the fol-  
19 lowing:

20 (A) TEMPORARY ASSISTANCE FOR NEEDY  
21 FAMILIES.—The program of block grants to  
22 States for temporary assistance for needy fami-  
23 lies under part A of title IV of the Social Secu-  
24 rity Act.

1 (B) SOCIAL SERVICES BLOCK GRANT.—

2 The program of block grants to States for so-  
3 cial services under title XX of the Social Secu-  
4 rity Act.

5 **SEC. 4403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED**  
6 **ALIENS FOR FEDERAL MEANS-TESTED PUB-**  
7 **LIC BENEFIT.**

8 (a) IN GENERAL.—Notwithstanding any other provi-  
9 sion of law and except as provided in subsection (b), an  
10 alien who is a qualified alien (as defined in section 4431)  
11 and who enters the United States on or after the date  
12 of the enactment of this Act is not eligible for any Federal  
13 means-tested public benefit (as defined in subsection (c))  
14 for a period of five years beginning on the date of the  
15 alien's entry into the United States with a status within  
16 the meaning of the term "qualified alien".

17 (b) EXCEPTIONS.—The limitation under subsection  
18 (a) shall not apply to the following aliens:

19 (1) EXCEPTION FOR REFUGEES AND  
20 ASYLEES.—

21 (A) An alien who is admitted to the United  
22 States as a refugee under section 207 of the  
23 Immigration and Nationality Act.

24 (B) An alien who is granted asylum under  
25 section 208 of such Act.

1           (C) An alien whose deportation is being  
2 withheld under section 243(h) of such Act.

3           (2) VETERAN AND ACTIVE DUTY EXCEPTION.—  
4 An alien who is lawfully residing in any State and  
5 is—

6           (A) a veteran (as defined in section 101 of  
7 title 38, United States Code) with a discharge  
8 characterized as an honorable discharge and not  
9 on account of alienage,

10           (B) on active duty (other than active duty  
11 for training) in the Armed Forces of the United  
12 States, or

13           (C) the spouse or unmarried dependent  
14 child of an individual described in subparagraph  
15 (A) or (B).

16           (c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DE-  
17 FINED.—

18           (1) Except as provided in paragraph (2), for  
19 purposes of this subtitle, the term “Federal means-  
20 tested public benefit” means a public benefit (includ-  
21 ing cash, medical, housing, and food assistance and  
22 social services) of the Federal Government in which  
23 the eligibility of an individual, household, or family  
24 eligibility unit for benefits, or the amount of such  
25 benefits, or both are determined on the basis of in-

1       come, resources, or financial need of the individual,  
2       household, or unit.

3               (2) Such term does not include the following:

4                       (A) Emergency medical services under title  
5       XIX of the Social Security Act.

6                       (B) Short-term, non-cash, in-kind emer-  
7       gency disaster relief.

8                       (C) Assistance or benefits under the Na-  
9       tional School Lunch Act.

10                      (D) Assistance or benefits under the Child  
11       Nutrition Act of 1966.

12                      (E) Public health assistance for immuniza-  
13       tions with respect to immunizable diseases and  
14       for testing and treatment of symptoms of com-  
15       municable diseases whether or not such symp-  
16       toms are caused by a communicable disease.

17                      (F) Payments for foster care and adoption  
18       assistance under parts B and E of title IV of  
19       the Social Security Act for a child who would,  
20       in the absence of subsection (a), be eligible to  
21       have such payments made on the child's behalf  
22       under such part, but only if the foster or adop-  
23       tive parent or parents of such child are not de-  
24       scribed under subsection (a).

1           (G) Programs, services, or assistance (such  
2           as soup kitchens, crisis counseling and interven-  
3           tion, and short-term shelter) specified by the  
4           Attorney General, in the Attorney General's  
5           sole and unreviewable discretion after consulta-  
6           tion with appropriate Federal agencies and de-  
7           partments, which (i) deliver in-kind services at  
8           the community level, including through public  
9           or private nonprofit agencies; (ii) do not condi-  
10          tion the provision of assistance, the amount of  
11          assistance provided, or the cost of assistance  
12          provided on the individual recipient's income or  
13          resources; and (iii) are necessary for the protec-  
14          tion of life or safety.

15           (H) Programs of student assistance under  
16           titles IV, V, IX, and X of the Higher Education  
17           Act of 1965.

18           (I) Means-tested programs under the Ele-  
19           mentary and Secondary Education Act of 1965.

20           (J) Benefits under the Head Start Act.

21           (K) Benefits under the Job Training Part-  
22           nership Act.

23 **SEC. 4404. NOTIFICATION AND INFORMATION REPORTING.**

24           (a) NOTIFICATION.—Each Federal agency that ad-  
25          ministers a program to which section 4401, 4402, or 4403



1 applies shall, directly or through the States, post informa-  
2 tion and provide general notification to the public and to  
3 program recipients of the changes regarding eligibility for  
4 any such program pursuant to this chapter.

5 (b) INFORMATION REPORTING UNDER TITLE IV OF  
6 THE SOCIAL SECURITY ACT.—Part A of title IV of the  
7 Social Security Act, as amended by section 4103(a) of this  
8 Act, is amended by inserting the following new section  
9 after section 411:

10 **“SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFOR-**  
11 **MATION.**

12 “Each State to which a grant is made under section  
13 403 shall, at least 4 times annually and upon request of  
14 the Immigration and Naturalization Service, furnish the  
15 Immigration and Naturalization Service with the name  
16 and address of, and other identifying information on, any  
17 individual who the State knows is unlawfully in the United  
18 States.”.

19 (c) SSI.—Section 1631(e) of such Act (42 U.S.C.  
20 1383(e)) is amended—

21 (1) by redesignating the paragraphs (6) and (7)  
22 inserted by sections 206(d)(2) and 206(f)(1) of the  
23 Social Security Independence and Programs Im-  
24 provement Act of 1994 (Public Law 103–296; 108

1 Stat. 1514, 1515) as paragraphs (7) and (8), re-  
2 spectively; and

3 (2) by adding at the end the following new  
4 paragraph:

5 “(9) Notwithstanding any other provision of law, the  
6 Commissioner shall, at least 4 times annually and upon  
7 request of the Immigration and Naturalization Service  
8 (hereafter in this paragraph referred to as the ‘Service’),  
9 furnish the Service with the name and address of, and  
10 other identifying information on, any individual who the  
11 Commissioner knows is unlawfully in the United States,  
12 and shall ensure that each agreement entered into under  
13 section 1616(a) with a State provides that the State shall  
14 furnish such information at such times with respect to any  
15 individual who the State knows is unlawfully in the United  
16 States.”.

17 (d) INFORMATION REPORTING FOR HOUSING PRO-  
18 GRAMS.—Title I of the United States Housing Act of 1937  
19 (42 U.S.C. 1437 et seq.) is amended by adding at the end  
20 the following new section:

21 **“SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCE-**  
22 **MENT AND OTHER AGENCIES.**

23 “Notwithstanding any other provision of law, the Sec-  
24 retary shall, at least 4 times annually and upon request  
25 of the Immigration and Naturalization Service (hereafter

1 in this section referred to as the ‘Service’), furnish the  
2 Service with the name and address of, and other identify-  
3 ing information on, any individual who the Secretary  
4 knows is unlawfully in the United States, and shall ensure  
5 that each contract for assistance entered into under sec-  
6 tion 6 or 8 of this Act with a public housing agency pro-  
7 vides that the public housing agency shall furnish such  
8 information at such times with respect to any individual  
9 who the public housing agency knows is unlawfully in the  
10 United States.”.

11 **CHAPTER 2—ELIGIBILITY FOR STATE AND**  
12 **LOCAL PUBLIC BENEFITS PROGRAMS**

13 **SEC. 4411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR**  
14 **NONIMMIGRANTS INELIGIBLE FOR STATE**  
15 **AND LOCAL PUBLIC BENEFITS.**

16 (a) IN GENERAL.—Notwithstanding any other provi-  
17 sion of law and except as provided in subsections (b) and  
18 (d), an alien who is not—

19 (1) a qualified alien (as defined in section  
20 4431),

21 (2) a nonimmigrant under the Immigration and  
22 Nationality Act, or

23 (3) an alien who is paroled into the United  
24 States under section 212(d)(5) of such Act for less  
25 than one year,

1 is not eligible for any State or local public benefit (as de-  
2 fined in subsection (c)).

3 (b) EXCEPTIONS.—Subsection (a) shall not apply  
4 with respect to the following State or local public benefits:

5 (1) Emergency medical services under title XIX  
6 of the Social Security Act.

7 (2) Short-term, non-cash, in-kind emergency  
8 disaster relief.

9 (3) Public health assistance for immunizations  
10 with respect to immunizable diseases and for testing  
11 and treatment of symptoms of communicable dis-  
12 eases whether or not such symptoms are caused by  
13 a communicable disease.

14 (4) Programs, services, or assistance (such as  
15 soup kitchens, crisis counseling and intervention,  
16 and short-term shelter) specified by the Attorney  
17 General, in the Attorney General's sole and  
18 unreviewable discretion after consultation with ap-  
19 propriate Federal agencies and departments, which  
20 (A) deliver in-kind services at the community level,  
21 including through public or private nonprofit agen-  
22 cies; (B) do not condition the provision of assistance,  
23 the amount of assistance provided, or the cost of as-  
24 sistance provided on the individual recipient's in-

1       come or resources; and (C) are necessary for the  
2       protection of life or safety.

3       (c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

4             (1) Except as provided in paragraph (2), for  
5       purposes of this chapter the term “State or local  
6       public benefit” means—

7             (A) any grant, contract, loan, professional  
8       license, or commercial license provided by an  
9       agency of a State or local government or by ap-  
10      propriated funds of a State or local govern-  
11      ment; and

12            (B) any retirement, welfare, health, dis-  
13      ability, public or assisted housing, postsecond-  
14      ary education, food assistance, unemployment  
15      benefit, or any other similar benefit for which  
16      payments or assistance are provided to an indi-  
17      vidual, household, or family eligibility unit by  
18      an agency of a State or local government or by  
19      appropriated funds of a State or local govern-  
20      ment.

21            (2) Such term shall not apply.—

22             (A) to any contract, professional license, or  
23      commercial license for a nonimmigrant whose  
24      visa for entry is related to such employment in  
25      the United States; or

1           (B) with respect to benefits for an alien  
2           who as a work authorized nonimmigrant or as  
3           an alien lawfully admitted for permanent resi-  
4           dence under the Immigration and Nationality  
5           Act qualified for such benefits and for whom  
6           the United States under reciprocal treaty agree-  
7           ments is required to pay benefits, as determined  
8           by the Secretary of State, after consultation  
9           with the Attorney General.

