

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

H.R. 3734

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

Volumes 1 to 19

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

Social Security Administration

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AND WORK OPPORTUNITY
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Volume 2 of 19

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Social Security Administration

**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This 19-volume compilation contains historical documents pertaining to P.L. 104-193, the "Personal Responsibility and Work Opportunity Act of 1996."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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 - E. H.R. 1135, "Food Stamp Reform and Commodity Distribution Act of 1995" as reported by the House Committee on Agriculture March 14, 1995 (excerpts)
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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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 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.
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104TH CONGRESS
1ST SESSION

H. R. 1214

To help children by reforming the Nation's welfare system to promote work, marriage, and personal responsibility.

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 1995

Mr. ARCHER (for himself, Mr. GOODLING, and Mr. ROBERTS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Economic and Educational Opportunities, Agriculture, Commerce, the Judiciary, National Security, and Government Reform and Oversight, 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

A BILL

To help children by reforming the Nation's welfare system to promote work, marriage, and personal responsibility.

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 "Personal Responsibility
5 Act of 1995".

6 **SEC. 2. TABLE OF CONTENTS.**

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

Sec. 1. Short title.

Sec. 2. Table of contents.

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NEEDY FAMILIES

- Sec. 101. Block grants to States.
- Sec. 102. Report on data processing.
- Sec. 103. Transfers.
- Sec. 104. Conforming amendments to the Social Security Act.
- Sec. 105. Conforming amendments to other laws.
- Sec. 106. Continued application of current standards under medicaid program.
- Sec. 107. Effective date.

TITLE II—CHILD PROTECTION BLOCK GRANT PROGRAM

- Sec. 201. Establishment of program.
- Sec. 202. Conforming amendments.
- Sec. 203. Continued application of current standards under medicaid program.
- Sec. 204. Effective date.

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- Sec. 302. Repeal of child care assistance authorized by Acts other than the Social Security Act.

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- Sec. 321. Amendment to Child Nutrition Act of 1966.

CHAPTER 2—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

- Sec. 341. Amendment to National School Lunch Act.

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- Sec. 371. Amendments to laws relating to child protection block grant.

Subtitle D—Related Provisions

- Sec. 381. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
- Sec. 382. Data on program participation and outcomes.

Subtitle E—General Effective Date; Preservation of Actions, Obligations, and Rights

- Sec. 391. Effective date.
- Sec. 392. Application of amendments and repealers.

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- Sec. 401. Ineligibility of illegal aliens for certain public benefits programs.
 Sec. 402. Ineligibility of nonimmigrants for certain public benefits programs.
 Sec. 403. Limited eligibility of immigrants for 5 specified Federal public benefits programs.
 Sec. 404. Notification.

Subtitle B—Eligibility for State and Local Public Benefits Programs

- Sec. 411. Ineligibility of illegal aliens for State and local public benefits programs.
 Sec. 412. Ineligibility of nonimmigrants for State and local public benefits programs.
 Sec. 413. State authority to limit eligibility of immigrants for State and local means-tested public benefits programs.

Subtitle C—Attribution of Income and Affidavits of Support

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1 **TITLE I—BLOCK GRANTS FOR** 2 **TEMPORARY ASSISTANCE** 3 **FOR NEEDY FAMILIES**

4 **SEC. 101. BLOCK GRANTS TO STATES.**

5 Title IV of the Social Security Act (42 U.S.C. 601
6 et seq.) is amended by striking part A, except sections
7 403(h) and 417, and inserting the following:

8 **“PART A—BLOCK GRANTS TO STATES FOR** 9 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

10 **“SEC. 401. PURPOSE.**

11 “The purpose of this part is to increase the flexibility
12 of States in operating a program designed to—

13 “(1) provide assistance to needy families so that
14 the children in such families may be cared for in
15 their homes or in the homes of relatives;

1 “(2) end the dependence of needy parents on
2 government benefits by promoting work and mar-
3 riage; and

4 “(3) discourage out-of-wedlock births.

5 **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

6 “(a) IN GENERAL.—As used in this part, the term
7 ‘eligible State’ means, with respect to a fiscal year, a State
8 that, during the 3-year period immediately preceding the
9 fiscal year, has submitted to the Secretary a plan that in-
10 cludes the following:

11 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
12 GRAM.—A written document that outlines how the
13 State intends to do the following:

14 “(A) Conduct a program designed to—

15 “(i) provide cash benefits to needy
16 families with children; and

17 “(ii) provide parents of children in
18 such families with work experience, assist-
19 ance in finding employment, and other
20 work preparation activities and support
21 services that the State considers appro-
22 priate to enable such families to leave the
23 program and become self-sufficient.

24 “(B) Require at least 1 parent of a child
25 in any family which has received benefits for

1 more than 24 months (whether or not consecu-
2 tive) under the program to engage in work ac-
3 tivities (as defined by the State).

4 “(C) Ensure that parents receiving assist-
5 ance under the program engage in work activi-
6 ties in accordance with section 404.

7 “(D) Treat interstate immigrants, if fami-
8 lies including such immigrants are to be treated
9 differently than other families.

10 “(E) Take such reasonable steps as the
11 State deems necessary to restrict the use and
12 disclosure of information about individuals and
13 families receiving benefits under the program.

14 “(F) Take actions to reduce the incidence
15 of out-of-wedlock births, which may include pro-
16 viding unmarried mothers and unmarried fa-
17 thers with services which will help them—

18 “(i) avoid subsequent pregnancies;

19 and

20 “(ii) provide adequate care to their
21 children.

22 “(G) Reduce teenage pregnancy, including
23 (at the option of the State) through the provi-
24 sion of education, counseling, and health serv-
25 ices to male and female teenagers.

1 “(2) CERTIFICATION THAT THE STATE WILL
2 OPERATE A CHILD SUPPORT ENFORCEMENT PRO-
3 GRAM.—A certification by the Governor of the State
4 that, during the fiscal year, the State will operate a
5 child support enforcement program under the State
6 plan approved under part D, in a manner that com-
7 plies with the requirements of such part.

8 “(3) CERTIFICATION THAT THE STATE WILL
9 OPERATE A CHILD PROTECTION PROGRAM.—A cer-
10 tification by the Governor of the State that, during
11 the fiscal year, the State will operate a child protec-
12 tion program in accordance with part B, which in-
13 cludes a foster care program and an adoption assist-
14 ance program.

15 “(b) DETERMINATIONS.—The Secretary shall deter-
16 mine whether a plan submitted pursuant to subsection (a)
17 contains the material required by subsection (a).

18 **“SEC. 403. PAYMENTS TO STATES.**

19 “(a) ENTITLEMENTS.—

20 “(1) GRANTS FOR FAMILY ASSISTANCE.—

21 “(A) IN GENERAL.—Each eligible State
22 shall be entitled to receive from the Secretary
23 for each of fiscal years 1996, 1997, 1998,
24 1999, and 2000 a grant in an amount equal to

1 the State family assistance grant for the fiscal
2 year.

3 “(B) GRANT INCREASED TO REWARD
4 STATES THAT REDUCE OUT-OF-WEDLOCK
5 BIRTHS.—The amount of the grant payable to
6 a State under subparagraph (A) for fiscal year
7 1998 or any succeeding fiscal year shall be in-
8 creased by—

9 “(i) 5 percent if the illegitimacy ratio
10 of the State for the fiscal year is at least
11 1 percentage point lower than the illegit-
12 imacy ratio of the State for fiscal year
13 1995; or

14 “(ii) 10 percent if the illegitimacy
15 ratio of the State for the fiscal year is at
16 least 2 percentage points lower than the il-
17 legitimacy ratio of the State for fiscal year
18 1995.

19 “(2) SUPPLEMENTAL GRANTS TO ADJUST FOR
20 POPULATION INCREASES.—In addition to any grant
21 under paragraph (1), each eligible State shall be en-
22 titled to receive from the Secretary for each of fiscal
23 years 1997, 1998, 1999, and 2000, a grant in an
24 amount equal to the State proportion of
25 \$100,000,000.

1 “(b) DEFINITIONS.—As used in this section:

2 “(1) STATE FAMILY ASSISTANCE GRANT.—

3 “(A) IN GENERAL.—The term ‘State fam-
4 ily assistance grant’ means, with respect to a
5 fiscal year, the provisional State family assist-
6 ance grant adjusted in accordance with sub-
7 paragraph (C).

8 “(B) PROVISIONAL STATE FAMILY ASSIST-
9 ANCE GRANT.—The term ‘provisional State
10 family assistance grant’ means—

11 “(i) the greater of—

12 “(I) $\frac{1}{3}$ of the total amount of ob-
13 ligations to the State under section
14 403 of this title (as in effect before
15 October 1, 1995) for fiscal years
16 1992, 1993, and 1994 (other than
17 with respect to amounts expended for
18 child care under subsection (g) or (i)
19 of such section); or

20 “(II) the total amount of obliga-
21 tions to the State under such section
22 403 for fiscal year 1994 (other than
23 with respect to amounts expended for
24 child care under subsection (g) or (i)
25 of such section); multiplied by

1 “(ii)(I) the total amount of outlays to
2 all of the States under such section 403
3 for fiscal year 1994 (other than with re-
4 spect to amounts expended for child care
5 under subsection (g) or (i) of such sec-
6 tion); divided by

7 “(II) the total amount of obligations
8 to all of the States under such section 403
9 for fiscal year 1994 (other than with re-
10 spect to amounts expended for child care
11 under subsection (g) or (i) of such sec-
12 tion).

13 “(C) PROPORTIONAL ADJUSTMENT.—The
14 Secretary shall determine the percentage (if
15 any) by which each provisional State family as-
16 sistance grant must be reduced or increased to
17 ensure that the sum of such grants equals
18 \$15,390,296,000, and shall adjust each provi-
19 sional State family assistance grant by the per-
20 centage so determined.

21 “(2) ILLEGITIMACY RATIO.—The term ‘illegit-
22 imacy ratio’ means, with respect to a State and a
23 fiscal year—

24 “(A) the sum of—

1 “(i) the number of out-of-wedlock
2 births that occurred in the State during
3 the most recent fiscal year for which such
4 information is available; and

5 “(ii) the amount (if any) by which the
6 number of abortions performed in the
7 State during the most recent fiscal year for
8 which such information is available exceeds
9 the number of abortions performed in the
10 State during the fiscal year that imme-
11 diately precedes such most recent fiscal
12 year; divided by

13 “(B) the number of births that occurred in
14 the State during the most recent fiscal year for
15 which such information is available.

16 “(3) STATE PROPORTION.—The term ‘State
17 proportion’ means, with respect to a fiscal year, the
18 amount that bears the same ratio to the amount
19 specified in subsection (a)(2) as the increase (if any)
20 in the population of the State for the most recent
21 fiscal year for which such information is available
22 over the population of the State for the fiscal year
23 that immediately precedes such most recent fiscal
24 year bears to the total increase in the population of
25 all States which have such an increase in population,

1 as determined by the Secretary using data from the
2 Bureau of the Census.