10       (d) STATE AUTHORITY TO PROVIDE FOR ELIGI-  
11 BILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUB-  
12 LIC BENEFITS.—A State may provide that an alien who  
13 is not lawfully present in the United States is eligible for  
14 any State or local public benefit for which such alien would  
15 otherwise be ineligible under subsection (a) only through  
16 the enactment of a State law after the date of the enact-  
17 ment of this Act which affirmatively provides for such eli-  
18 gibility.

19 **SEC. 4412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF**  
20 **QUALIFIED ALIENS FOR STATE PUBLIC BENE-**  
21 **FITS.**

22       (a) IN GENERAL.—Notwithstanding any other provi-  
23 sion of law and except as provided in subsection (b), a  
24 State is authorized to determine the eligibility for any  
25 State public benefits (as defined in subsection (c) of an

1 alien who is a qualified alien (as defined in section 4431),  
2 a nonimmigrant under the Immigration and Nationality  
3 Act, or an alien who is paroled into the United States  
4 under section 212(d)(5) of such Act for less than one year.

5 (b) EXCEPTIONS.—Qualified aliens under this sub-  
6 section shall be eligible for any State public benefits.

7 (1) TIME-LIMITED EXCEPTION FOR REFUGEES  
8 AND ASYLEES.—

9 (A) An alien who is admitted to the United  
10 States as a refugee under section 207 of the  
11 Immigration and Nationality Act until 5 years  
12 after the date of an alien's entry into the Unit-  
13 ed States.

14 (B) An alien who is granted asylum under  
15 section 208 of such Act until 5 years after the  
16 date of such grant of asylum.

17 (C) An alien whose deportation is being  
18 withheld under section 243(h) of such Act until  
19 5 years after such withholding.

20 (2) CERTAIN PERMANENT RESIDENT ALIENS.—

21 An alien who—

22 (A) is lawfully admitted to the United  
23 States for permanent residence under the Im-  
24 migration and Nationality Act; and

1           (B)(i) has worked 40 qualifying quarters  
2 of coverage as defined under title II of the So-  
3 cial Security Act or can be credited with such  
4 qualifying quarters as provided under section  
5 4435, and (ii) did not receive any Federal  
6 means-tested public benefit (as defined in sec-  
7 tion 4403(c)) during any such quarter.

8           (3) VETERAN AND ACTIVE DUTY EXCEPTION.—  
9 An alien who is lawfully residing in any State and  
10 is—

11           (A) a veteran (as defined in section 101 of  
12 title 38, United States Code) with a discharge  
13 characterized as an honorable discharge and not  
14 on account of alienage,

15           (B) on active duty (other than active duty  
16 for training) in the Armed Forces of the United  
17 States, or

18           (C) the spouse or unmarried dependent  
19 child of an individual described in subparagraph  
20 (A) or (B).

21           (4) TRANSITION FOR THOSE CURRENTLY RE-  
22 CEIVING BENEFITS.—An alien who on the date of  
23 the enactment of this Act is lawfully residing in any  
24 State and is receiving benefits on the date of the en-



1 actment of this Act shall continue to be eligible to  
2 receive such benefits until January 1, 1997.

3 (c) STATE PUBLIC BENEFITS DEFINED.—The term  
4 “State public benefits” means any means-tested public  
5 benefit of a State or political subdivision of a State under  
6 which the State or political subdivision specifies the stand-  
7 ards for eligibility, and does not include any Federal public  
8 benefit.

9 **CHAPTER 3—ATTRIBUTION OF INCOME**  
10 **AND AFFIDAVITS OF SUPPORT**

11 **SEC. 4421. FEDERAL ATTRIBUTION OF SPONSOR’S INCOME**  
12 **AND RESOURCES TO ALIEN.**

13 (a) IN GENERAL.—Notwithstanding any other provi-  
14 sion of law, in determining the eligibility and the amount  
15 of benefits of an alien for any Federal means-tested public  
16 benefits program (as defined in section 4403(c)), the in-  
17 come and resources of the alien shall be deemed to include  
18 the following:

19 (1) The income and resources of any person  
20 who executed an affidavit of support pursuant to  
21 section 213A of the Immigration and Nationality  
22 Act (as added by section 4423) on behalf of such  
23 alien.

24 (2) The income and resources of the spouse (if  
25 any) of the person.

1 (b) APPLICATION.—Subsection (a) shall apply with  
2 respect to an alien until such time as the alien—

3 (1) achieves United States citizenship through  
4 naturalization pursuant to chapter 2 of title III of  
5 the Immigration and Nationality Act; or

6 (2)(A) has worked 40 qualifying quarters of  
7 coverage as defined under title II of the Social Secu-  
8 rity Act or can be credited with such qualifying  
9 quarters as provided under section 4435, and (B)  
10 did not receive any Federal means-tested public ben-  
11 efit (as defined in section 4403(c)) during any such  
12 quarter.

13 (c) REVIEW OF INCOME AND RESOURCES OF ALIEN  
14 UPON REAPPLICATION.—Whenever an alien is required to  
15 reapply for benefits under any Federal means-tested pub-  
16 lic benefits program, the applicable agency shall review the  
17 income and resources attributed to the alien under sub-  
18 section (a).

19 (d) APPLICATION.—

20 (1) If on the date of the enactment of this Act,  
21 a Federal means-tested public benefits program at-  
22 tributes a sponsor's income and resources to an alien  
23 in determining the alien's eligibility and the amount  
24 of benefits for an alien, this section shall apply to

1 any such determination beginning on the day after  
2 the date of the enactment of this Act.

3 (2) If on the date of the enactment of this Act,  
4 a Federal means-tested public benefits program does  
5 not attribute a sponsor's income and resources to an  
6 alien in determining the alien's eligibility and the  
7 amount of benefits for an alien, this section shall  
8 apply to any such determination beginning 180 days  
9 after the date of the enactment of this Act.

10 **SEC. 4422. AUTHORITY FOR STATES TO PROVIDE FOR AT-**  
11 **TRIBUTION OF SPONSORS INCOME AND RE-**  
12 **SOURCES TO THE ALIEN WITH RESPECT TO**  
13 **STATE PROGRAMS.**

14 (a) **OPTIONAL APPLICATION TO STATE PROGRAMS.—**  
15 Except as provided in subsection (b), in determining the  
16 eligibility and the amount of benefits of an alien for any  
17 State public benefits (as defined in section 4412(c)), the  
18 State or political subdivision that offers the benefits is au-  
19 thorized to provide that the income and resources of the  
20 alien shall be deemed to include—

21 (1) the income and resources of any individual  
22 who executed an affidavit of support pursuant to  
23 section 213A of the Immigration and Nationality  
24 Act (as added by section 4423) on behalf of such  
25 alien, and

1           (2) the income and resources of the spouse (if  
2           any) of the individual.

3           (b) EXCEPTIONS.—Subsection (a) shall not apply  
4 with respect to the following State public benefits:

5           (1) Emergency medical services.

6           (2) Short-term, non-cash, in-kind emergency  
7           disaster relief.

8           (3) Programs comparable to assistance or bene-  
9           fits under the National School Lunch Act.

10          (4) Programs comparable to assistance or bene-  
11          fits under the Child Nutrition Act of 1966.

12          (5) Public health assistance for immunizations  
13          with respect to immunizable diseases and for testing  
14          and treatment of symptoms of communicable dis-  
15          eases whether or not such symptoms are caused by  
16          a communicable disease.

17          (6) Payments for foster care and adoption as-  
18          sistance.

19          (7) Programs, services, or assistance (such as  
20          soup kitchens, crisis counseling and intervention,  
21          and short-term shelter) specified by the Attorney  
22          General of a State, after consultation with appro-  
23          priate agencies and departments, which (A) deliver  
24          in-kind services at the community level, including  
25          through public or private nonprofit agencies; (B) do

1 not condition the provision of assistance, the amount  
2 of assistance provided, or the cost of assistance pro-  
3 vided on the individual recipient's income or re-  
4 sources; and (C) are necessary for the protection of  
5 life or safety.

6 **SEC. 4423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**  
7 **SUPPORT.**

8 (a) IN GENERAL.—Title II of the Immigration and  
9 Nationality Act is amended by inserting after section 213  
10 the following new section:

11 “REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

12 “SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit  
13 of support may be accepted by the Attorney General or  
14 by any consular officer to establish that an alien is not  
15 excludable as a public charge under section 212(a)(4) un-  
16 less such affidavit is executed as a contract—

17 “(A) which is legally enforceable against the  
18 sponsor by the sponsored alien, the Federal Govern-  
19 ment, and by any State (or any political subdivision  
20 of such State) which provides any means-tested pub-  
21 lic benefits program, but not later than 10 years  
22 after the alien last receives any such benefit;

23 “(B) in which the sponsor agrees to financially  
24 support the alien, so that the alien will not become  
25 a public charge; and

1           “(C) in which the sponsor agrees to submit to  
2           the jurisdiction of any Federal or State court for the  
3           purpose of actions brought under subsection (e)(2).

4           “(2) A contract under paragraph (1) shall be enforce-  
5           able with respect to benefits provided to the alien until  
6           such time as the alien achieves United States citizenship  
7           through naturalization pursuant to chapter 2 of title III.

8           “(b) FORMS.—Not later than 90 days after the date  
9           of enactment of this section, the Attorney General, in con-  
10          sultation with the Secretary of State and the Secretary  
11          of Health and Human Services, shall formulate an affida-  
12          vit of support consistent with the provisions of this sec-  
13          tion.

14          “(c) REMEDIES.—Remedies available to enforce an  
15          affidavit of support under this section include any or all  
16          of the remedies described in section 3201, 3203, 3204,  
17          or 3205 of title 28, United States Code, as well as an  
18          order for specific performance and payment of legal fees  
19          and other costs of collection, and include corresponding  
20          remedies available under State law. A Federal agency may  
21          seek to collect amounts owed under this section in accord-  
22          ance with the provisions of subchapter II of chapter 37  
23          of title 31, United States Code.

24          “(d) NOTIFICATION OF CHANGE OF ADDRESS.—

1           “(1) IN GENERAL.—The sponsor shall notify  
2           the Attorney General and the State in which the  
3           sponsored alien is currently resident within 30 days  
4           of any change of address of the sponsor during the  
5           period specified in subsection (a)(2).

6           “(2) PENALTY.—Any person subject to the re-  
7           quirement of paragraph (1) who fails to satisfy such  
8           requirement shall be subject to a civil penalty of—

9                   “(A) not less than \$250 or more than  
10                  \$2,000, or

11                  “(B) if such failure occurs with knowledge  
12                  that the alien has received any means-tested  
13                  public benefit, not less than \$2,000 or more  
14                  than \$5,000.

15           “(e) REIMBURSEMENT OF GOVERNMENT EX-  
16 PENSES.—(1)(A) Upon notification that a sponsored alien  
17 has received any benefit under any means-tested public  
18 benefits program, the appropriate Federal, State, or local  
19 official shall request reimbursement by the sponsor in the  
20 amount of such assistance.

21           “(B) The Attorney General, in consultation with the  
22 Secretary of Health and Human Services, shall prescribe  
23 such regulations as may be necessary to carry out sub-  
24 paragraph (A).

1       “(2) If within 45 days after requesting reimburse-  
2 ment, the appropriate Federal, State, or local agency has  
3 not received a response from the sponsor indicating a will-  
4 ingness to commence payments, an action may be brought  
5 against the sponsor pursuant to the affidavit of support.

6       “(3) If the sponsor fails to abide by the repayment  
7 terms established by such agency, the agency may, within  
8 60 days of such failure, bring an action against the spon-  
9 sor pursuant to the affidavit of support.

10       “(4) No cause of action may be brought under this  
11 subsection later than 10 years after the alien last received  
12 any benefit under any means-tested public benefits pro-  
13 gram.

14       “(5) If, pursuant to the terms of this subsection, a  
15 Federal, State, or local agency requests reimbursement  
16 from the sponsor in the amount of assistance provided,  
17 or brings an action against the sponsor pursuant to the  
18 affidavit of support, the appropriate agency may appoint  
19 or hire an individual or other person to act on behalf of  
20 such agency acting under the authority of law for purposes  
21 of collecting any moneys owed. Nothing in this subsection  
22 shall preclude any appropriate Federal, State, or local  
23 agency from directly requesting reimbursement from a  
24 sponsor for the amount of assistance provided, or from



1 bringing an action against a sponsor pursuant to an affi-  
2 davit of support.

3 “(f) DEFINITIONS.—For the purposes of this sec-  
4 tion—

5 “(1) SPONSOR.—The term ‘sponsor’ means an  
6 individual who—

7 “(A) is a citizen or national of the United  
8 States or an alien who is lawfully admitted to  
9 the United States for permanent residence;

10 “(B) is 18 years of age or over;

11 “(C) is domiciled in any of the 50 States  
12 or the District of Columbia; and

13 “(D) is the person petitioning for the ad-  
14 mission of the alien under section 204.

15 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-  
16 GRAM.—The term ‘means-tested public benefits pro-  
17 gram’ means a program of public benefits (including  
18 cash, medical, housing, and food assistance and so-  
19 cial services) of the Federal Government or of a  
20 State or political subdivision of a State in which the  
21 eligibility of an individual, household, or family eligi-  
22 bility unit for benefits under the program, or the  
23 amount of such benefits, or both are determined on  
24 the basis of income, resources, or financial need of  
25 the individual, household, or unit.”.

1           (b) CLERICAL AMENDMENT.—The table of contents  
2 of such Act is amended by inserting after the item relating  
3 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

4           (c) EFFECTIVE DATE.—Subsection (a) of section  
5 213A of the Immigration and Nationality Act, as inserted  
6 by subsection (a) of this section, shall apply to affidavits  
7 of support executed on or after a date specified by the  
8 Attorney General, which date shall be not earlier than 60  
9 days (and not later than 90 days) after the date the Attor-  
10 ney General formulates the form for such affidavits under  
11 subsection (b) of such section.

12           (d) BENEFITS NOT SUBJECT TO REIMBURSE-  
13 MENT.—Requirements for reimbursement by a sponsor for  
14 benefits provided to a sponsored alien pursuant to an affi-  
15 davit of support under section 213A of the Immigration  
16 and Nationality Act shall not apply with respect to the  
17 following:

18                   (1) Emergency medical services under title XIX  
19 of the Social Security Act.

20                   (2) Short-term, non-cash, in-kind emergency  
21 disaster relief.

22                   (3) Assistance or benefits under the National  
23 School Lunch Act.

24                   (4) Assistance or benefits under the Child Nu-  
25 trition Act of 1966.

1           (5) Public health assistance for immunizations  
2           with respect to immunizable diseases and for testing  
3           and treatment of symptoms of communicable dis-  
4           eases whether or not such symptoms are caused by  
5           a communicable disease.

6           (6) Payments for foster care and adoption as-  
7           sistance under part B of title IV of the Social Secu-  
8           rity Act for a child, but only if the foster or adoptive  
9           parent or parents of such child are not otherwise in-  
10          eligible pursuant to section 4403 of this Act.

11          (7) Programs, services, or assistance (such as  
12          soup kitchens, crisis counseling and intervention,  
13          and short-term shelter) specified by the Attorney  
14          General, in the Attorney General's sole and  
15          unreviewable discretion after consultation with ap-  
16          propriate Federal agencies and departments, which  
17          (A) deliver in-kind services at the community level,  
18          including through public or private nonprofit agen-  
19          cies; (B) do not condition the provision of assistance,  
20          the amount of assistance provided, or the cost of as-  
21          sistance provided on the individual recipient's in-  
22          come or resources; and (C) are necessary for the  
23          protection of life or safety.

1           (8) Programs of student assistance under titles  
2           IV, V, IX, and X of the Higher Education Act of  
3           1965.

4           (9) Benefits under the Head Start Act.

5           (10) Means-tested programs under the Elemen-  
6           tary and Secondary Education Act of 1965.

7           (11) Benefits under the Job Training Partner-  
8           ship Act.

## 9           **CHAPTER 4—GENERAL PROVISIONS**

### 10       **SEC. 4431. DEFINITIONS.**

11       (a) **IN GENERAL.**—Except as otherwise provided in  
12       this subtitle, the terms used in this subtitle have the same  
13       meaning given such terms in section 101(a) of the Immi-  
14       gration and Nationality Act.

15       (b) **QUALIFIED ALIEN.**—For purposes of this sub-  
16       title, the term “qualified alien” means an alien who, at  
17       the time the alien applies for, receives, or attempts to re-  
18       ceive a Federal public benefit, is—

19           (1) an alien who is lawfully admitted for perma-  
20           nent residence under the Immigration and National-  
21           ity Act,

22           (2) an alien who is granted asylum under sec-  
23           tion 208 of such Act,

24           (3) a refugee who is admitted to the United  
25           States under section 207 of such Act,

1           (4) an alien who is paroled into the United  
2 States under section 212(d)(5) of such Act for a pe-  
3 riod of at least 1 year,

4           (5) an alien whose deportation is being withheld  
5 under section 243(h) of such Act, or

6           (6) an alien who is granted conditional entry  
7 pursuant to section 203(a)(7) of such Act as in ef-  
8 fect prior to April 1, 1980.

9 **SEC. 4432. VERIFICATION OF ELIGIBILITY FOR FEDERAL**  
10 **PUBLIC BENEFITS.**

11       (a) **IN GENERAL.**—Not later than 18 months after  
12 the date of the enactment of this Act, the Attorney Gen-  
13 eral of the United States, after consultation with the Sec-  
14 retary of Health and Human Services, shall promulgate  
15 regulations requiring verification that a person applying  
16 for a Federal public benefit (as defined in section  
17 4401(c)), to which the limitation under section 4401 ap-  
18 plies, is a qualified alien and is eligible to receive such  
19 benefit. Such regulations shall, to the extent feasible, re-  
20 quire that information requested and exchanged be similar  
21 in form and manner to information requested and ex-  
22 changed under section 1137 of the Social Security Act.

23       (b) **STATE COMPLIANCE.**—Not later than 24 months  
24 after the date the regulations described in subsection (a)  
25 are adopted, a State that administers a program that pro-

1 vides a Federal public benefit shall have in effect a ver-  
2 ification system that complies with the regulations.

3 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
4 are authorized to be appropriated such sums as may be  
5 necessary to carry out the purpose of this section.

6 **SEC. 4433. STATUTORY CONSTRUCTION.**

7 (a) LIMITATION.—

8 (1) Nothing in this subtitle may be construed  
9 as an entitlement or a determination of an individ-  
10 ual's eligibility or fulfillment of the requisite require-  
11 ments for any Federal, State, or local governmental  
12 program, assistance, or benefits. For purposes of  
13 this subtitle, eligibility relates only to the general  
14 issue of eligibility or ineligibility on the basis of  
15 alienage.

16 (2) Nothing in this subtitle may be construed  
17 as addressing alien eligibility for a basic public edu-  
18 cation as determined by the Supreme Court of the  
19 United States under *Plyler v. Doe* (457 U.S.  
20 202)(1982).

21 (b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—  
22 This subtitle does not apply to any Federal, State, or local  
23 governmental program, assistance, or benefits provided to  
24 an alien under any program of foreign assistance as deter-

1 mined by the Secretary of State in consultation with the  
2 Attorney General.

3 (c) SEVERABILITY.—If any provision of this subtitle  
4 or the application of such provision to any person or cir-  
5 cumstance is held to be unconstitutional, the remainder  
6 of this subtitle and the application of the provisions of  
7 such to any person or circumstance shall not be affected  
8 thereby.

9 **SEC. 4434. COMMUNICATION BETWEEN STATE AND LOCAL**  
10 **GOVERNMENT AGENCIES AND THE IMMIGRA-**  
11 **TION AND NATURALIZATION SERVICE.**

12 Notwithstanding any other provision of Federal,  
13 State, or local law, no State or local government entity  
14 may be prohibited, or in any way restricted, from sending  
15 to or receiving from the Immigration and Naturalization  
16 Service information regarding the immigration status,  
17 lawful or unlawful, of an alien in the United States.

18 **SEC. 4435. QUALIFYING QUARTERS.**

19 For purposes of this subtitle, in determining the  
20 number of qualifying quarters of coverage under title II  
21 of the Social Security Act an alien shall be credited with—

22 (1) all of the qualifying quarters of coverage as  
23 defined under title II of the Social Security Act  
24 worked by a parent of such alien while the alien was  
25 under age 18 if the parent did not receive any Fed-

1 eral means-tested public benefit (as defined in sec-  
2 tion 4403(c)) during any such quarter, and

3 (2) all of the qualifying quarters worked by a  
4 spouse of such alien during their marriage if the  
5 spouse did not receive any Federal means-tested  
6 public benefit (as defined in section 4403(c)) during  
7 any such quarter and the alien remains married to  
8 such spouse or such spouse is deceased.