3 “(4) FISCAL YEAR.—The term ‘fiscal year’
4 means any 12-month period ending on September 30
5 of a calendar year.

6 “(5) STATE.—The term ‘State’ includes the
7 several States, the District of Columbia, the Com-
8 monwealth of Puerto Rico, the United States Virgin
9 Islands, Guam, and American Samoa.

10 “(c) USE OF GRANT.—

11 “(1) IN GENERAL.—A State to which a grant
12 is made under this section may use the grant in any
13 manner that is reasonably calculated to accomplish
14 the purpose of this part, subject to this part, includ-
15 ing to provide noncash assistance to mothers who
16 have not attained 18 years of age and their children
17 and to provide low income households with assist-
18 ance in meeting home heating and cooling costs.

19 “(2) AUTHORITY TO TREAT INTERSTATE IMMI-
20 GRANTS UNDER RULES OF FORMER STATE.—A State
21 to which a grant is made under this section may
22 apply to a family the rules of the program operated
23 under this part of another State if the family has
24 moved to the State from the other State and has re-
25 sided in the State for less than 12 months.

1 “(3) AUTHORITY TO USE PORTION OF GRANT
2 FOR OTHER PURPOSES.—

3 “(A) IN GENERAL.—A State may use not
4 more than 30 percent of the amount of the
5 grant made to the State under this section for
6 a fiscal year to carry out a State program pur-
7 suant to any or all of the following provisions
8 of law:

9 “(i) Part B of this title.

10 “(ii) Title XX of this Act.

11 “(iii) Any provision of law, enacted
12 into law during the 104th Congress, under
13 which grants are made to States for food
14 and nutrition.

15 “(iv) The Child Care and Develop-
16 ment Block Grant Act of 1990.

17 “(B) APPLICABLE RULES.—Any amount
18 paid to the State under this part that is used
19 to carry out a State program pursuant to a pro-
20 vision of law specified in subparagraph (A)
21 shall not be subject to the requirements of this
22 part, but shall be subject to the requirements
23 that apply to Federal funds provided directly
24 under the provision of law to carry out the
25 program.

1 “(4) AUTHORITY TO RESERVE CERTAIN
2 AMOUNTS FOR EMERGENCY BENEFITS.—

3 “(A) IN GENERAL.—A State may reserve
4 amounts paid to the State under this section
5 for any fiscal year for the purpose of providing
6 emergency assistance under the State program
7 operated under this part.

8 “(B) AUTHORITY TO USE EXCESS RE-
9 SERVES FOR ANY PURPOSE.—During a fiscal
10 year, a State may use for any purpose deemed
11 appropriate by the State amounts held in re-
12 serve under subparagraph (A) to the extent ex-
13 ceeding 120 percent of the amount of the grant
14 payable to the State under this section for the
15 fiscal year.

16 “(5) IMPLEMENTATION OF ELECTRONIC BENE-
17 FIT TRANSFER SYSTEM.—A State to which a grant
18 is made under this section is encouraged to imple-
19 ment an electronic benefit transfer system for pro-
20 viding assistance under the State program funded
21 under this part, and may use the grant for such
22 purpose.

23 “(d) TIMING OF PAYMENTS.—The Secretary shall
24 pay each grant payable to a State under this section in
25 quarterly installments.

1 “(e) PENALTIES.—

2 “(1) FOR USE OF GRANT IN VIOLATION OF
3 THIS PART.—

4 “(A) IN GENERAL.—If an audit conducted
5 pursuant to chapter 75 of title 31, United
6 States Code, finds that an amount paid to a
7 State under this section for a fiscal year has
8 been used in violation of this part, then the
9 Secretary shall reduce the amount of the grant
10 otherwise payable to the State under this sec-
11 tion for the immediately succeeding fiscal year
12 by the amount so used.

13 “(B) LIMITATION ON AMOUNT OF PEN-
14 ALTY.—In carrying out subparagraph (A), the
15 Secretary shall not reduce any quarterly pay-
16 ment by more than 25 percent.

17 “(C) CARRYFORWARD OF UNRECOVERED
18 PENALTIES.—To the extent that subparagraph
19 (B) prevents the Secretary from recovering dur-
20 ing a fiscal year the full amount of a penalty
21 imposed on a State under subparagraph (A) for
22 a prior fiscal year, the Secretary shall apply
23 subparagraph (A) to the grant otherwise pay-
24 able to the State under this section for the im-
25 mediately succeeding fiscal year.

1 “(2) FOR FAILURE TO SUBMIT REQUIRED RE-
2 PORT.—

3 “(A) IN GENERAL.—If the Secretary deter-
4 mines that a State has not, within 6 months
5 after the end of a fiscal year, submitted the re-
6 port required by section 406 for the fiscal year,
7 the Secretary shall reduce by 3 percent the
8 amount of the grant that would (in the absence
9 of this subsection, subsection (a)(1)(B) of this
10 section, and section 404(c)(2)) be payable to
11 the State under subsection (a)(1)(A) for the im-
12 mediately succeeding fiscal year.

13 “(B) RESCISSION OF PENALTY.—The Sec-
14 retary shall rescind a penalty imposed on a
15 State under subparagraph (A) with respect to a
16 report for a fiscal year if the State submits the
17 report before the end of the immediately suc-
18 ceeding fiscal year.

19 “(C) FOR FAILURE TO PARTICIPATE IN
20 THE INCOME AND ELIGIBILITY VERIFICATION
21 SYSTEM.—If the Secretary determines that a
22 State program funded under this part is not
23 participating during a fiscal year in the income
24 and eligibility verification system required by
25 section 1137, the Secretary shall reduce by 1

1 percent the amount of the grant that would (in
2 the absence of this subsection, subsection
3 (a)(1)(B) of this section, and section 404(c)(2))
4 be payable to the State under subsection
5 (a)(1)(A) for the fiscal year.

6 “(f) LIMITATION ON FEDERAL AUTHORITY.—The
7 Secretary may not regulate the conduct of States under
8 this part or enforce any provision of this part, except to
9 the extent expressly provided in this part.

10 “(g) FEDERAL RAINY DAY FUND.—

11 “(1) ESTABLISHMENT.—There is hereby estab-
12 lished in the Treasury of the United States a revolv-
13 ing loan fund which shall be known as the ‘Federal
14 Rainy Day Fund’.

15 “(2) DEPOSITS INTO FUND.—

16 “(A) APPROPRIATION.—Out of any money
17 in the Treasury of the United States not other-
18 wise appropriated, \$1,000,000,000 are hereby
19 appropriated for fiscal year 1996 for payment
20 to the Federal Rainy Day Fund.

21 “(B) LOAN REPAYMENTS.—The Secretary
22 shall deposit into the fund any principal or in-
23 terest payment received with respect to a loan
24 made under this subsection.

1 “(3) AVAILABILITY.—Amounts in the fund are
2 authorized to remain available without fiscal year
3 limitation for the purpose of making loans and re-
4 ceiving payments of principal and interest on such
5 loans, in accordance with this subsection.

6 “(4) USE OF FUND.—

7 “(A) LOANS TO QUALIFIED STATES.—

8 “(i) IN GENERAL.—The Secretary
9 shall make loans from the fund to any
10 qualified State for a period to maturity of
11 not more than 3 years.

12 “(ii) RATE OF INTEREST.—The Sec-
13 retary shall charge and collect interest on
14 any loan made under clause (i) at a rate
15 equal to the current average market yield
16 on outstanding marketable obligations of
17 the United States with remaining periods
18 to maturity comparable to the period to
19 maturity of the loan.

20 “(iii) MAXIMUM LOAN.—The amount
21 of any loan made to a State under clause
22 (i) during a fiscal year shall not exceed the
23 lesser of—

1 “(I) 50 percent of the amount of
2 the grant payable to the State under
3 this section for the fiscal year; or

4 “(II) \$100,000,000.

5 “(B) QUALIFIED STATE DEFINED.—A
6 State is a qualified State for purposes of sub-
7 paragraph (A) if the unemployment rate of the
8 State (as determined by the Bureau of Labor
9 Statistics) for the most recent 3-month period
10 for which such information is available is—

11 “(i) more than 6.5 percent; and

12 “(ii) at least 110 percent of such rate
13 for the corresponding 3-month period in ei-
14 ther of the 2 immediately preceding cal-
15 endar years.

16 **“SEC. 404. MANDATORY WORK REQUIREMENTS.**

17 “(a) PARTICIPATION RATE REQUIREMENTS.—

18 “(1) REQUIREMENT APPLICABLE TO ALL FAMI-
19 LIES RECEIVING ASSISTANCE.—

20 “(A) IN GENERAL.—A State to which a
21 grant is made under section 403 for a fiscal
22 year shall achieve the minimum participation
23 rate specified in the following table for the fis-
24 cal year with respect to all families receiving as-

1 sistance under the State program funded under
 2 this part:

"If the fiscal year is:	The minimum participation rate is:
1996	4
1997	4
1998	8
1999	12
2000	17
2001	29
2002	40
2003 or thereafter	50.

3 “(B) PRO RATA REDUCTION OF PARTICIPA-
 4 TION RATE DUE TO CASELOAD REDUCTIONS
 5 NOT REQUIRED BY FEDERAL LAW.—The mini-
 6 mum participation rate otherwise required by
 7 subparagraph (A) for a fiscal year shall be re-
 8 duced by a percentage equal to the percentage
 9 (if any) by which the number of families receiv-
 10 ing assistance during the fiscal year under the
 11 State program funded under this part is less
 12 than the number of families that received aid
 13 under the State plan approved under part A of
 14 this title (as in effect before October 1, 1995)
 15 during the fiscal year immediately preceding
 16 such effective date, except to the extent that the
 17 Secretary determines that the reduction in the
 18 number of families receiving such assistance is
 19 required by Federal law.

1 “(C) PARTICIPATION RATE.—For purposes
2 of this paragraph:

3 “(i) AVERAGE MONTHLY RATE.—The
4 participation rate of a State for a fiscal
5 year is the average of the participation
6 rates of the State for each month in the
7 fiscal year.

8 “(ii) MONTHLY PARTICIPATION
9 RATES.—The participation rate of a State
10 for a month is—

11 “(I) the number of families re-
12 ceiving cash assistance under the
13 State program funded under this part
14 which include an individual who is en-
15 gaged in work activities for the
16 month; divided by

17 “(II) the total number of families
18 receiving cash assistance under the
19 State program funded under this part
20 during the month which include an in-
21 dividual who has attained 18 years of
22 age.