9 **CHAPTER 5—CONFORMING AMENDMENTS**  
10 **RELATING TO ASSISTED HOUSING**

11 **SEC. 4441. CONFORMING AMENDMENTS RELATING TO AS-**  
12 **SISTED HOUSING.**

13 (a) LIMITATIONS ON ASSISTANCE.—Section 214 of  
14 the Housing and Community Development Act of 1980  
15 (42 U.S.C. 1436a) is amended—

16 (1) by striking “Secretary of Housing and  
17 Urban Development” each place it appears and in-  
18 serting “applicable Secretary”;

19 (2) in subsection (b), by inserting after “Na-  
20 tional Housing Act,” the following: “the direct loan  
21 program under section 502 of the Housing Act of  
22 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or  
23 542 of such Act, subtitle A of title III of the Cran-  
24 ston-Gonzalez National Affordable Housing Act,”;



1           (3) in paragraphs (2) through (6) of subsection  
2           (d), by striking “Secretary” each place it appears  
3           and inserting “applicable Secretary”;

4           (4) in subsection (d), in the matter following  
5           paragraph (6), by striking “the term ‘Secretary’”  
6           and inserting “the term ‘applicable Secretary’”; and

7           (5) by adding at the end the following new sub-  
8           section:

9           “(h) For purposes of this section, the term ‘applicable  
10          Secretary’ means—

11           “(1) the Secretary of Housing and Urban De-  
12          velopment, with respect to financial assistance ad-  
13          ministered by such Secretary and financial assist-  
14          ance under subtitle A of title III of the Cranston-  
15          Gonzalez National Affordable Housing Act; and

16           “(2) the Secretary of Agriculture, with respect  
17          to financial assistance administered by such Sec-  
18          retary.”.

19          (b) CONFORMING AMENDMENTS.—Section 501(h) of  
20          the Housing Act of 1949 (42 U.S.C. 1471(h)) is amend-  
21          ed—

22           (1) by striking “(1)”;

23           (2) by striking “by the Secretary of Housing  
24          and Urban Development”; and

25           (3) by striking paragraph (2).

1       **CHAPTER 6—EARNED INCOME CREDIT**  
2       **DENIED TO UNAUTHORIZED EMPLOYEES**

3       **SEC. 4451. EARNED INCOME CREDIT DENIED TO INDIVID-**  
4                                   **UALS NOT AUTHORIZED TO BE EMPLOYED IN**  
5                                   **THE UNITED STATES.**

6       (a) **IN GENERAL.**—Section 32(c)(1) of the Internal  
7 Revenue Code of 1986 (relating to individuals eligible to  
8 claim the earned income credit) is amended by adding at  
9 the end the following new subparagraph:

10                               “(F) **IDENTIFICATION NUMBER REQUIRE-**  
11                               **MENT.**—The term ‘eligible individual’ does not  
12                               include any individual who does not include on  
13                               the return of tax for the taxable year—

14                                       “(i) such individual’s taxpayer identi-  
15                                       fication number, and

16                                       “(ii) if the individual is married (with-  
17                                       in the meaning of section 7703), the tax-  
18                                       payer identification number of such indi-  
19                                       vidual’s spouse.”.

20       (b) **SPECIAL IDENTIFICATION NUMBER.**—Section 32  
21 of such Code is amended by adding at the end the follow-  
22 ing new subsection:

23                               “(1) **IDENTIFICATION NUMBERS.**—Solely for pur-  
24 poses of subsections (c)(1)(F) and (c)(3)(D), a taxpayer  
25 identification number means a social security number is-

1 sued to an individual by the Social Security Administra-  
2 tion (other than a social security number issued pursuant  
3 to clause (II) (or that portion of clause (III) that relates  
4 to clause (II)) of section 205(c)(2)(B)(i) of the Social Se-  
5 curity Act).”.

6 (c) EXTENSION OF PROCEDURES APPLICABLE TO  
7 MATHEMATICAL OR CLERICAL ERRORS.—Section  
8 6213(g)(2) of such Code (relating to the definition of  
9 mathematical or clerical errors) is amended by striking  
10 “and’ at the end of subparagraph (D), by striking the pe-  
11 riod at the end of subparagraph (E) and inserting a  
12 comma, and by inserting after subparagraph (E) the fol-  
13 lowing new subparagraphs:

14 “(F) an omission of a correct taxpayer  
15 identification number required under section 32  
16 (relating to the earned income tax credit) to be  
17 included on a return, and

18 “(G) an entry on a return claiming the  
19 credit under section 32 with respect to net  
20 earnings from self-employment described in sec-  
21 tion 32(c)(2)(A) to the extent the tax imposed  
22 by section 1401 (relating to self-employment  
23 tax) on such net earnings has not been paid.”

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 1995.

4 **Subtitle E—Reform of Public**  
5 **Housing**

6 **SEC. 4601. FRAUD UNDER MEANS-TESTED WELFARE AND**  
7 **PUBLIC ASSISTANCE PROGRAMS.**

8 (a) IN GENERAL.—If an individual's benefits under  
9 a Federal, State, or local law relating to a means-tested  
10 welfare or a public assistance program are reduced be-  
11 cause of an act of fraud by the individual under the law  
12 or program, the individual may not, for the duration of  
13 the reduction, receive an increased benefit under any other  
14 means-tested welfare or public assistance program for  
15 which Federal funds are appropriated as a result of a de-  
16 crease in the income of the individual (determined under  
17 the applicable program) attributable to such reduction.

18 (b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS  
19 FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For  
20 purposes of subsection (a), the term “means-tested welfare  
21 or public assistance program for which Federal funds are  
22 appropriated” includes the food stamp program under the  
23 Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any  
24 program of public or assisted housing under title I of the  
25 United States Housing Act of 1937 (42 U.S.C. 1437 et

1 seq.), and State programs funded under part A of title  
2 IV of the Social Security Act (42 U.S.C. 601 et seq.).

3 **Subtitle F—Child Protection Block**  
4 **Grant Programs and Foster**  
5 **Care, Adoption Assistance, and**  
6 **Independent Living Programs**  
7 **CHAPTER 1—CHILD PROTECTION BLOCK**  
8 **GRANT PROGRAM AND FOSTER CARE,**  
9 **ADOPTION ASSISTANCE, AND INDE-**  
10 **PENDENT LIVING PROGRAMS**

11 **Subchapter A—Block Grants to States for the**  
12 **Protection of Children**

13 **SEC. 4701. ESTABLISHMENT OF PROGRAM.**

14 Title IV of the Social Security Act (42 U.S.C. 601  
15 et seq.) is amended by striking part B and inserting the  
16 following:

17 **“PART B—BLOCK GRANTS TO STATES FOR THE**  
18 **PROTECTION OF CHILDREN**

19 **“SEC. 421. PURPOSE.**

20 “The purpose of this part is to enable eligible States  
21 to carry out a child protection program to—

22 “(1) identify and assist families at risk of abus-  
23 ing or neglecting their children;

24 “(2) operate a system for receiving reports of  
25 abuse or neglect of children;

1           “(1) IN GENERAL.—A territory, as defined in  
2           section 1108(b)(1), shall carry out a child protection  
3           program in accordance with the provisions of this  
4           part.

5           “(2) PAYMENTS.—Subject to the mandatory  
6           ceiling amounts specified in section 1108, each terri-  
7           tory, as so defined, shall be entitled to receive from  
8           the Secretary for any fiscal year an amount equal to  
9           the total obligations to the territory under section  
10          434 (as in effect on the day before the date of the  
11          enactment of this part) for fiscal year 1995.

12          “(g) LIMITATION ON FEDERAL AUTHORITY.—Except  
13          as expressly provided in this Act, the Secretary may not  
14          regulate the conduct of States under this part or enforce  
15          any provision of this part.

16          **“SEC. 424. DATA COLLECTION AND REPORTING.**

17          “(a) NATIONAL CHILD ABUSE AND NEGLECT DATA  
18          SYSTEM.—The Secretary shall establish a national data  
19          collection and analysis program—

20                  “(1) which, to the extent practicable, coordi-  
21                  nates existing State child abuse and neglect reports  
22                  and which shall include—

23                          “(A) standardized data on substantiated,  
24                          as well as false, unfounded, or unsubstantiated  
25                          reports; and

1           “(B) information on the number of deaths  
2           due to child abuse and neglect; and

3           “(2) which shall collect, compile, analyze, and  
4           make available State child abuse and neglect report-  
5           ing information which, to the extent practical, is uni-  
6           versal and case-specific and integrated with other  
7           case-based foster care and adoption data collected by  
8           the Secretary.

9           “(b) ADOPTION AND FOSTER CARE AND ANALYSIS  
10          AND REPORTING SYSTEMS.—The Secretary shall imple-  
11          ment a system for the collection of data relating to adop-  
12          tion and foster care in the United States. Such data collec-  
13          tion system shall—

14               “(1) avoid unnecessary diversion of resources  
15               from agencies responsible for adoption and foster  
16               care;

17               “(2) assure that any data that is collected is re-  
18               liable and consistent over time and among jurisdic-  
19               tions through the use of uniform definitions and  
20               methodologies;

21               “(3) provide comprehensive national informa-  
22               tion with respect to—

23                       “(A) the demographic characteristics of  
24                       adoptive and foster children and their biological  
25                       and adoptive or foster parents;

1           “(B) the status of the foster care popu-  
2           lation (including the number of children in fos-  
3           ter care, length of placement, type of place-  
4           ment, availability for adoption, and goals for  
5           ending or continuing foster care);

6           “(C) the number and characteristics of—

7                   “(i) children placed in or removed  
8                   from foster care;

9                   “(ii) children adopted or with respect  
10                  to whom adoptions have been terminated;  
11                  and

12                  “(iii) children placed in foster care  
13                  outside the State which has placement and  
14                  care responsibility; and

15           “(D) the extent and nature of assistance  
16           provided by Federal, State, and local adoption  
17           and foster care programs and the characteris-  
18           tics of the children with respect to whom such  
19           assistance is provided; and

20           “(4) utilize appropriate requirements and incen-  
21           tives to ensure that the system functions reliably  
22           throughout the United States.

23           “(c) ADDITIONAL INFORMATION.—The Secretary  
24           may require the provision of additional information under  
25           the data collection system established under subsection (b)



1 if the addition of such information is agreed to by a major-  
2 ity of the States.

3 “(d) ANNUAL REPORT BY THE SECRETARY.—Not  
4 later than 6 months after the end of each fiscal year, the  
5 Secretary shall prepare a report based on information pro-  
6 vided by the States for the fiscal year pursuant to this  
7 section, and shall make the report and such information  
8 available to the Congress and the public.

9 **“SEC. 425. FUNDING FOR STUDIES OF CHILD WELFARE.**

10 “(a) NATIONAL RANDOM SAMPLE STUDY OF CHILD  
11 WELFARE.—There are authorized to be appropriated and  
12 there are appropriated to the Secretary for each of fiscal  
13 years 1996 through 2002—

14 “(1) \$6,000,000 to conduct a national study  
15 based on random samples of children who are at risk  
16 of child abuse or neglect, or are determined by  
17 States to have been abused or neglected under sec-  
18 tion 208 of the Child and Family Services Block  
19 Grant Act of 1996; and

20 “(2) \$10,000,000 for such other research as  
21 may be necessary under such section.

22 “(b) ASSESSMENT OF STATE COURTS IMPROVEMENT  
23 OF HANDLING OF PROCEEDINGS RELATING TO FOSTER  
24 CARE AND ADOPTION.—There are authorized to be appro-  
25 priated and there are appropriated to the Secretary for

1 amended in this chapter and which involve State ex-  
2 penditures in cases where assistance or services were  
3 provided during a prior fiscal year, shall be treated  
4 as expenditures during fiscal year 1995 for purposes  
5 of reimbursement even if payment was made by a  
6 State on or after October 1, 1995. States shall com-  
7 plete the filing of all claims no later than September  
8 30, 1997. Federal department heads shall—

9 (A) use the single audit procedure to re-  
10 view and resolve any claims in connection with  
11 the closeout of programs; and

12 (B) reimburse States for any payments  
13 made for assistance or services provided during  
14 a prior fiscal year from funds for fiscal year  
15 1995, rather than the funds authorized by this  
16 chapter.

17 **CHAPTER 2—CHILD AND FAMILY**  
18 **SERVICES BLOCK GRANT**

19 **SEC. 4751. CHILD AND FAMILY SERVICES BLOCK GRANT.**

20 The Child Abuse Prevention and Treatment Act (42  
21 U.S.C. 5101 et seq.) is amended to read as follows:

22 **“SECTION 1. SHORT TITLE.**

23 “This Act may be cited as the ‘Child and Family  
24 Services Block Grant Act of 1996’.

1 **“SEC. 2. FINDINGS.**

2 “The Congress finds the following:

3 “(1) Each year, close to 1,000,000 American  
4 children are victims of abuse and neglect.

5 “(2) Many of these children and their families  
6 fail to receive adequate protection or treatment.

7 “(3) The problem of child abuse and neglect re-  
8 quires a comprehensive approach that—

9 “(A) integrates the work of social service,  
10 legal, health, mental health, education, and sub-  
11 stance abuse agencies and organizations;

12 “(B) strengthens coordination among all  
13 levels of government, and with private agencies,  
14 civic, religious, and professional organizations,  
15 and individual volunteers;

16 “(C) emphasizes the need for abuse and  
17 neglect prevention, assessment, investigation,  
18 and treatment at the neighborhood level;

19 “(D) ensures properly trained and support  
20 staff with specialized knowledge, to carry out  
21 their child protection duties; and

22 “(E) is sensitive to ethnic and cultural di-  
23 versity.

24 “(4) The child protection system should be  
25 comprehensive, child-centered, family-focused, and  
26 community-based, should incorporate all appropriate

1 measures to prevent the occurrence or recurrence of  
2 child abuse and neglect, and should promote physical  
3 and psychological recovery and social reintegration  
4 in an environment that fosters the health, safety,  
5 self-respect, and dignity of the child.

6 “(5) The Federal Government should provide  
7 leadership and assist communities in their child and  
8 family protection efforts by—

9 “(A) generating and sharing knowledge  
10 relevant to child and family protection, includ-  
11 ing the development of models for service deliv-  
12 ery;

13 “(B) strengthening the capacity of States  
14 to assist communities;

15 “(C) helping communities to carry out  
16 their child and family protection plans by pro-  
17 moting the competence of professional, para-  
18 professional, and volunteer resources; and

19 “(D) providing leadership to end the abuse  
20 and neglect of the Nation’s children and youth.

21 **“SEC. 3. PURPOSES.**

22 “The purposes of this Act are the following:

23 “(1) To assist each State in improving the child  
24 protective service systems of such State by—

1           “(A) improving risk and safety assessment  
2           tools and protocols;

3           “(B) developing, strengthening, and facili-  
4           tating training opportunities for individuals who  
5           are mandated to report child abuse or neglect  
6           or otherwise overseeing, investigating, prosecut-  
7           ing, or providing services to children and fami-  
8           lies who are at risk of abusing or neglecting  
9           their children; and

10          “(C) developing, implementing, or operat-  
11          ing information, education, training, or other  
12          programs designed to assist and provide serv-  
13          ices for families of disabled infants with life-  
14          threatening conditions.

15          “(2) To support State efforts to develop, oper-  
16          ate, expand and enhance a network of community-  
17          based, prevention-focused, family resource and sup-  
18          port programs that are culturally competent and  
19          that coordinate resources among existing education,  
20          vocational rehabilitation, disability, respite, health,  
21          mental health, job readiness, self-sufficiency, child  
22          and family development, community action, Head  
23          Start, child care, child abuse and neglect prevention,  
24          juvenile justice, domestic violence prevention and

1 intervention, housing, and other human service orga-  
2 nizations within the State.

3 “(3) To facilitate the elimination of barriers to  
4 adoption and to provide permanent and loving home  
5 environments for children who would benefit from  
6 adoption, particularly children with special needs, in-  
7 cluding disabled infants with life-threatening condi-  
8 tions, by—

9 “(A) promoting model adoption legislation  
10 and procedures in the States and territories of  
11 the United States in order to eliminate jurisdic-  
12 tional and legal obstacles to adoption;

13 “(B) providing a mechanism for the De-  
14 partment of Health and Human Services to—

15 “(i) promote quality standards for  
16 adoption services, preplacement, post-  
17 placement, and post-legal adoption counsel-  
18 ing, and standards to protect the rights of  
19 children in need of adoption;

20 “(ii) maintain a national adoption in-  
21 formation exchange system to bring to-  
22 gether children who would benefit from  
23 adoption and qualified prospective adoptive  
24 parents who are seeking such children, and  
25 conduct national recruitment efforts in

1 order to reach prospective parents for chil-  
2 dren awaiting adoption; and

3 “(iii) demonstrate expeditious ways to  
4 free children for adoption for whom it has  
5 been determined that adoption is the ap-  
6 propriate plan; and

7 “(C) facilitating the identification and re-  
8 cruitment of foster and adoptive families that  
9 can meet children’s needs.

10 “(4) To respond to the needs of children, in  
11 particular those who are drug exposed or afflicted  
12 with Acquired Immune Deficiency Syndrome  
13 (AIDS), by supporting activities aimed at preventing  
14 the abandonment of children, providing support to  
15 children and their families, and facilitating the re-  
16 cruitment and training of health and social service  
17 personnel.

18 “(5) To carry out any other activities as the  
19 Secretary determines are consistent with this Act.

20 **“SEC. 4. DEFINITIONS.**

21 “As used in this Act:

22 “(1) CHILD.—The term ‘child’ means a person  
23 who has not attained the lesser of—

24 “(A) the age of 18; or

1           “(B) except in the case of sexual abuse,  
2           the age specified by the child protection law of  
3           the State in which the child resides.

4           “(2) CHILD ABUSE AND NEGLECT.—The term  
5           ‘child abuse and neglect’ means, at a minimum, any  
6           recent act or failure to act on the part of a parent  
7           or caretaker, which results in death, serious physical  
8           or emotional harm, sexual abuse or exploitation, or  
9           an act or failure to act which presents an imminent  
10          risk of serious harm.

11          “(3) FAMILY RESOURCE AND SUPPORT PRO-  
12          GRAMS.—The term ‘family resource and support  
13          program’ means a community-based, prevention-foc-  
14          cused entity that—

15                 “(A) provides, through direct service, the  
16                 core services required under this Act, includ-  
17                 ing—

18                         “(i) parent education, support and  
19                         leadership services, together with services  
20                         characterized by relationships between par-  
21                         ents and professionals that are based on  
22                         equality and respect, and designed to assist  
23                         parents in acquiring parenting skills, learn-  
24                         ing about child development, and respond-



1 ing appropriately to the behavior of their  
2 children;

3 “(ii) services to facilitate the ability of  
4 parents to serve as resources to one an-  
5 other (such as through mutual support and  
6 parent self-help groups);

7 “(iii) early developmental screening of  
8 children to assess any needs of children,  
9 and to identify types of support that may  
10 be provided;

11 “(iv) outreach services provided  
12 through voluntary home visits and other  
13 methods to assist parents in becoming  
14 aware of and able to participate in family  
15 resources and support program activities;

16 “(v) community and social services to  
17 assist families in obtaining community re-  
18 sources; and

19 “(vi) followup services;

20 “(B) provides, or arranges for the provi-  
21 sion of, other core services through contracts or  
22 agreements with other local agencies; and

23 “(C) provides access to optional services,  
24 directly or by contract, purchase of service, or  
25 interagency agreement, including—

- 1                   “(i) child care, early childhood devel-  
2                   opment and early intervention services;  
3                   “(ii) self-sufficiency and life manage-  
4                   ment skills training;  
5                   “(iii) education services, such as scho-  
6                   lastic tutoring, literacy training, and Gen-  
7                   eral Educational Degree services;  
8                   “(iv) job readiness skills;  
9                   “(v) child abuse and neglect preven-  
10                  tion activities;  
11                  “(vi) services that families with chil-  
12                  dren with disabilities or special needs may  
13                  require;  
14                  “(vii) community and social service re-  
15                  ferral;  
16                  “(viii) peer counseling;  
17                  “(ix) referral for substance abuse  
18                  counseling and treatment; and  
19                  “(x) help line services.

20                  “(4) INDIAN TRIBE AND TRIBAL ORGANIZA-  
21                  TION.—The terms ‘Indian tribe’ and ‘tribal organi-  
22                  zation’ shall have the same meanings given such  
23                  terms in subsections (e) and (l), respectively, of sec-  
24                  tion 4 of the Indian Self-Determination and Edu-  
25                  cation Assistance Act (25 U.S.C. 450b(e) and (l)).

1           “(5) RESPITE SERVICES.—The term ‘respite  
2 services’ means short-term care services provided in  
3 the temporary absence of the regular caregiver (par-  
4 ent, other relative, foster parent, adoptive parent, or  
5 guardian) to children who—

6                   “(A) are in danger of abuse or neglect;

7                   “(B) have experienced abuse or neglect; or

8                   “(C) have disabilities, chronic, or terminal  
9 illnesses.

10          Such services shall be provided within or outside the  
11 home of the child, be short-term care (ranging from  
12 a few hours to a few weeks of time, per year), and  
13 be intended to enable the family to stay together and  
14 to keep the child living in the home and community  
15 of the child.