23 “(iii) ENGAGED.—A recipient is en-
24 gaged in work activities for a month in a
25 fiscal year if the recipient is making

1 progress in such activities for at least the
 2 minimum average number of hours per
 3 week specified in the following table during
 4 the month, not fewer than 20 hours per
 5 week of which are attributable to an activ-
 6 ity described in subparagraph (A), (B),
 7 (C), or (D) of subsection (b)(1) (or, in the
 8 case of the first 4 weeks for which the re-
 9 cipient is required under this section to
 10 participate in work activities, an activity
 11 described in subsection (b)(1)(E)):

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

12 “(2) REQUIREMENT APPLICABLE TO 2-PARENT
 13 FAMILIES.—

14 “(A) IN GENERAL.—A State to which a
 15 grant is made under section 403 for a fiscal
 16 year shall achieve the minimum participation
 17 rate specified in the following table for the fis-
 18 cal year with respect to 2-parent families receiv-
 19 ing assistance under the State program funded
 20 under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	50
1997	50
1998 or thereafter	90.

1 “(B) PARTICIPATION RATE.—For purposes
2 of this paragraph:

3 “(i) AVERAGE MONTHLY RATE.—The
4 participation rate of a State for a fiscal
5 year is the average of the participation
6 rates of the State for each month in the
7 fiscal year.

8 “(ii) MONTHLY PARTICIPATION
9 RATES.—The participation rate of a State
10 for a month is—

11 “(I) the number of 2-parent fam-
12 ilies receiving cash assistance under
13 the State program funded under this
14 part which include at least 1 adult
15 who is engaged in work activities for
16 the month; divided by

17 “(II) the total number of 2-par-
18 ent families receiving cash assistance
19 under the State program funded
20 under this part during the month.

21 “(iii) ENGAGED.—An adult is engaged
22 in work activities for a month in a fiscal

1 year if the adult is making progress in
2 such activities for at least 35 hours per
3 week during the month, not fewer than 30
4 hours per week of which are attributable to
5 an activity described in subparagraph (A),
6 (B), (C), or (D) of subsection (b)(1) (or, in
7 the case of the first 4 weeks for which the
8 recipient is required under this section to
9 participate in work activities, an activity
10 described in subsection (b)(1)(E)).

11 “(b) DEFINITIONS.—As used in this section:

12 “(1) WORK ACTIVITIES.—The term ‘work ac-
13 tivities’ means—

14 “(A) unsubsidized employment;

15 “(B) subsidized private sector employment;

16 “(C) subsidized public sector employment
17 or work experience (including work associated
18 with the refurbishing of publicly assisted hous-
19 ing) only if sufficient private sector employment
20 is not available;

21 “(D) on-the-job training;

22 “(E) job search and job readiness assist-
23 ance;

24 “(F) education directly related to employ-
25 ment, in the case of a recipient who has not at-

1 tained 20 years of age, and has not received a
2 high school diploma or a certificate of high
3 school equivalency;

4 “(G) job skills training directly related to
5 employment; or

6 “(H) at the option of the State, satisfac-
7 tory attendance at secondary school, in the case
8 of a recipient who—

9 “(i) has not completed secondary
10 school; and

11 “(ii) is a dependent child, or a head of
12 household who has not attained 20 years
13 of age.

14 “(2) FISCAL YEAR.—The term ‘fiscal year’
15 means any 12-month period ending on September 30
16 of a calendar year.

17 “(c) PENALTIES.—

18 “(1) AGAINST INDIVIDUALS.—

19 “(A) APPLICABLE TO ALL FAMILIES.—A
20 State to which a grant is made under section
21 403 shall ensure that the amount of cash as-
22 sistance paid under the State program funded
23 under this part to a recipient of assistance
24 under the program who refuses to engage (with-

1 in the meaning of subsection (a)(1)(C)(iii)) in
2 work activities required under this section shall
3 be less than the amount of cash assistance that
4 would otherwise be paid to the recipient under
5 the program, subject to such good cause and
6 other exceptions as the State may establish.

7 “(B) APPLICABLE TO 2-PARENT FAMI-
8 LIES.—A State to which a grant is made under
9 section 403 shall reduce the amount of cash as-
10 sistance otherwise payable to a 2-parent family
11 for a month under the State program funded
12 under this part with respect to an adult in the
13 family who is not engaged (within the meaning
14 of subsection (a)(2)(B)(iii)) in work activities
15 for at least 35 hours per week during the
16 month, pro rata (or more, at the option of the
17 State) with respect to any period during the
18 month for which the adult is not so engaged.

19 “(C) LIMITATION ON FEDERAL AUTHOR-
20 ITY.—No officer or employee of the Federal
21 Government may regulate the conduct of States
22 under this paragraph or enforce this paragraph
23 against any State.

24 “(2) AGAINST STATES.—

1 “(A) IN GENERAL.—If the Secretary deter-
2 mines that a State to which a grant is made
3 under section 403 for a fiscal year has failed to
4 comply with subsection (a) for the fiscal year,
5 the Secretary shall reduce by not more than 5
6 percent the amount of the grant that would (in
7 the absence of this paragraph and subsections
8 (a)(1)(B) and (e) of section 403) be payable to
9 the State under section 403(a)(1)(A) for the
10 immediately succeeding fiscal year.

11 “(B) PENALTY BASED ON SEVERITY OF
12 FAILURE.—The Secretary shall impose reduc-
13 tions under subparagraph (A) based on the de-
14 gree of noncompliance.

15 “(d) RULE OF INTERPRETATION.—This section shall
16 not be construed to prohibit a State from offering recipi-
17 ents of assistance under the State program funded under
18 this part an opportunity to participate in an education or
19 training program, consistent with the requirements of this
20 section.

21 “(e) RESEARCH.—The Secretary shall conduct re-
22 search on the costs and benefits of State activities under
23 this section.

24 “(f) EVALUATION OF INNOVATIVE APPROACHES TO
25 EMPLOYING RECIPIENTS OF ASSISTANCE.—The Sec-

1 retary shall evaluate innovative approaches to employing
2 recipients of assistance under State programs funded
3 under this part.

4 “(g) ANNUAL RANKING OF STATES AND REVIEW OF
5 MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

6 “(1) ANNUAL RANKING OF STATES.—The Sec-
7 retary shall rank the States to which grants are paid
8 under section 403 in the order of their success in
9 moving recipients of assistance under the State pro-
10 gram funded under this part into long-term private
11 sector jobs.

12 “(2) ANNUAL REVIEW OF MOST AND LEAST
13 SUCCESSFUL WORK PROGRAMS.—The Secretary shall
14 review the programs of the 3 States most recently
15 ranked highest under paragraph (1) and the 3
16 States most recently ranked lowest under paragraph
17 (1) that provide parents with work experience, as-
18 sistance in finding employment, and other work
19 preparation activities and support services to enable
20 the families of such parents to leave the program
21 and become self-sufficient.

22 “(h) SENSE OF THE CONGRESS.—In complying with
23 this section, each State that operates a program funded
24 under this part is encouraged to assign the highest prior-

1 ity to requiring families that include older preschool or
2 school-age children to be engaged in work activities.

3 “(i) SENSE OF THE CONGRESS THAT STATES
4 SHOULD IMPOSE CERTAIN REQUIREMENTS ON
5 NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It
6 is the sense of the Congress that the States should require
7 noncustodial, nonsupporting parents who have not at-
8 tained 18 years of age to fulfill community work obliga-
9 tions and attend appropriate parenting or money manage-
10 ment classes after school.

11 **“SEC. 405. PROHIBITIONS.**

12 “(a) IN GENERAL.—

13 “(1) NO ASSISTANCE FOR FAMILIES WITHOUT A
14 MINOR CHILD.—A State to which a grant is made
15 under section 403 may not use any part of the grant
16 to provide assistance to a family, unless the family
17 includes a minor child.

18 “(2) CERTAIN PAYMENTS NOT TO BE DIS-
19 REGARDED IN DETERMINING THE AMOUNT OF AS-
20 SISTANCE TO BE PROVIDED TO A FAMILY.—

21 “(A) INCOME SECURITY PAYMENTS.—If a
22 State to which a grant is made under section
23 403 uses any part of the grant to provide as-
24 sistance for any individual who is receiving a
25 payment under a State plan for old-age assist-

1 ance approved under section 2, a State program
2 funded under part B that provides cash pay-
3 ments for foster care, or the supplemental secu-
4 rity income program under title XVI (other
5 than service benefits provided through the use
6 of a grant made under part C of such title),
7 then the State may not disregard the payment
8 in determining the amount of assistance to be
9 provided to the family of which the individual
10 is a member under the State program funded
11 under this part.

12 “(B) CERTAIN SUPPORT PAYMENTS.—A
13 State to which a grant is made under section
14 403 may not disregard an amount distributed
15 to a family under section 457(a)(1)(A) in deter-
16 mining the income of the family for purposes of
17 eligibility for assistance under the State pro-
18 gram funded under this part.

19 “(3) NO ASSISTANCE FOR CERTAIN ALIENS.—
20 Notwithstanding subsection (c)(1), a State to which
21 a grant is made under section 403 may not use any
22 part of the grant to provide assistance for an indi-
23 vidual who is not a citizen or national of the United
24 States, unless—

1 “(A) (i) the individual is admitted to the
2 United States as a refugee under section 207 of
3 the Immigration and Nationality Act; and

4 “(ii) 5 years has elapsed since the date the
5 individual arrived in the United States;

6 “(B) the individual—

7 “(i) is lawfully admitted to the United
8 States for permanent residence;

9 “(ii) has attained 75 years of age; and

10 “(iii) has resided in the United States
11 for at least 5 years; or

12 “(C) the individual is honorably discharged
13 from the Armed Forces of the United States.

14 “(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK
15 BIRTHS TO MINORS.—

16 “(A) GENERAL RULE.—a State to which a
17 grant is made under section 403 may not use
18 any part of the grant to provide cash benefits
19 for a child born out-of-wedlock to an individual
20 who has not attained 18 years of age, or for the
21 individual, until the individual attains such age.

22 “(B) EXCEPTION FOR RAPE OR INCEST.—
23 Subparagraph (A) shall not apply with respect
24 to a child who is born as a result of rape or in-
25 cest.

1 “(5) NO ADDITIONAL ASSISTANCE FOR CHIL-
2 DREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

3 “(A) GENERAL RULE.—A State to which a
4 grant is made under section 403 may not use
5 any part of the grant to provide cash benefits
6 for a minor child who is born to—

7 “(i) a recipient of benefits under the
8 program operated under this part; or

9 “(ii) a person who received such bene-
10 fits at any time during the 10-month pe-
11 riod ending with the birth of the child.

12 “(B) 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 “(6) NO ASSISTANCE FOR MORE THAN 5
17 YEARS.—

18 “(A) IN GENERAL.—A State to which a
19 grant is made under section 403 may not use
20 any part of the grant to provide cash benefits
21 for the family of an individual who, after at-
22 taining 18 years of age, has received benefits
23 under the program operated under this part for
24 60 months (whether or not consecutive) after

1 the effective date of this part, except as pro-
2 vided under subparagraph (B).

3 “(B) HARDSHIP EXCEPTION.—

4 “(i) IN GENERAL.—The State may ex-
5 empt a family from the application of sub-
6 paragraph (A) by reason of hardship.