16           “(6) SECRETARY.—The term ‘Secretary’ means  
17 the Secretary of Health and Human Services.

18           “(7) SEXUAL ABUSE.—The term ‘sexual abuse’  
19 includes—

20                   “(A) the employment, use, persuasion, in-  
21 ducement, enticement, or coercion of any child  
22 to engage in, or assist any other person to en-  
23 gage in, any sexually explicit conduct or simula-  
24 tion of such conduct for the purpose of produc-  
25 ing a visual depiction of such conduct; or

1           “(B) the rape, molestation, prostitution, or  
2           other form of sexual exploitation of children, or  
3           incest with children.

4           “(8) STATE.—The term ‘State’ means each of  
5           the several States, the District of Columbia, the  
6           Commonwealth of Puerto Rico, the Virgin Islands,  
7           Guam, American Samoa, the Commonwealth of the  
8           Northern Mariana Islands, and the Trust Territory  
9           of the Pacific Islands.

10           “(9) WITHHOLDING OF MEDICALLY INDICATED  
11           TREATMENT.—The term ‘withholding of medically  
12           indicated treatment’ means the failure to respond to  
13           the infant’s life-threatening conditions by providing  
14           treatment (including appropriate nutrition, hydra-  
15           tion, and medication) which, in the treating physi-  
16           cian’s or physicians’ reasonable medical judgment,  
17           will be most likely to be effective in ameliorating or  
18           correcting all such conditions, except that the term  
19           does not include the failure to provide treatment  
20           (other than appropriate nutrition, hydration, or  
21           medication) to an infant when, in the treating physi-  
22           cian’s or physicians’ reasonable medical judgment—

23           “(A) the infant is chronically and irrevers-  
24           ibly comatose;

1           “(B) the provision of such treatment  
2           would—

3                   “(i) merely prolong dying;

4                   “(ii) not be effective in ameliorating  
5                   or correcting all of the infant’s life-threat-  
6                   ening conditions; or

7                   “(iii) otherwise be futile in terms of  
8                   the survival of the infant; or

9           “(C) the provision of such treatment would  
10           be virtually futile in terms of the survival of the  
11           infant and the treatment itself under such cir-  
12           cumstances would be inhumane.

13           **“TITLE I—GENERAL BLOCK**  
14                   **GRANT**

15           **“SEC. 101. CHILD AND FAMILY SERVICES BLOCK GRANTS.**

16           “(a) ELIGIBILITY.—The Secretary shall award  
17           grants to eligible States that file a State plan that is ap-  
18           proved under section 102 and that otherwise meet the eli-  
19           gibility requirements for grants under this title.

20           “(b) AMOUNT OF GRANT.—The amount of a grant  
21           made to each State under subsection (a) for a fiscal year  
22           shall be based on the population of children under the age  
23           of 18 residing in each State that applies for a grant under  
24           this section.

1       “(c) USE OF AMOUNTS.—Amounts received by a  
2 State under a grant awarded under subsection (a) shall  
3 be used to carry out the purposes described in section 3.

4       **“SEC. 102. ELIGIBLE STATES.**

5       “(a) IN GENERAL.—As used in this title, the term  
6 ‘eligible State’ means a State that has submitted to the  
7 Secretary, not later than October 1, 1996, and every 3  
8 years thereafter, a plan which has been signed by the chief  
9 executive officer of the State and that includes the follow-  
10 ing:

11               “(1) OUTLINE OF CHILD PROTECTION PRO-  
12       GRAM.—A written document that outlines the activi-  
13       ties the State intends to conduct to achieve the pur-  
14       pose of this title, including the procedures to be used  
15       for—

16                       “(A) receiving and assessing reports of  
17       child abuse or neglect;

18                       “(B) investigating such reports;

19                       “(C) with respect to families in which  
20       abuse or neglect has been confirmed, providing  
21       services or referral for services for families and  
22       children where the State makes a determination  
23       that the child may safely remain with the fam-  
24       ily;

1           “(D) protecting children by removing them  
2           from dangerous settings and ensuring their  
3           placement in a safe environment;

4           “(E) providing training for individuals  
5           mandated to report suspected cases of child  
6           abuse or neglect;

7           “(F) protecting children in foster care;

8           “(G) promoting timely adoptions;

9           “(H) protecting the rights of families,  
10          using adult relatives as the preferred placement  
11          for children separated from their parents where  
12          such relatives meet the relevant State child pro-  
13          tection standards; and

14          “(I) providing services to individuals, fami-  
15          lies, or communities, either directly or through  
16          referral, that are aimed at preventing the occur-  
17          rence of child abuse and neglect.

18          “(2) CERTIFICATION OF STATE LAW REQUIRING  
19          THE REPORTING OF CHILD ABUSE AND NEGLECT.—  
20          A certification that the State has in effect laws that  
21          require public officials and other professionals to re-  
22          port, in good faith, actual or suspected instances of  
23          child abuse or neglect.

24          “(3) CERTIFICATION OF PROCEDURES FOR  
25          SCREENING, SAFETY ASSESSMENT, AND PROMPT IN-

1 VESTIGATION.—A certification that the State has in  
2 effect procedures for receiving and responding to re-  
3 ports of child abuse or neglect, including the reports  
4 described in paragraph (2), and for the immediate  
5 screening, safety assessment, and prompt investiga-  
6 tion of such reports.

7 “(4) CERTIFICATION OF STATE PROCEDURES  
8 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-  
9 GLECTED CHILDREN.—A certification that the State  
10 has in effect procedures for the removal from fami-  
11 lies and placement of abused or neglected children  
12 and of any other child in the same household who  
13 may also be in danger of abuse or neglect.

14 “(5) CERTIFICATION OF PROVISIONS FOR IMMU-  
15 NITY FROM PROSECUTION.—A certification that the  
16 State has in effect laws requiring immunity from  
17 prosecution under State and local laws and regula-  
18 tions for individuals making good faith reports of  
19 suspected or known instances of child abuse or ne-  
20 glect.

21 “(6) CERTIFICATION OF PROVISIONS AND PRO-  
22 CEDURES RELATING TO APPEALS.—A certification  
23 that not later than 2 years after the date of the en-  
24 actment of this Act, the State shall have laws and  
25 procedures in effect affording individuals an oppor-



1       tunity to appeal an official finding of abuse or ne-  
2       glect.

3               “(7) CERTIFICATION OF STATE PROCEDURES  
4       FOR DEVELOPING AND REVIEWING WRITTEN PLANS  
5       FOR PERMANENT PLACEMENT OF REMOVED CHIL-  
6       DREN.—A certification that the State has in effect  
7       procedures for ensuring that a written plan is pre-  
8       pared for children who have been removed from their  
9       families. Such plan shall specify the goals for achiev-  
10      ing a permanent placement for the child in a timely  
11      fashion, for ensuring that the written plan is re-  
12      viewed every 6 months (until such placement is  
13      achieved), and for ensuring that information about  
14      such children is collected regularly and recorded in  
15      case records, and include a description of such pro-  
16      cedures.

17              “(8) CERTIFICATION OF STATE PROGRAM TO  
18      PROVIDE INDEPENDENT LIVING SERVICES.—A cer-  
19      tification that the State has in effect a program to  
20      provide independent living services, for assistance in  
21      making the transition to self-sufficient adulthood, to  
22      individuals in the child protection program of the  
23      State who are 16, but who are not 20 (or, at the op-  
24      tion of the State, 22), years of age, and who do not  
25      have a family to which to be returned.

1           “(9) CERTIFICATION OF STATE PROCEDURES  
2 TO RESPOND TO REPORTING OF MEDICAL NEGLECT  
3 OF DISABLED INFANTS.—

4           “(A) IN GENERAL.—A certification that  
5 the State has in place for the purpose of re-  
6 sponding to the reporting of medical neglect of  
7 infants (including instances of withholding of  
8 medically indicated treatment from disabled in-  
9 fants with life-threatening conditions), proce-  
10 dures or programs, or both (within the State  
11 child protective services system), to provide  
12 for—

13           “(i) coordination and consultation  
14 with individuals designated by and within  
15 appropriate health-care facilities;

16           “(ii) prompt notification by individ-  
17 uals designated by and within appropriate  
18 health-care facilities of cases of suspected  
19 medical neglect (including instances of  
20 withholding of medically indicated treat-  
21 ment from disabled infants with life-threat-  
22 ening conditions); and

23           “(iii) authority, under State law, for  
24 the State child protective service to pursue  
25 any legal remedies, including the authority

1 to initiate legal proceedings in a court of  
2 competent jurisdiction, as may be nec-  
3 essary to prevent the withholding of medi-  
4 cally indicated treatment from disabled in-  
5 fants with life-threatening conditions.

6 “(B) WITHHOLDING OF MEDICALLY INDI-  
7 CATED TREATMENT.—As used in subparagraph  
8 (A), the term ‘withholding of medically indi-  
9 cated treatment’ means the failure to respond  
10 to the infant’s life-threatening conditions by  
11 providing treatment (including appropriate nu-  
12 trition, hydration, and medication) which, in the  
13 treating physician’s or physicians’ reasonable  
14 medical judgment, will be most likely to be ef-  
15 fective in ameliorating or correcting all such  
16 conditions, except that such term does not in-  
17 clude the failure to provide treatment (other  
18 than appropriate nutrition, hydration, or medi-  
19 cation) to an infant when, in the treating physi-  
20 cian’s or physicians’ reasonable medical judg-  
21 ment—

22 “(i) the infant is chronically and irre-  
23 versibly comatose;

24 “(ii) the provision of such treatment  
25 would—

- 1                   “(I) merely prolong dying;
- 2                   “(II) not be effective in amelio-
- 3                   rating or correcting all of the infant’s
- 4                   life-threatening conditions; or
- 5                   “(III) otherwise be futile in
- 6                   terms of the survival of the infant; or
- 7                   “(iii) the provision of such treatment
- 8                   would be virtually futile in terms of the
- 9                   survival of the infant and the treatment it-
- 10                  self under such circumstances would be in-
- 11                  humane.

12                  “(10) IDENTIFICATION OF CHILD PROTECTION

13                  GOALS.—The quantitative goals of the State child

14                  protection program.