7 “(ii) LIMITATION.—The number of
8 families with respect to which an exemp-
9 tion made by a State under clause (i) is in
10 effect shall not exceed 10 percent of the
11 number of families to which the State is
12 providing assistance under the program op-
13 erated under this part.

14 “(7) NO ASSISTANCE FOR FAMILIES NOT CO-
15 OPERATING IN PATERNITY ESTABLISHMENT OR
16 CHILD SUPPORT.—Notwithstanding subsection
17 (c)(1), a State to which a grant is made under sec-
18 tion 403 may not use any part of the grant to pro-
19 vide assistance to a family that includes an individ-
20 ual whom the agency responsible for administering
21 the State plan approved under part D determines is
22 not cooperating with the State in establishing the
23 paternity of any child of the individual, or in estab-
24 lishing, modifying, or enforcing a support order with
25 respect to such a child.

1 “(8) NO ASSISTANCE FOR FAMILIES NOT AS-
2 SIGNING SUPPORT RIGHTS TO THE STATE.—Not-
3 withstanding subsection (c)(1), a State to which a
4 grant is made under section 403 may not use any
5 part of the grant to provide assistance to a family
6 that includes an individual who has not assigned to
7 the State any rights the individual may have (on be-
8 half of the individual or of any other person for
9 whom the individual has applied for or is receiving
10 such assistance) to support from any other person
11 for any period for which the individual receives such
12 assistance.

13 “(9) WITHHOLDING OF PORTION OF ASSIST-
14 ANCE FOR FAMILIES WHICH INCLUDE A CHILD
15 WHOSE PATERNITY IS NOT ESTABLISHED.—

16 “(A) IN GENERAL.—A State to which a
17 grant is made under section 403 may not fail
18 to—

19 “(i) withhold assistance under the
20 State program funded under this part from
21 a family which includes a child whose pa-
22 ternity is not established, in an amount
23 equal to \$50 or 15 percent of the amount
24 of the amount of the assistance that would
25 (in the absence of this paragraph) be pro-

1 vided to the family with respect to the
2 child, whichever the State elects; or

3 “(ii) provide to the family the total
4 amount of assistance so withheld once the
5 paternity of the child is established, if the
6 family is then eligible for such assistance.

7 “(B) EXCEPTION FOR RAPE OR INCEST.—Sub-
8 paragraph (A) shall not apply with respect to a child
9 who is born as a result of rape or incest.

10 “(10) DENIAL OF ASSISTANCE FOR 10 YEARS
11 TO A PERSON CONVICTED OF FRAUDULENTLY MIS-
12 REPRESENTING RESIDENCE TO A WELFARE PRO-
13 GRAM.—A State to which a grant is made under sec-
14 tion 403 may not use any part of the grant to pro-
15 vide assistance to an individual during the 10-year
16 period that begins with the date the individual is
17 convicted in Federal or State court of making a
18 fraudulent statement or representation with respect
19 to the place of residence of the person in order to
20 receive benefits or services under 2 or more pro-
21 grams that are funded under this part.

22 “(b) MINOR CHILD DEFINED.—As used in sub-
23 section (a), the term ‘minor child’ means an individual—

24 “(1) who has not attained 18 years of age; or

25 “(2) who—

1 “(A) has not attained 19 years of age; and

2 “(B) is a full-time student in a secondary
3 school (or in the equivalent level of vocational
4 or technical training).

5 **“SEC. 406. DATA COLLECTION AND REPORTING.**

6 “(a) IN GENERAL.—Each State to which a grant is
7 made under section 403 for a fiscal year shall, not later
8 than 6 months after the end of the fiscal year, transmit
9 to the Secretary the following aggregate information on
10 families to which assistance was provided during the fiscal
11 year under the State program operated under this part
12 or an equivalent State program:

13 “(1) The number of adults receiving such as-
14 sistance.

15 “(2) The number of children receiving such as-
16 sistance and the average age of the children.

17 “(3) The employment status of such adults, and
18 the average earnings of employed adults receiving
19 such assistance.

20 “(4) The number of 1-parent families in which
21 the parent is a widow or widower, is divorced, is sep-
22 arated, or has never married.

23 “(5) The age, race, and educational attainment
24 of the adults receiving such assistance.

1 “(6) The average assistance provided to the
2 families under the program.

3 “(7) Whether, at the time of application for as-
4 sistance under the program, the families or any
5 member of the families receives benefits under any
6 of the following:

7 “(A) Any housing program.

8 “(B) The food stamp program under the
9 Food Stamp Act of 1977.

10 “(C) The Head Start programs carried out
11 under the Head Start Act.

12 “(D) Any job training program.

13 “(8) The number of months, since the most re-
14 cent application for assistance under the program,
15 for which such assistance has been provided to the
16 families.

17 “(9) The total number of months for which as-
18 sistance has been provided to the families under the
19 program.

20 “(10) Any other data necessary to indicate
21 whether the State is in compliance with the plan
22 most recently submitted by the State pursuant to
23 section 402.

24 “(11) The components of any program carried
25 out by the State to provide employment and training

1 activities in order to comply with section 404, and
2 the average monthly number of adults in each such
3 component.

4 “(12) The number of part-time job placements
5 and the number of full-time job placements made
6 through the program referred to in paragraph (11),
7 the number of cases with reduced assistance, and
8 the number of cases closed due to employment.

9 “(b) AUTHORITY OF STATES TO USE ESTIMATES.—
10 A State may comply with the requirement to provide pre-
11 cise numerical information described in subsection (a) by
12 submitting an estimate which is obtained through the use
13 of scientifically acceptable sampling methods.

14 “(c) REPORT ON USE OF FEDERAL FUNDS TO
15 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The
16 report required by subsection (a) for a fiscal year shall
17 include a statement of the percentage of the funds paid
18 to the State under this part for the fiscal year that are
19 used to cover administrative costs or overhead.

20 “(d) REPORT ON STATE EXPENDITURES ON PRO-
21 GRAMS FOR NEEDY FAMILIES.—The report required by
22 subsection (a) for a fiscal year shall include a statement
23 of the total amount expended by the State during the fis-
24 cal year on programs for needy families.

1 “(e) REPORT ON NONCUSTODIAL PARENTS PARTICI-
 2 PATING IN WORK ACTIVITIES.—The report required by
 3 subsection (a) for a fiscal year shall include the number
 4 of noncustodial parents in the State who participated in
 5 work activities (as defined in section 404(b)(1)) during the
 6 fiscal year.

7 **“SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
 8 **IES.**

9 “(a) RESEARCH.—The Secretary may conduct re-
 10 search on the effects, costs, and benefits of State pro-
 11 grams funded under this part.

12 “(b) DEVELOPMENT AND EVALUATION OF INNOVA-
 13 TIVE APPROACHES TO EMPLOYING WELFARE RECIPI-
 14 ENTS.—The Secretary may assist States in developing,
 15 and shall evaluate, innovative approaches to employing re-
 16 cipients of cash assistance under programs funded under
 17 this part. In performing such evaluations, the Secretary
 18 shall, to the maximum extent feasible, use random assign-
 19 ment to experimental and control groups.

20 “(c) STUDIES OF WELFARE CASELOADS.—The Sec-
 21 retary may conduct studies of the caseloads of States oper-
 22 ating programs funded under this part.

23 “(d) DISSEMINATION OF INFORMATION.—The Sec-
 24 retary shall develop innovative methods of disseminating
 25 information on any research, evaluations, and studies con-

1 ducted under this section, including the facilitation of the
2 sharing of information and best practices among States
3 and localities through the use of computers and other
4 technologies.

5 **“SEC. 408. STUDY BY THE CENSUS BUREAU.**

6 “(a) IN GENERAL.—The Bureau of the Census shall
7 expand the Survey of Income and Program Participation
8 as necessary to obtain such information as will enable in-
9 terested persons to evaluate the impact of the amendments
10 made by title I of the Personal Responsibility Act of 1995
11 on a random national sample of recipients of assistance
12 under State programs funded under this part and (as ap-
13 propriate) other low income families, and in doing so, shall
14 pay particular attention to the issues of out-of-wedlock
15 birth, welfare dependency, the beginning and end of wel-
16 fare spells, and the causes of repeat welfare spells.

17 “(b) APPROPRIATION.—Out of any money in the
18 Treasury of the United States not otherwise appropriated,
19 the Secretary of the Treasury shall pay to the Bureau of
20 the Census \$10,000,000 for each of fiscal years 1996,
21 1997, 1998, 1999, and 2000 to carry out subsection (a).”.

22 **SEC. 102. 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.

24 **SEC. 103. TRANSFERS.**

25 (a) CHILD SUPPORT REVIEW PENALTIES.—

1 (1) TRANSFER OF PROVISION.—Section 403 of
2 the Social Security Act, as added by the amendment
3 made by section 101 of this Act, is amended by add-
4 ing at the end subsection (h) of section 403, as in
5 effect immediately before the effective date of this
6 title.

7 (2) CONFORMING AMENDMENT.—Section
8 403(h)(3) of such Act, as in effect pursuant to para-
9 graph (1) of this subsection, is amended by striking
10 “, section 402(a)(27),”.

11 (b) ASSISTANT SECRETARY FOR FAMILY SUPPORT.—

12 (1) REDESIGNATION OF PROVISION.—Section
13 417 of such Act (42 U.S.C. 617), as in effect imme-
14 diately before the effective date of this title, is
15 amended by striking the following:

16 “ASSISTANT SECRETARY FOR FAMILY SUPPORT”

17 “SEC. 417.”

18 and inserting the following:

19 “SEC. 408. ASSISTANT SECRETARY FOR FAMILY SUPPORT.”.

20 (2) TRANSFER OF PROVISION.—Part A of title
21 IV of such Act, as added by the amendment made
22 by section 101 of this Act, is amended by adding at
23 the end the section amended by paragraph (1) of
24 this subsection.

25 (3) CONFORMING AMENDMENT.—Section 408
26 of such Act, as added by paragraph (2) of this sub-

1 section is amended by striking “, part D, and part
2 F” and inserting “and part D”.

3 **SEC. 104. CONFORMING AMENDMENTS TO THE SOCIAL**
4 **SECURITY ACT.**

5 (a) AMENDMENTS TO TITLE II.—

6 (1) Section 205(c)(2)(C)(vi) of the Social Secu-
7 rity Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesign-
8 nated by section 321(a)(9)(B) of the Social Security
9 Independence and Program Improvements Act of
10 1994, is amended—

11 (A) by inserting “an agency administering
12 a program funded under part A of title IV or”
13 before “an agency operating”; and

14 (B) by striking “A or D of title IV of this
15 Act” and inserting “D of such title”.

16 (2) Section 228(d)(1) of such Act (42 U.S.C.
17 428(d)(1)) is amended by inserting “under a State
18 program funded under” before “part A of title IV”.

19 (b) AMENDMENTS TO PART D OF TITLE IV.—

20 (1) Section 451 of such Act (42 U.S.C. 651) is
21 amended by striking “aid” and inserting “assistance
22 under a State program funded”.

23 (2) Section 452(a)(10)(C) of such Act (42
24 U.S.C. 652(a)(10)(C)) is amended—

1 (A) by striking “aid to families with de-
2 pendent children” and inserting “assistance
3 under a State program funded under part A”;
4 and

5 (B) by striking “such aid” and inserting
6 “such assistance”; and

7 (C) by striking “under section 402(a)(26)”
8 and inserting “pursuant to section 405(a)(8)”.

9 (3) Section 452(a)(10)(F) of such Act (42
10 U.S.C. 652(a)(10)(F)) is amended—

11 (A) by striking “aid under a State plan ap-
12 proved” and inserting “assistance under a State
13 program funded”; and

14 (B) by striking “in accordance with the
15 standards referred to in section
16 402(a)(26)(B)(ii)” and inserting “by the
17 State”.

18 (4) Section 452(b) of such Act (42 U.S.C.
19 652(b)) is amended in the last sentence by striking
20 “plan approved under part A” and inserting “pro-
21 gram funded under part A”.

22 (5) Section 452(d)(3)(B)(i) of such Act (42
23 U.S.C. 652(d)(3)(B)(i)) is amended by striking
24 “1115(c)” and inserting “1115(b)”.

1 (6) Section 452(g)(2)(A)(ii)(I) of such Act (42
2 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking
3 “aid is being paid under the State’s plan approved”
4 and inserting “assistance is being provided under
5 the State program funded under”.

6 (7) Section 452(g)(2)(A) of such Act (42
7 U.S.C. 652(g)(2)(A)) is amended in the matter fol-
8 lowing clause (iii) by striking “aid was being paid
9 under the State’s plan approved” and inserting “as-
10 sistance was being provided under the State pro-
11 gram funded”.

12 (8) Section 452(g)(2) of such Act (42 U.S.C.
13 652(g)(2)) is amended in the matter following sub-
14 paragraph (B)—

15 (A) by striking “who is a dependent child
16 by reason of the death of a parent” and insert-
17 ing “with respect to whom assistance is being
18 provided under the State program funded under
19 part A”; and

20 (B) by inserting “by the State agency ad-
21 ministering the State plan approved under this
22 part” after “found”;

23 (C) by striking “under section 402(a)(26)”
24 and inserting “pursuant to section 405(a)(8)”;
25 and

1 (D) by striking “administering the plan
2 under part E determines (as provided in section
3 454(4)(B))” and inserting “determines”.

4 (9) Section 452(h) of such Act (42 U.S.C.
5 652(h)) is amended by striking “under section
6 402(a)(26)” and inserting “pursuant to section
7 405(a)(8)”.

8 (10) Section 454(5) of such Act (42 U.S.C.
9 654(5)) is amended—

10 (A) by striking “under section 402(a)(26)”
11 and inserting “pursuant to section 405(a)(8)”;
12 and

13 (B) by striking “except that this para-
14 graph shall not apply to such payments for any
15 month following the first month in which the
16 amount collected is sufficient to make such
17 family ineligible for assistance under the State
18 plan approved under part A;”.

19 (11) Section 454(6)(D) of such Act (42 U.S.C.
20 654(6)(D)) is amended by striking “aid under a
21 State plan approved” and inserting “assistance
22 under a State program funded”.

23 (12) Section 456 of such Act (42 U.S.C. 656)
24 is amended by striking “under section 402(a)(26)”

1 each place such term appears and inserting “pursu-
2 ant to section 405(a)(8)”.

3 (13) Section 466(a)(3)(B) of such Act (42
4 U.S.C. 666(a)(3)(B)) is amended by striking
5 “402(a)(26)” and inserting “405(a)(8)”.

6 (14) Section 466(b)(2) of such Act (42 U.S.C.
7 666(b)(2)) is amended by striking “aid” and insert-
8 ing “assistance under a State program funded”.

9 (c) REPEAL OF PART F OF TITLE IV.—Part F of
10 title IV of such Act (42 U.S.C. 681–687) is hereby re-
11 pealed.

12 (d) AMENDMENT TO TITLE X.—Section 1002(a)(7)
13 of such Act (42 U.S.C. 1202(a)(7)) is amended by striking
14 “aid to families with dependent children under the State
15 plan approved under section 402 of this Act” and insert-
16 ing “assistance under a State program funded under part
17 A of title IV”.

18 (e) AMENDMENTS TO TITLE XI.—

19 (1) Section 1108 of such Act (42 U.S.C. 1308)
20 is amended—

21 (A) by striking subsections (a), (b), (d),
22 and (e); and

23 (B) by striking “(c)”.

24 (2) Section 1109 of such Act (42 U.S.C. 1309)
25 is amended by striking “or part A of title IV,”.

1 (3) Section 1115(a) of such Act (42 U.S.C.
2 1315(a)) is amended—

3 (A) in the matter preceding paragraph (1),
4 by striking “A or”;

5 (B) in paragraph (1), by striking “402,”;
6 and

7 (C) in paragraph (2), by striking “403,”.

8 (4) Section 1116 of such Act (42 U.S.C. 1316)
9 is amended—

10 (A) in each of subsections (a)(1), (b), and
11 (d), by striking “or part A of title IV,”; and

12 (B) in subsection (a)(3), by striking
13 “404,”;

14 (5) Section 1118 of such Act (42 U.S.C. 1318)
15 is amended—

16 (A) by striking “403(a),”;

17 (B) by striking “and part A of title IV,”;

18 and

19 (C) by striking “, and shall, in the case of
20 American Samoa, mean 75 per centum with re-
21 spect to part A of title IV”.

22 (6) Section 1119 of such Act (42 U.S.C. 1319)
23 is amended—

24 (A) by striking “or part A of title IV”; and

25 (B) by striking “403(a),”.

1 (7) Section 1133(a) of such Act (42 U.S.C.
2 1320b-3(a)) is amended by striking “or part A of
3 title IV,”.

4 (8) Section 1136 of such Act (42 U.S.C.
5 1320b-6) is hereby repealed.

6 (9) Section 1137 of such Act (42 U.S.C.
7 1320b-7) is amended—

8 (A) in subsection (b), by striking para-
9 graph (1) and inserting the following:

10 “(1) any State program funded under part A of
11 title IV of this Act;”; and

12 (B) in subsection (d)(1)(B)—

13 (i) by striking “In this subsection—”
14 and all that follows through “(ii) in” and
15 inserting “In this subsection, in”; and

16 (ii) by redesignating subclauses (I),
17 (II), and (III) as clauses (i), (ii), and (iii);
18 and

19 (iii) by moving such redesignated ma-
20 terial 2 ems to the left.

21 (f) AMENDMENT TO TITLE XIV.—Section
22 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amend-
23 ed by striking “aid to families with dependent children
24 under the State plan approved under section 402 of this

1 Act” and inserting “assistance under a State program
2 funded under part A of title IV”.

3 (g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
4 RESPECT TO THE TERRITORIES.—Section 1602(a)(11) of
5 such Act, as in effect without regard to the amendment
6 made by section 301 of the Social Security Amendments
7 of 1972, (42 U.S.C. 1382 note) is amended by striking
8 “aid under the State plan approved” and inserting “assist-
9 ance under a State program funded”.

10 (h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
11 RESPECT TO THE STATES.—Section 1611(c)(5)(A) of
12 such Act (42 U.S.C. 1382(c)(5)(A)) is amended to read
13 as follows: “(A) a State program funded under part A of
14 title IV,”.

15 **SEC. 105. CONFORMING AMENDMENTS TO OTHER LAWS.**

16 (a) Subsection (b) of section 508 of the Unemploy-
17 ment Compensation Amendments of 1976 (42 U.S.C.
18 603a) is amended to read as follows:

19 “(b) PROVISION FOR REIMBURSEMENT OF EX-
20 PENSES.—For purposes of section 455 of the Social Secu-
21 rity Act, expenses incurred to reimburse State employment
22 offices for furnishing information requested of such of-
23 fices—

24 “(1) pursuant to the third sentence of section
25 3(a) of the Act entitled ‘An Act to provide for the

1 establishment of a national employment system and
2 for cooperation with the States in the promotion of
3 such system, and for other purposes', approved June
4 6, 1933 (29 U.S.C. 49b(a)),

5 "(2) by a State or local agency charged with
6 the duty of carrying a State plan for child support
7 approved under part D of title IV of the Social Se-
8 curity Act,

9 shall be considered to constitute expenses incurred in the
10 administration of such State plan."

11 (b) Paragraph (9) of section 51(d) of the Internal
12 Revenue Code of 1986 is amended by striking all that fol-
13 lows "agency as" and inserting "being eligible for financial
14 assistance under part A of title IV of the Social Security
15 Act and as having continually received such financial as-
16 sistance during the 90-day period which immediately pre-
17 cedes the date on which such individual is hired by the
18 employer."

19 (c) Section 9121 of the Omnibus Budget Reconcili-
20 ation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

21 (d) Section 9122 of the Omnibus Budget Reconcili-
22 ation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

23 (e) Section 221 of the Housing and Urban-Rural Re-
24 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-

1 ment under AFDC of certain rental payments for federally
2 assisted housing, is hereby repealed.

3 (f) Section 159 of the Tax Equity and Fiscal Respon-
4 sibility Act of 1982 (42 U.S.C. 602 note) is hereby re-
5 pealed.

6 (g) Section 202(d) of the Social Security Amend-
7 ments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is here-
8 by repealed.

9 (h) Section 233 of the Social Security Act Amend-
10 ments of 1994 (42 U.S.C. 602 note) is hereby repealed.

11 (i) Section 903 of the Stewart B. McKinney Home-
12 less Assistance Amendments Act of 1988 (42 U.S.C.
13 11381 note), relating to demonstration projects to reduce
14 number of AFDC families in welfare hotels, is amended—

15 (A) in subsection (a), by striking “aid to fami-
16 lies with dependent children under a State plan ap-
17 proved” and inserting “assistance under a State pro-
18 gram funded”; and

19 (B) in subsection (c), by striking “aid to fami-
20 lies with dependent children in the State under a
21 State plan approved” and inserting “assistance in
22 the State under a State program funded”.

1 SEC. 106. CONTINUED APPLICATION OF CURRENT STAND-
2 ARDS UNDER MEDICAID PROGRAM.

3 (a) IN GENERAL.—Title XIX of the Social Security
4 Act is amended—

5 (1) in section 1931, by inserting “subject to
6 section 1931(a),” after “under this title,” and by re-
7 designating such section as section 1932; and

8 (2) by inserting after section 1930 the following
9 new section:

10 “CONTINUED APPLICATION OF AFDC STANDARDS

11 “SEC. 1931. (a) For purposes of applying this title
12 on and after October 1, 1995, with respect to a State—

13 “(1) except as provided in paragraph (2), any
14 reference in this title (or other provision of law in
15 relation to the operation of this title) to a provision
16 of part A of title IV of this Act, or a State plan
17 under such part, shall be considered a reference to
18 such provision or plan as in effect as of March 7,
19 1995, with respect to the State and eligibility for
20 medical assistance under this title shall be deter-
21 mined as if such provision or plan (as in effect as
22 of such date) had remained in effect on and after
23 October 1, 1995; and

24 “(2) any reference in section 1902(a)(5) or
25 1902(a)(55) to a State plan approved under part A
26 of title IV shall be deemed a reference to a State

1 program funded under such part (as in effect on and
2 after October 1, 1995).