15                  “(11) CERTIFICATION OF CHILD PROTECTION

16                  STANDARDS.—With respect to fiscal years beginning

17                  on or after April 1, 1996, a certification that the

18                  State—

19                  “(A) has completed an inventory of all

20                  children who, before the inventory, had been in

21                  foster care under the responsibility of the State

22                  for 6 months or more, which determined—

23                  “(i) the appropriateness of, and neces-

24                  sity for, the foster care placement;

1           “(ii) whether the child could or should  
2           be returned to the parents of the child or  
3           should be freed for adoption or other per-  
4           manent placement; and

5           “(iii) the services necessary to facili-  
6           tate the return of the child or the place-  
7           ment of the child for adoption or legal  
8           guardianship;

9           “(B) is operating, to the satisfaction of the  
10          Secretary—

11           “(i) a statewide information system  
12           from which can be readily determined the  
13           status, demographic characteristics, loca-  
14           tion, and goals for the placement of every  
15           child who is (or, within the immediately  
16           preceding 12 months, has been) in foster  
17           care;

18           “(ii) a case review system for each  
19           child receiving foster care under the super-  
20           vision of the State;

21           “(iii) a service program designed to  
22           help children—

23           “(I) where appropriate, return to  
24           families from which they have been  
25           removed; or

1                   “(II) be placed for adoption, with  
2                   a legal guardian, or if adoption or  
3                   legal guardianship is determined not  
4                   to be appropriate for a child, in some  
5                   other planned, permanent living ar-  
6                   rangement; and

7                   “(iv) a preplacement preventive serv-  
8                   ices program designed to help children at  
9                   risk for foster care placement remain with  
10                  their families; and

11                  “(C)(i) has reviewed (or not later than Oc-  
12                  tober 1, 1997, will review) State policies and  
13                  administrative and judicial procedures in effect  
14                  for children abandoned at or shortly after birth  
15                  (including policies and procedures providing for  
16                  legal representation of such children); and

17                  “(ii) is implementing (or not later than Oc-  
18                  tober 1, 1997, will implement) such policies and  
19                  procedures as the State determines, on the  
20                  basis of the review described in clause (i), to be  
21                  necessary to enable permanent decisions to be  
22                  made expeditiously with respect to the place-  
23                  ment of such children.

24                  “(12) CERTIFICATION OF REASONABLE EF-  
25                  FORTS BEFORE PLACEMENT OF CHILDREN IN FOS-

1       TER CARE.—A certification that the State in each  
2 case will—

3               “(A) make reasonable efforts prior to the  
4 placement of a child in foster care, to prevent  
5 or eliminate the need for removal of the child  
6 from the child’s home, and to make it possible  
7 for the child to return home; and

8               “(B) with respect to families in which  
9 abuse or neglect has been confirmed, provide  
10 services or referral for services for families and  
11 children where the State makes a determination  
12 that the child may safely remain with the fam-  
13 ily.

14       “(13) CERTIFICATION OF CONFIDENTIALITY  
15 AND REQUIREMENTS FOR INFORMATION DISCLO-  
16 SURE.—

17               “(A) IN GENERAL.—A certification that  
18 the State has in effect and operational—

19               “(i) requirements ensuring that re-  
20 ports and records made and maintained  
21 pursuant to the purposes of this part shall  
22 only be made available to—

23               “(I) individuals who are the sub-  
24 ject of the report;

1           “(II) Federal, State, or local gov-  
2           ernment entities, or any agent of such  
3           entities, having a need for such infor-  
4           mation in order to carry out their re-  
5           sponsibilities under law to protect  
6           children from abuse and neglect;

7           “(III) child abuse citizen review  
8           panels;

9           “(IV) child fatality review panels;

10          “(V) a grand jury or court, upon  
11          a finding that information in the  
12          record is necessary for the determina-  
13          tion of an issue before the court or  
14          grand jury; and

15          “(VI) other entities or classes of  
16          individuals statutorily authorized by  
17          the State to receive such information  
18          pursuant to a legitimate State pur-  
19          pose; and

20          “(ii) provisions that allow for public  
21          disclosure of the findings or information  
22          about cases of child abuse or neglect that  
23          have resulted in a child fatality or near fa-  
24          tality.



1           “(B) LIMITATION.—Disclosures made pur-  
2           suant to clause (i) or (ii) shall not include the  
3           identifying information concerning the individ-  
4           ual initiating a report or complaint alleging sus-  
5           pected instances of child abuse or neglect.

6           “(C) DEFINITION.—For purposes of this  
7           paragraph, the term ‘near fatality’ means an  
8           act that, as certified by a physician, places the  
9           child in serious or critical condition.

10          “(b) DETERMINATIONS.—The Secretary shall deter-  
11          mine whether a plan submitted pursuant to subsection (a)  
12          contains the material required by subsection (a), other  
13          than the material described in paragraph (9) of such sub-  
14          section. The Secretary may not require a State to include  
15          in such a plan any material not described in subsection  
16          (a).

17          **“SEC. 103. DATA COLLECTION AND REPORTING.**

18          “(a) NATIONAL CHILD ABUSE AND NEGLECT DATA  
19          SYSTEM.—The Secretary shall establish a national data  
20          collection and analysis program—

21                  “(1) which, to the extent practicable, coordi-  
22                  nates existing State child abuse and neglect reports  
23                  and which shall include—

1           “(A) standardized data on substantiated,  
2           as well as false, unfounded, or unsubstantiated  
3           reports; and

4           “(B) information on the number of deaths  
5           due to child abuse and neglect; and

6           “(2) which shall collect, compile, analyze, and  
7           make available State child abuse and neglect report-  
8           ing information which, to the extent practical, is uni-  
9           versal and case-specific and integrated with other  
10          case-based foster care and adoption data collected by  
11          the Secretary.

12          “(b) ADOPTION AND FOSTER CARE AND ANALYSIS  
13          AND REPORTING SYSTEMS.—The Secretary shall imple-  
14          ment a system for the collection of data relating to adop-  
15          tion and foster care in the United States. Such data collec-  
16          tion system shall—

17                 “(1) avoid unnecessary diversion of resources  
18                 from agencies responsible for adoption and foster  
19                 care;

20                 “(2) assure that any data that is collected is re-  
21                 liable and consistent over time and among jurisdic-  
22                 tions through the use of uniform definitions and  
23                 methodologies;

24                 “(3) provide comprehensive national informa-  
25                 tion with respect to—

1           “(A) the demographic characteristics of  
2           adoptive and foster children and their biological  
3           and adoptive or foster parents;

4           “(B) the status of the foster care popu-  
5           lation (including the number of children in fos-  
6           ter care, length of placement, type of place-  
7           ment, availability for adoption, and goals for  
8           ending or continuing foster care);

9           “(C) the number and characteristics of—

10           “(i) children placed in or removed  
11           from foster care;

12           “(ii) children adopted or with respect  
13           to whom adoptions have been terminated;  
14           and

15           “(iii) children placed in foster care  
16           outside the State which has placement and  
17           care responsibility; and

18           “(D) the extent and nature of assistance  
19           provided by Federal, State, and local adoption  
20           and foster care programs and the characteris-  
21           tics of the children with respect to whom such  
22           assistance is provided; and

23           “(4) utilize appropriate requirements and incen-  
24           tives to ensure that the system functions reliably  
25           throughout the United States.

1       “(c) ADDITIONAL INFORMATION.—The Secretary  
2 may require the provision of additional information under  
3 the data collection system established under subsection (b)  
4 if the addition of such information is agreed to by a major-  
5 ity of the States.

6       “(d) ANNUAL REPORT BY THE SECRETARY.—Within  
7 6 months after the end of each fiscal year, the Secretary  
8 shall prepare a report based on information provided by  
9 the States for the fiscal year pursuant to this section, and  
10 shall make the report and such information available to  
11 the Congress and the public.

12 **“TITLE II—RESEARCH, DEM-**  
13 **ONSTRATIONS, TRAINING,**  
14 **AND TECHNICAL ASSISTANCE**

15 **“SEC. 201. RESEARCH GRANTS.**

16       “(a) IN GENERAL.—The Secretary, in consultation  
17 with appropriate Federal officials and recognized experts  
18 in the field, shall award grants or contracts for the con-  
19 duct of research in accordance with subsection (b).

20       “(b) RESEARCH.—Research projects to be conducted  
21 using amounts received under this section—

22               “(1) shall be designed to provide information to  
23 better protect children from abuse or neglect and to  
24 improve the well-being of abused or neglected chil-

1           “(C) provide recommendations for modi-  
2           fications needed to facilitate coordinated na-  
3           tional and Statewide data collection with re-  
4           spect to child protection and child welfare.

5   **“SEC. 202. NATIONAL CLEARINGHOUSE FOR INFORMATION**  
6           **RELATING TO CHILD ABUSE.**

7           “(a) ESTABLISHMENT.—The Secretary shall,  
8           through the Department of Health and Human Services,  
9           or by one or more contracts of not less than 3 years dura-  
10          tion provided through a competition, establish a national  
11          clearinghouse for information relating to child abuse.

12          “(b) FUNCTIONS.—The Secretary shall, through the  
13          clearinghouse established by subsection (a)—

14               “(1) maintain, coordinate, and disseminate in-  
15               formation on all programs, including private pro-  
16               grams, that show promise of success with respect to  
17               the prevention, assessment, identification, and treat-  
18               ment of child abuse and neglect;

19               “(2) maintain and disseminate information re-  
20               lating to—

21                       “(A) the incidence of cases of child abuse  
22                       and neglect in the United States;

23                       “(B) the incidence of such cases in popu-  
24                       lations determined by the Secretary under sec-  
25                       tion 105(a)(1) of the Child Abuse Prevention,

1 Adoption, and Family Services Act of 1988 (as  
2 such section was in effect on the day before the  
3 date of enactment of this Act); and

4 “(C) the incidence of any such cases relat-  
5 ed to alcohol or drug abuse;

6 “(3) disseminate information related to data  
7 collected and reported by States pursuant to section  
8 103;

9 “(4) compile, analyze, and publish a summary  
10 of the research conducted under section 201; and

11 “(5) solicit public comment on the components  
12 of such clearinghouse.

13 **“SEC. 203. GRANTS FOR DEMONSTRATION PROJECTS.**

14 “(a) AWARDING OF GENERAL GRANTS.—The Sec-  
15 retary may make grants to, and enter into contracts with,  
16 public and nonprofit private agencies or organizations (or  
17 combinations of such agencies or organizations) for the  
18 purpose of developing, implementing, and operating time  
19 limited, demonstration programs and projects for the fol-  
20 lowing purposes:

21 “(1) INNOVATIVE PROGRAMS AND PROJECTS.—

22 The Secretary may award grants to public agencies  
23 that demonstrate innovation in responding to reports  
24 of child abuse and neglect including programs of col-  
25 laborative partnerships between the State child pro-

1           (1) RECOMMENDED LEGISLATION.—After con-  
2           sultation with the appropriate committees of the  
3           Congress and the Director of the Office of Manage-  
4           ment and Budget, the Secretary of Health and  
5           Human Services shall prepare and submit to the  
6           Congress a legislative proposal in the form of an im-  
7           plementing bill containing technical and conforming  
8           amendments to reflect the repeals made by this sec-  
9           tion.