3 “(b) In the case of a waiver of a provision of part
4 A of title IV in effect with respect to a State as of March
5 7, 1995, if the waiver affects eligibility of individuals for
6 medical assistance under this title, such waiver may con-
7 tinue to be applied, at the option of the State, in relation
8 to this title after the date the waiver would otherwise
9 expire.”

10 (b) PLAN AMENDMENT.—Section 1902(a) of such
11 Act (42 U.S.C. 1396a(a)) is amended—

12 (1) by striking “and” at the end of paragraph
13 (61),

14 (2) by striking the period at the end of para-
15 graph (62) and inserting “; and”, and

16 (3) by inserting after paragraph (62) the fol-
17 lowing new paragraph:

18 “(63) provide for continuing to administer eligi-
19 bility standards with respect to individuals who are
20 (or seek to be) eligible for medical assistance based
21 on the application of section 1931.”.

22 (c) CONFORMING AMENDMENTS.—(1) Section
23 1902(c) of such Act (42 U.S.C. 1396a(c)) is amended by
24 striking “if—” and all that follows and inserting the fol-
25 lowing: “if the State requires individuals described in sub-

1 section (l)(1) to apply for assistance under the State pro-
2 gram funded under part A of title IV as a condition of
3 applying for or receiving medical assistance under this
4 title.”.

5 (2) Section 1903(i) of such Act (42 U.S.C. 1396b(i))
6 is amended by striking paragraph (9).

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to medical assistance furnished for
9 calendar quarters beginning on or after October 1, 1995.

10 **SEC. 107. EFFECTIVE DATE.**

11 (a) IN GENERAL.—Except as otherwise provided in
12 this title, this title and the amendments made by this title
13 shall take effect on October 1, 1995.

14 (b) DELAYED APPLICABILITY OF AUTHORITY TO
15 TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMI-
16 LIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS
17 NOT ESTABLISHED.—Section 405(a)(9) of the Social Se-
18 curity Act, as added by the amendment made by section
19 101 of this Act, shall not apply to individuals who, imme-
20 diately before the effective date of this title, are recipients
21 of aid under a State plan approved under part A of title
22 IV of the Social Security Act, until the end of the 1-year
23 (or, at the option of the State, 2-year) period that begins
24 with such effective date.

1 (c) TRANSITION RULE.—The amendments made by
2 this title shall not apply with respect to—

3 (1) powers, duties, functions, rights, claims,
4 penalties, or obligations applicable to aid or services
5 provided before the effective date of this title under
6 the provisions amended; and

7 (2) administrative actions and proceedings com-
8 menced before such date, or authorized before such
9 date to be commenced, under such provisions.

10 **TITLE II—CHILD PROTECTION** 11 **BLOCK GRANT PROGRAM**

12 **SEC. 201. ESTABLISHMENT OF PROGRAM.**

13 Part B of title IV of the Social Security Act (42
14 U.S.C. 620–635) is amended to read as follows:

15 **“PART B—BLOCK GRANTS TO STATES FOR THE** 16 **PROTECTION OF CHILDREN**

17 **“SEC. 421. PURPOSE.**

18 “The purpose of this part is to enable eligible States
19 to carry out a child protection program to—

20 “(1) identify and assist families at risk of abus-
21 ing or neglecting their children;

22 “(2) operate a system for receiving reports of
23 abuse or neglect of children;

24 “(3) investigate families reported to abuse or
25 neglect their children;

1 “(4) provide support, treatment, and family
2 preservation services to families which are, or are at
3 risk of, abusing or neglecting their children;

4 “(5) support children who must be removed
5 from or who cannot live with their families;

6 “(6) make timely decisions about permanent liv-
7 ing arrangements for children who must be removed
8 from or who cannot live with their families; and

9 “(7) provide for continuing evaluation and im-
10 provement of child protection laws, regulations, and
11 services.

12 **“SEC. 422. ELIGIBLE STATES.**

13 “(a) IN GENERAL.—As used in this part, the term
14 ‘eligible State’ means, with respect to a fiscal year, a State
15 that, during the 3-year period immediately preceding the
16 fiscal year, has submitted to the Secretary a plan that in-
17 cludes the following:

18 “(1) OUTLINE OF CHILD PROTECTION PRO-
19 GRAM.—A written document that outlines the activi-
20 ties the State intends to conduct to achieve the pur-
21 pose of this part, including the procedures to be
22 used for—

23 “(A) receiving reports of child abuse or ne-
24 glect;

25 “(B) investigating such reports;

1 “(C) protecting children in families in
2 which child abuse or neglect is found to have
3 occurred;

4 “(D) removing children from dangerous
5 settings;

6 “(E) protecting children in foster care;

7 “(F) promoting timely adoptions;

8 “(G) protecting the rights of families;

9 “(H) preventing child abuse and neglect;

10 and

11 “(I) establishing and responding to citizen
12 review panels under section 425.

13 “(2) CERTIFICATION OF STATE LAW REQUIRING
14 THE REPORTING OF CHILD ABUSE AND NEGLECT.—
15 A certification that the State has in effect laws that
16 require public officials and other professionals to re-
17 port actual or suspected instances of child abuse or
18 neglect.

19 “(3) CERTIFICATION OF STATE PROGRAM TO
20 INVESTIGATE CHILD ABUSE AND NEGLECT CASES.—
21 A certification that the State has in effect a pro-
22 gram to investigate child abuse and neglect cases.

23 “(4) CERTIFICATION OF STATE PROCEDURES
24 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-
25 GLECTED CHILDREN.—A certification that the State

1 has in effect procedures for removal from families
2 and placement of abused or neglected children.

3 “(5) 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, which specifies the goal for achieving a per-
10 manent placement for the child in a timely fashion,
11 for ensuring that the written plan is reviewed every
12 6 months, and for ensuring that information about
13 such children is collected regularly and recorded in
14 case records, and a description of such procedures.

15 “(6) CERTIFICATION THAT THE STATE WILL
16 CONTINUE TO HONOR ADOPTION ASSISTANCE
17 AGREEMENTS.—A certification that the State will
18 honor any adoption assistance agreement (as defined
19 in section 475(3), as in effect immediately before the
20 effective date of this part) entered into by an agency
21 of the State, that is in effect as of such effective
22 date.

23 “(7) CERTIFICATION OF STATE PROGRAM TO
24 PROVIDE INDEPENDENT LIVING SERVICES.—A cer-
25 tification that the State has in effect a program to

1 provide independent living services to individuals in
2 the child protection program of the State who have
3 attained 16 years of age but have not attained 20
4 (or, at the option of the State, 22) years of age, and
5 who do not have a family to which to be returned
6 for assistance in making the transition to self-suffi-
7 cient adulthood.

8 “(8) CERTIFICATION OF STATE PROCEDURES
9 TO RESPOND TO REPORTING OF MEDICAL NEGLECT
10 OF DISABLED INFANTS.—

11 “(A) IN GENERAL.—A certification that
12 the State has in place for the purpose of re-
13 sponding to the reporting of medical neglect of
14 infants (including instances of withholding of
15 medically indicated treatment from disabled in-
16 fants with life-threatening conditions), proce-
17 dures or programs, or both (within the State
18 child protective services system), to provide
19 for—

20 “(i) coordination and consultation
21 with individuals designated by and within
22 appropriate health-care facilities;

23 “(ii) prompt notification by individ-
24 uals designated by and within appropriate
25 health-care facilities of cases of suspected

1 medical neglect (including instances of
2 withholding of medically indicated treat-
3 ment from disabled infants with life-threat-
4 ening conditions); and

5 “(iii) authority, under State law, for
6 the State child protective service to pursue
7 any legal remedies, including the authority
8 to initiate legal proceedings in a court of
9 competent jurisdiction, as may be nec-
10 essary to prevent the withholding of medi-
11 cally indicated treatment from disabled in-
12 fants with life-threatening conditions.

13 “(B) WITHHOLDING OF MEDICALLY INDI-
14 CATED TREATMENT.—As used in subparagraph
15 (A), the term ‘withholding of medically indi-
16 cated treatment’ means the failure to respond
17 to the infant’s life-threatening conditions by
18 providing treatment (including appropriate nu-
19 trition, hydration, and medication) which, in the
20 treating physician’s or physicians’ reasonable
21 medical judgment, will be most likely to be ef-
22 fective in ameliorating or correcting all such
23 conditions, except that such term does not in-
24 clude the failure to provide treatment (other
25 than appropriate nutrition, hydration, or medi-

1 cation) to an infant when, in the treating physi-
2 cian's or physicians' reasonable medical judg-
3 ment—

4 “(i) the infant is chronically and irre-
5 versibly comatose;

6 “(ii) the provision of such treatment
7 would—

8 “(I) merely prolong dying;

9 “(II) not be effective in amelio-
10 rating or correcting all of the infant's
11 life-threatening conditions; or

12 “(III) otherwise be futile in
13 terms of the survival of the infant; or

14 “(iii) the provision of such treatment
15 would be virtually futile in terms of the
16 survival of the infant and the treatment it-
17 self under such circumstances would be in-
18 humane.

19 “(9) IDENTIFICATION OF CHILD PROTECTION
20 GOALS.—The quantitative goals of the State child
21 protection program.

22 “(b) DETERMINATIONS.—The Secretary shall deter-
23 mine whether a plan submitted pursuant to subsection (a)
24 contains the material required by subsection (a). The Sec-
25 retary may not require a State to include in such a plan

1 any material not described in subsection (a), and may not
2 review the adequacy of State procedures.

3 **“SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.**

4 “(a) ENTITLEMENT.—

5 “(1) IN GENERAL.—Each eligible State shall be
6 entitled to receive from the Secretary for each fiscal
7 year specified in subsection (b)(1) a grant in an
8 amount equal to the State share of the child protec-
9 tion amount for the fiscal year.

10 “(2) ADDITIONAL GRANT.—

11 “(A) IN GENERAL.—In addition to a grant
12 under paragraph (1) of this subsection, the Sec-
13 retary shall pay to each eligible State for each
14 fiscal year specified in subsection (b)(1) an
15 amount equal to the State share of the amount
16 (if any) appropriated pursuant to subparagraph
17 (B) of this paragraph for the fiscal year.

18 “(B) LIMITATION ON AUTHORIZATION OF
19 APPROPRIATIONS.—For grants under subpara-
20 graph (A), there are authorized to be appro-
21 priated to the Secretary an amount not to ex-
22 ceed \$486,000,000 for each fiscal year specified
23 in subsection (b)(1).

24 “(b) DEFINITIONS.—As used in this section:

1 sires to review, and shall provide the panel with staff as-
2 sistance in performing its duties.

3 “(f) REPORTS.—Each panel established under sub-
4 section (a) shall make a public report of its activities after
5 each meeting.

6 **“SEC. 426. CLEARINGHOUSE AND HOTLINE ON MISSING**
7 **AND RUNAWAY CHILDREN.**

8 “(a) IN GENERAL.—The Secretary shall establish
9 and operate a clearinghouse of information on children
10 who are missing or have run away from home, including
11 a 24-hour toll-free telephone hotline which may be con-
12 tacted for information on such children.

13 “(b) LIMITATION ON AUTHORIZATION OF APPRO-
14 PRIATIONS.—To carry out subsection (a), there are au-
15 thorized to be appropriated to the Secretary not to exceed
16 \$7,000,000 for each fiscal year.

17 **“SEC. 427. DATA COLLECTION AND REPORTING.**

18 “(a) ANNUAL REPORTS ON STATE CHILD WELFARE
19 GOALS.—On the date that is 3 years after the effective
20 date of this part and annually thereafter, each State to
21 which a grant is made under section 423 shall submit to
22 the Secretary a report that contains quantitative informa-
23 tion on the extent to which the State is making progress
24 toward achieving the goals of the State child protection
25 program.

1 “(b) ANNUAL STATE DATA REPORTS.—Each State
2 to which a grant is made under section 423 shall annually
3 submit to the Secretary of Health and Human Services
4 a report that includes the following:

5 “(1) The number of children who were reported
6 to the State during the year as abused or neglected.

7 “(2) Of the number of children described in
8 paragraph (1), the number with respect to whom
9 such reports were substantiated.

10 “(3) Of the number of children described in
11 paragraph (2)—

12 “(A) the number that did not receive serv-
13 ices during the year under the State program
14 funded under this part;

15 “(B) the number that received services
16 during the year under the State program fund-
17 ed under this part or an equivalent State pro-
18 gram; and

19 “(C) the number that were removed from
20 their families during the year.

21 “(4) The number of families that received pre-
22 ventive services from the State during the year.

23 “(5) The number of children who entered foster
24 care under the responsibility of the State during the
25 year.

1 “(6) The number of children in foster care
2 under the responsibility of the State who exited from
3 foster care during the year.

4 “(7) The types of foster care placements made
5 by the State during the year, and the average
6 monthly number of children in each type of place-
7 ment.

8 “(8) The average length of the foster care
9 placements made by the State during the year.

10 “(9) The age, ethnicity, gender, and family in-
11 come of the children placed in foster care under the
12 responsibility of the State during the year.

13 “(10) The number of children in foster care
14 under the responsibility of the State with respect to
15 whom the State has the goal of adoption.

16 “(11) The number of children in foster care
17 under the responsibility of the State who were freed
18 for adoption during the year.

19 “(12) The number of children in foster care
20 under the responsibility of the State whose adoptions
21 were finalized during the year.

22 “(13) The number of disrupted adoptions in the
23 State during the year.

24 “(14) Quantitative measurements showing
25 whether the State is making progress toward the

1 child protection goals identified by the State under
2 section 422(a)(9).

3 “(15) The number of infants abandoned in the
4 State during the year, and the number of such in-
5 fants who were legally adopted during the year and
6 the length of time between the discovery of the aban-
7 donment and such adoption.

8 “(16) The number of children who died during
9 the year while in foster care under the responsibility
10 of the State.

11 “(17) The number of deaths in the State dur-
12 ing the year resulting from child abuse or neglect.

13 “(18) The number of children served by the
14 independent living program of the State.

15 “(19) Any other information which the Sec-
16 retary and a majority of the States agree is appro-
17 priate to collect for purposes of this part.

18 “(20) The response of the State to the findings
19 and recommendations of the citizen review panels es-
20 tablished by the State pursuant to section 425.

21 “(c) AUTHORITY OF STATES TO USE ESTIMATES.—
22 A State may comply with a requirement to provide precise
23 numerical information described in subsection (b) by sub-
24 mitting an estimate which is obtained through the use of
25 scientifically acceptable sampling methods.

1 “(d) ANNUAL REPORT BY THE SECRETARY.—Within
2 6 months after the end of each fiscal year, the Secretary
3 shall prepare a report based on information provided by
4 the States for the fiscal year pursuant to subsection (b),
5 and shall make the report and such information available
6 to the Congress and the public.

7 “(e) SCOPE OF STATE PROGRAM FUNDED UNDER
8 THIS PART.—As used in subsection (b), the term ‘State
9 program funded under this part’ includes any equivalent
10 State program.

11 **“SEC. 428. RESEARCH AND TRAINING.**

12 “(a) IN GENERAL.—The Secretary shall conduct re-
13 search and training in child welfare.

14 “(b) LIMITATION ON AUTHORIZATION OF APPRO-
15 PRIATIONS.—To carry out subsection (a), there are au-
16 thorized to be appropriated to the Secretary not to exceed
17 \$10,000,000 for each fiscal year.

18 **“SEC. 429. NATIONAL RANDOM SAMPLE STUDY OF CHILD**
19 **WELFARE.**

20 “(a) IN GENERAL.—The Secretary shall conduct a
21 national study based on random samples of children who
22 are at risk of child abuse or neglect, or are determined
23 by States to have been abused or neglected.

24 “(b) REQUIREMENTS.—The study required by sub-
25 section (a) shall—

1 “(1) have a longitudinal component; and

2 “(2) yield data reliable at the State level for as
3 many States as the Secretary determines is feasible.

4 “(c) PREFERRED CONTENTS.—In conducting the
5 study required by subsection (a), the Secretary should—

6 “(1) collect data on the child protection pro-
7 grams of different small States or (different groups
8 of such States) in different years to yield an occa-
9 sional picture of the child protection programs of
10 such States;

11 “(2) carefully consider selecting the sample
12 from cases of confirmed abuse or neglect; and

13 “(3) follow each case for several years while ob-
14 taining information on, among other things—

15 “(A) the type of abuse or neglect involved;

16 “(B) the frequency of contact with State
17 or local agencies;

18 “(C) whether the child involved has been
19 separated from the family, and, if so, under
20 what circumstances;

21 “(D) the number, type, and characteristics
22 of out-of-home placements of the child; and

23 “(E) the average duration of each place-
24 ment.

25 “(d) REPORTS.—

1 “(1) IN GENERAL.—From time to time, the
2 Secretary shall prepare reports summarizing the re-
3 sults of the study required by subsection (a), and
4 should include in such reports a comparison of the
5 results of the study with the information reported by
6 States under section 427.

7 “(2) AVAILABILITY.—The Secretary shall make
8 available to the public any report prepared under
9 paragraph (1), in writing or in the form of an elec-
10 tronic data tape.

11 “(3) AUTHORITY TO CHARGE FEE.—The Sec-
12 retary may charge and collect a fee for the furnish-
13 ing of reports under paragraph (2).

14 “(e) FUNDING.—Out of any money in the Treasury
15 of the United States not otherwise appropriated, the Sec-
16 retary of the Treasury shall pay to the Secretary of Health
17 and Human Services \$6,000,000 for each of fiscal years
18 1996 through 2000 to carry out this section.

19 **“SEC. 430. REMOVAL OF BARRIERS TO INTERETHNIC**
20 **ADOPTION.**

21 “(a) PURPOSE.—The purpose of this section is to de-
22 crease the length of time that children wait to be adopted
23 and to prevent discrimination in the placement of children
24 on the basis of race, color, or national origin.

25 “(b) MULTIETHNIC PLACEMENTS.—

1 “(1) PROHIBITION.—A State or other entity
2 that receives funds from the Federal Government
3 and is involved in adoption or foster care placements
4 may not—

5 “(A) deny to any person the opportunity to
6 become an adoptive or a foster parent, on the
7 basis of the race, color, or national origin of the
8 person, or of the child, involved; or

9 “(B) delay or deny the placement of a
10 child for adoption or into foster care, or other-
11 wise discriminate in making a placement deci-
12 sion, on the basis of the race, color, or national
13 origin of the adoptive or foster parent, or the
14 child, involved.

15 “(2) PENALTIES.—

16 “(A) STATE VIOLATORS.—A State that
17 violates paragraph (1) during a period shall
18 remit to the Secretary all funds that were paid
19 to the State under this part during the period.

20 “(B) PRIVATE VIOLATORS.—Any other en-
21 tity that violates paragraph (1) during a period
22 shall remit to the Secretary all funds that were
23 paid to the entity during the period by a State
24 from funds provided under this part.

25 “(3) PRIVATE CAUSE OF ACTION.—

1 “(A) IN GENERAL.—Any individual who is
2 aggrieved by a violation of paragraph (1) by a
3 State or other entity may bring an action seek-
4 ing relief in any United States district court.

5 “(B) STATUTE OF LIMITATIONS.—An ac-
6 tion under this paragraph may not be brought
7 more than 2 years after the date the alleged
8 violation occurred.”.

9 **SEC. 202. CONFORMING AMENDMENTS.**

10 (a) AMENDMENTS TO PART D OF TITLE IV OF THE
11 SOCIAL SECURITY ACT.—

12 (1) Section 452(a)(10)(C) of the Social Security
13 Act (42 U.S.C. 652(a)(10)(C)), as amended by sec-
14 tion 104(b)(2)(C) of this Act, is amended—

15 (A) by striking “(or foster care mainte-
16 nance payments under part E)” and inserting
17 “or cash payments under a State program
18 funded under part B”; and

19 (B) by striking “or 471(a)(17)”.

20 (2) Section 452(g)(2)(A) of such Act (42
21 U.S.C. 652(g)(2)(A)) is amended—

22 (A) by striking “or E” the 1st place such
23 term appears and inserting “or benefits or serv-
24 ices are being provided under the State pro-
25 gram funded under part B”; and

1 (B) by striking “or E” the 2nd place such
2 term appears and inserting “or benefits or serv-
3 ices were being provided under the State pro-
4 gram funded under part B”.

5 (3) Section 456(a)(1) of such Act (42 U.S.C.
6 656(a)(1)) is amended by striking “foster care main-
7 tenance payments” and inserting “benefits or serv-
8 ices under a State program funded under part B”.

9 (4) Section 466(a)(3)(B) of such Act (42
10 U.S.C. 666(a)(3)(B)), as amended by section
11 104(b)(13) of this Act, is amended by striking “or
12 471(a)(17)”.

13 (b) REPEAL OF PART E OF TITLE IV OF THE SOCIAL
14 SECURITY ACT.—Part E of title IV of such Act (42
15 U.S.C. 671–679) is hereby repealed.

16 (c) AMENDMENT TO TITLE XVI OF THE SOCIAL SE-
17 CURITY ACT AS IN EFFECT WITH RESPECT TO THE
18 STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C.
19 1382(c)(5)(B)) is amended to read as follows: “(B) the
20 State program funded under part B of title IV,”.