10           (2) SUBMISSION TO CONGRESS.—Not later than  
11           6 months after the date of enactment of this sub-  
12           chapter, the Secretary of Health and Human Serv-  
13           ices shall submit the implementing bill referred to  
14           under paragraph (1).

## 15           **Subtitle G—Reductions in Federal** 16           **Government Positions**

### 17           **SEC. 4801. REDUCTIONS.**

18           (a) DEFINITIONS.—As used in this section:

19           (1) APPROPRIATE EFFECTIVE DATE.—The term  
20           “appropriate effective date”, used with respect to a  
21           Department referred to in this section, means the  
22           date on which all provisions of this Act (other than  
23           subtitle B of this title) that the Department is re-  
24           quired to carry out, and amendments and repeals  
25           made by this Act to provisions of Federal law that

1 the Department is required to carry out, are effective.  
2

3 (2) COVERED ACTIVITY.—The term “covered  
4 activity”, used with respect to a Department referred to in this section, means an activity that the  
5 Department is required to carry out under—  
6

7 (A) a provision of this Act (other than subtitle B of this title); or  
8

9 (B) a provision of Federal law that is amended or repealed by this Act (other than  
10 subtitle B of this title).  
11

12 (b) REPORTS.—

13 (1) CONTENTS.—Not later than January 1, 1997, each Secretary referred to in paragraph (2)  
14 shall prepare and submit to the relevant committees described in paragraph (3) a report containing—  
15  
16

17 (A) the determinations described in subsection (c);  
18

19 (B) appropriate documentation in support of such determinations; and  
20

21 (C) a description of the methodology used in making such determinations.  
22

23 (2) SECRETARY.—The Secretaries referred to in this paragraph are—  
24

25 (A) the Secretary of Agriculture;



1 (B) the Secretary of Education;

2 (C) the Secretary of Labor;

3 (D) the Secretary of Housing and Urban

4 Development; and

5 (E) the Secretary of Health and Human

6 Services.

7 (3) RELEVANT COMMITTEES.—The relevant

8 Committees described in this paragraph are the fol-

9 lowing:

10 (A) With respect to each Secretary de-

11 scribed in paragraph (2), the Committee on

12 Government Reform and Oversight of the

13 House of Representatives and the Committee

14 on Governmental Affairs of the Senate.

15 (B) With respect to the Secretary of Agri-

16 culture, the Committee on Agriculture and the

17 Committee on Economic and Educational Op-

18 portunities of the House of Representatives and

19 the Committee on Agriculture, Nutrition, and

20 Forestry of the Senate.

21 (C) With respect to the Secretary of Edu-

22 cation, the Committee on Economic and Edu-

23 cational Opportunities of the House of Rep-

24 resentatives and the Committee on Labor and

25 Human Resources of the Senate.

1           (D) With respect to the Secretary of  
2           Labor, the Committee on Economic and Edu-  
3           cational Opportunities of the House of Rep-  
4           resentatives and the Committee on Labor and  
5           Human Resources of the Senate.

6           (E) With respect to the Secretary of Hous-  
7           ing and Urban Development, the Committee on  
8           Banking and Financial Services of the House of  
9           Representatives and the Committee on Bank-  
10          ing, Housing, and Urban Affairs of the Senate.

11          (F) With respect to the Secretary of  
12          Health and Human Services, the Committee on  
13          Economic and Educational Opportunities of the  
14          House of Representatives, the Committee on  
15          Labor and Human Resources of the Senate, the  
16          Committee on Ways and Means of the House of  
17          Representatives, and the Committee on Finance  
18          of the Senate.

19          (4) REPORT ON CHANGES.—Not later than De-  
20          cember 31, 1996, and each December 31 thereafter,  
21          each Secretary referred to in paragraph (2) shall  
22          prepare and submit to the relevant Committees de-  
23          scribed in paragraph (3), a report concerning any  
24          changes with respect to the determinations made

1 under subsection (c) for the year in which the report  
2 is being submitted.

3 (c) DETERMINATIONS.—Not later than December 31,  
4 1996, each Secretary referred to in subsection (b)(2) shall  
5 determine—

6 (1) the number of full-time equivalent positions  
7 required by the Department headed by such Sec-  
8 retary to carry out the covered activities of the De-  
9 partment, as of the day before the date of enactment  
10 of this Act;

11 (2) the number of such positions required by  
12 the Department to carry out the activities, as of the  
13 appropriate effective date for the Department; and

14 (3) the difference obtained by subtracting the  
15 number referred to in paragraph (2) from the num-  
16 ber referred to in paragraph (1).

17 (d) ACTIONS.—Each Secretary referred to in sub-  
18 section (b)(2) shall take such actions as may be necessary,  
19 including reduction in force actions, consistent with sec-  
20 tions 3502 and 3595 of title 5, United States Code, to  
21 reduce the number of positions of personnel of the Depart-  
22 ment—

23 (1) not later than 30 days after the appropriate  
24 effective date for the Department involved, by at

1 least 50 percent of the difference referred to in sub-  
2 section (c)(3); and

3 (2) not later than 13 months after such appro-  
4 priate effective date, by at least the remainder of  
5 such difference (after the application of paragraph  
6 (1)).

7 (e) CONSISTENCY.—

8 (1) EDUCATION.—The Secretary of Education  
9 shall carry out this section in a manner that enables  
10 the Secretary to meet the requirements of this sec-  
11 tion.

12 (2) LABOR.—The Secretary of Labor shall  
13 carry out this section in a manner that enables the  
14 Secretary to meet the requirements of this section.

15 (3) HEALTH AND HUMAN SERVICES.—The Sec-  
16 retary of Health and Human Services shall carry out  
17 this section in a manner that enables the Secretary  
18 to meet the requirements of this section and sections  
19 4802 and 4803.

20 (f) CALCULATION.—In determining, under subsection  
21 (c), the number of full-time equivalent positions required  
22 by a Department to carry out a covered activity, a Sec-  
23 retary referred to in subsection (b)(2) shall include the  
24 number of such positions occupied by personnel carrying  
25 out program functions or other functions (including budg-

1 etary, legislative, administrative, planning, evaluation, and  
2 legal functions) related to the activity.

3 (g) GENERAL ACCOUNTING OFFICE REPORT.—Not  
4 later than July 1, 1997, the Comptroller General of the  
5 United States shall prepare and submit to the committees  
6 described in subsection (b)(3), a report concerning the de-  
7 terminations made by each Secretary under subsection (c).  
8 Such report shall contain an analysis of the determina-  
9 tions made by each Secretary under subsection (c) and  
10 a determination as to whether further reductions in full-  
11 time equivalent positions are appropriate.

12 **SEC. 4802. REDUCTIONS IN FEDERAL BUREAUCRACY.**

13 (a) IN GENERAL.—The Secretary of Health and  
14 Human Services shall reduce the Federal workforce within  
15 the Department of Health and Human Services by an  
16 amount equal to the sum of—

17 (1) 75 percent of the full-time equivalent posi-  
18 tions at such Department that relate to any direct  
19 spending program, or any program funded through  
20 discretionary spending, that has been converted into  
21 a block grant program under this Act and the  
22 amendments made by this Act; and

23 (2) an amount equal to 75 percent of that por-  
24 tion of the total full-time equivalent departmental  
25 management positions at such Department that

1 bears the same relationship to the amount appro-  
2 priated for the programs referred to in paragraph  
3 (1) as such amount relates to the total amount ap-  
4 propriated for use by such Department.

5 (b) REDUCTIONS IN THE DEPARTMENT OF HEALTH  
6 AND HUMAN SERVICES.—Notwithstanding any other pro-  
7 vision of this Act, the Secretary of Health and Human  
8 Services shall take such actions as may be necessary, in-  
9 cluding reductions in force actions, consistent with sec-  
10 tions 3502 and 3595 of title 5, United States Code, to  
11 reduce the full-time equivalent positions within the De-  
12 partment of Health and Human Services—

13 (1) by 245 full-time equivalent positions related  
14 to the program converted into a block grant under  
15 the amendment made by section 103; and

16 (2) by 60 full-time equivalent managerial posi-  
17 tions in the Department.

18 **SEC. 4803. REDUCING PERSONNEL IN WASHINGTON, D.C.**

19 **AREA.**

20 In making reductions in full-time equivalent posi-  
21 tions, the Secretary of Health and Human Services is en-  
22 couraged to reduce personnel in the Washington, D.C.,  
23 area office (agency headquarters) before reducing field  
24 personnel.

## 1           **Subtitle H—Miscellaneous**

### 2   **SEC. 4901. APPROPRIATION BY STATE LEGISLATURES.**

3           (a) **IN GENERAL.**—Any funds received by a State  
4 under the provisions of law specified in subsection (b) shall  
5 be subject to appropriation by the State legislature, con-  
6 sistent with the terms and conditions required under such  
7 provisions of law.

8           (b) **PROVISIONS OF LAW.**—The provisions of law  
9 specified in this subsection are the following:

10           (1) Part A of title IV of the Social Security Act  
11 (relating to block grants for temporary assistance  
12 for needy families).

13           (2) Section 25 of the Food Stamp Act of 1977  
14 (relating to the optional State food assistance block  
15 grant).

16           (3) The Child Care and Development Block  
17 Grant Act of 1990 (relating to block grants for child  
18 care).

### 19   **SEC. 4902. SANCTIONING FOR TESTING POSITIVE FOR CON-** 20                                   **TROLLED SUBSTANCES.**

21           Notwithstanding any other provision of law, States  
22 shall not be prohibited by the Federal Government from  
23 testing welfare recipients for use of controlled substances  
24 nor from sanctioning welfare recipients who test positive  
25 for use of controlled substances.

1 **SEC. 4903. REDUCTION IN BLOCK GRANTS TO STATES FOR**  
2 **SOCIAL SERVICES.**

3 Section 2003(c) of the Social Security Act (42 U.S.C.  
4 1397b(c)) is amended—

5 (1) by striking “and” at the end of paragraph  
6 (4); and

7 (2) by striking paragraph (5) and inserting the  
8 following:

9 “(5) \$2,800,000,000 for each of the fiscal years  
10 1990 through 1995;

11 “(6) \$2,520,000,000 for each of the fiscal years  
12 1997 through 2002; and

13 “(7) \$2,380,000,000 for the fiscal year 2003  
14 and each succeeding fiscal year.”.



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