21 (d) REPEAL OF SECTION 13712 OF THE OMNIBUS
22 BUDGET RECONCILIATION ACT OF 1993.—Section 13712
23 of the Omnibus Budget Reconciliation Act of 1993 (42
24 U.S.C. 670 note) is hereby repealed.

1 (e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS
2 BUDGET RECONCILIATION ACT OF 1986.—Section
3 9442(4) of the Omnibus Budget Reconciliation Act of
4 1986 (42 U.S.C. 679a(4)) is amended by inserting “(as
5 in effect before October 1, 1995)” after “Act”.

6 (f) REPEAL OF SECTION 553 OF THE HOWARD M.
7 METZENBAUM MULTIETHNIC PLACEMENT ACT OF
8 1994.—Section 553 of the Howard M. Metzenbaum
9 Multiethnic Placement Act of 1994 (42 U.S.C. 5115a; 108
10 Stat. 4056) is hereby repealed.

11 (g) REPEAL OF SUBTITLE C OF TITLE XVII OF THE
12 VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT
13 OF 1994.—Subtitle C of title XVII of the Violent Crime
14 Control and Law Enforcement Act of 1994 is hereby re-
15 pealed.

16 (h) REPEAL OF SUBTITLE A OF TITLE II OF THE
17 CRIME CONTROL ACT OF 1990.—Subtitle A of title II of
18 the Crime Control Act of 1990 is hereby repealed.

19 **SEC. 203. CONTINUED APPLICATION OF CURRENT STAND-**
20 **ARDS UNDER MEDICAID PROGRAM.**

21 Section 1931 of the Social Security Act, as inserted
22 by section 106(a)(2) of this Act, is amended—

23 (1) in subsection (a)(1)—

24 (A) by striking “part A of”, and

1 (B) by striking “under such part” and in-
2 serting “under a part of such title”; and

3 (2) in subsection (b), by striking “part A of”.

4 **SEC. 204. EFFECTIVE DATE.**

5 (a) IN GENERAL.—This title and the amendments
6 made by this title shall take effect on October 1, 1995.

7 (b) TRANSITION RULE.—The amendments made by
8 this title shall not apply with respect to—

9 (1) powers, duties, functions, rights, claims,
10 penalties, or obligations applicable to aid or services
11 provided before the effective date of this title under
12 the provisions amended; and

13 (2) administrative actions and proceedings com-
14 menced before such date, or authorized before such
15 date to be commenced, under such provisions.

16 **TITLE III—BLOCK GRANTS FOR**
17 **CHILD CARE AND FOR NUTRI-**
18 **TION ASSISTANCE**

19 **Subtitle A—Child Care Block**
20 **Grants**

21 **SEC. 301. AMENDMENTS TO THE CHILD CARE AND DEVEL-**
22 **OPMENT BLOCK GRANT ACT OF 1990.**

23 (a) GOALS.—Section 658A of the Child Care and De-
24 velopment Block Grant Act of 1990 (42 U.S.C. 9801 note)
25 is amended—

1 to carry out a State program operated under a provision
2 of law specified in such subsection shall not be subject to
3 the requirements of this subchapter, but shall be subject
4 to the same requirements that apply to Federal funds pro-
5 vided directly under such provision of law to carry out
6 such program.”.

7 **SEC. 302. REPEAL OF CHILD CARE ASSISTANCE AUTHOR-**
8 **IZED BY ACTS OTHER THAN THE SOCIAL SE-**
9 **CURITY ACT.**

10 (a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP
11 ASSISTANCE ACT OF 1985.—Title VI of the Human Serv-
12 ices Reauthorization Act of 1986 (42 U.S.C. 10901–
13 10905) is repealed.

14 (b) STATE DEPENDENT CARE DEVELOPMENT
15 GRANTS ACT.—Subchapter E of chapter 8 of subtitle A
16 of title VI of the Omnibus Budget Reconciliation Act of
17 1981 (42 U.S.C. 9871–9877) is repealed.

18 (c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title
19 X of the Elementary and Secondary Education Act of
20 1965, as amended by Public Law 103–382 (108 Stat.
21 3809 et seq.), is amended—

22 (1) in section 10413(a) by striking paragraph
23 (4),

24 (2) in section 10963(b)(2) by striking subpara-
25 graph (G), and

1 (3) in section 10974(a)(6) by striking subpara-
2 graph (G).

3 (d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION
4 CENTERS.—Section 9205 of the Native Hawaiian Edu-
5 cation Act (Public Law 103-382; 108 Stat. 3794) is re-
6 pealed.

7 **Subtitle B—Family and School-**
8 **Based Nutrition Block Grants**

9 **CHAPTER 1—FAMILY NUTRITION BLOCK**
10 **GRANT PROGRAM**

11 **SEC. 321. AMENDMENT TO CHILD NUTRITION ACT OF 1966.**

12 The Child Nutrition Act of 1966 (42 U.S.C. 1771
13 et seq.) is amended to read as follows:

14 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

15 “(a) **SHORT TITLE.**—This Act may be cited as the
16 ‘Child Nutrition Act of 1966’.

17 “(b) **TABLE OF CONTENTS.**—The table of contents
18 is as follows:

“Sec. 1. Short title; table of contents.

“Sec. 2. Authorization.

“Sec. 3. Allotment.

“Sec. 4. Application.

“Sec. 5. Use of amounts.

“Sec. 6. Reports.

“Sec. 7. Penalties.

“Sec. 8. Model nutrition standards for food assistance for pregnant,
postpartum, and breastfeeding women, infants and children.

“Sec. 9. Authorization of appropriations.

“Sec. 10. Definitions.

1 Guam, the Virgin Islands, or a tribal organization
2 (as defined in section 4(l) of the Indian Self-Deter-
3 mination and Education Assistance Act (25 U.S.C.
4 450b(l))).”.

5 **CHAPTER 3—MISCELLANEOUS**
6 **PROVISIONS**

7 **SEC. 361. REPEALERS.**

8 The following Acts are repealed:

9 (1) The Commodity Distribution Reform Act
10 and WIC Amendments of 1987 (Public Law 100-
11 237; 101 Stat. 1733).

12 (2) The Child Nutrition and WIC Reauthoriza-
13 tion Act of 1989 (Public Law 101-147; 103 Stat.
14 877).

15 **Subtitle C—Other Repealers and**
16 **Conforming Amendments**

17 **SEC. 371. AMENDMENTS TO LAWS RELATING TO CHILD**
18 **PROTECTION BLOCK GRANT.**

19 (a) **ABANDONED INFANTS ASSISTANCE.—**

20 (1) **REPEALER.—**The Abandoned Infants As-
21 sistance Act of 1988 (42 U.S.C. 670 note) is re-
22 pealed.

23 (2) **CONFORMING AMENDMENT.—**Section
24 421(7) of the Domestic Volunteer Service Act of

1 1973 (42 U.S.C. 5061(7)) is amended to read as fol-
2 lows:

3 “(7) the term ‘boarder baby’ means an infant
4 who is medically cleared for discharge from an
5 acute-care hospital setting, but remains hospitalized
6 because of a lack of appropriate out-of-hospital
7 placement alternatives;”.

8 (b) CHILD ABUSE PREVENTION AND TREATMENT.—

9 (1) REPEALER.—The Child Abuse Prevention
10 and Treatment Act (42 U.S.C. 5101 et seq.) is re-
11 pealed.

12 (2) CONFORMING AMENDMENTS.—The Victims
13 of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is
14 amended—

15 (A) in section 1402—

16 (i) in subsection (d)—

17 (I) by striking paragraph (2);

18 and

19 (II) by redesignating paragraphs

20 (3) and (4) as paragraphs (2) and

21 (3), respectively; and

22 (ii) by striking subsection (g); and

23 (B) by striking section 1404.

1 (c) ADOPTION OPPORTUNITIES.—The Child Abuse
2 Prevention and Treatment and Adoption Reform Act of
3 1978 (42 U.S.C. 5111 et seq.) is repealed.

4 (d) CRISIS NURSERIES.—The Temporary Child Care
5 for Children with Disabilities and Crisis Nurseries Act of
6 1986 (42 U.S.C. 5117 et seq.) is amended—

7 (1) in the title heading by striking “AND CRI-
8 SIS NURSERIES”;

9 (2) in section 201 by striking “and Crisis Nurs-
10 eries”;

11 (3) in section 202—

12 (A) by striking “provide: (A) temporary”
13 and inserting “to provide temporary”; and

14 (B) by striking “children, and (B)” and all
15 that follows through the period and inserting
16 “children.”;

17 (4) by striking section 204; and

18 (5) in section 205—

19 (A) in subsection (a)—

20 (i) in paragraph (1)(A) by striking
21 “or 204”; and

22 (ii) in paragraph (2)—

23 (I) by striking subparagraph (D);

24 and

1 (II) by redesignating subpara-
2 graph (E) as subparagraph (D);
3 (B) by striking subsection (b)(3); and
4 (C) in subsection (d)—
5 (i) by striking paragraph (3); and
6 (ii) by redesignating paragraphs (4)
7 and (5) as paragraph (3) and (4), respec-
8 tively.

9 (e) MISSING CHILDREN'S ASSISTANCE ACT.—The
10 Missing Children's Assistance Act (42 U.S.C. 5771-5779)
11 is repealed.

12 (f) FAMILY SUPPORT CENTERS.—Subtitle F of title
13 VII of the Stewart B. McKinney Homeless Assistance Act
14 (42 U.S.C. 11481-11489) is repealed.

15 (g) INVESTIGATION AND PROSECUTION OF CHILD
16 ABUSE CASES.—Subtitle A of title II of the Victims of
17 Child Abuse Act of 1990 (42 U.S.C. 13001-13004) is re-
18 pealed.

19 (h) REPEAL OF FAMILY UNIFICATION PROGRAM.—
20 Subsection (x) of section 8 of the United States Housing
21 Act of 1937 (42 U.S.C. 1437f(x)) is repealed.

1 **Subtitle D—Related Provisions**

2 **SEC. 381. REQUIREMENT THAT DATA RELATING TO THE IN-**
3 **CIDENCE OF POVERTY IN THE UNITED**
4 **STATES BE PUBLISHED AT LEAST EVERY 2**
5 **YEARS.**

6 (a) **IN GENERAL.**—The Secretary shall, to the extent
7 feasible, produce and publish for each State, county, and
8 local unit of general purpose government for which data
9 have been compiled in the then most recent census of pop-
10 ulation under section 141(a) of title 13, United States
11 Code, and for each school district, data relating to the in-
12 cidence of poverty. Such data may be produced by means
13 of sampling, estimation, or any other method that the Sec-
14 retary determines will produce current, comprehensive,
15 and reliable data.

16 (b) **CONTENT; FREQUENCY.**—Data under this sec-
17 tion—

18 (1) shall include—

19 (A) for each school district, the number of
20 children age 5 to 17, inclusive, in families below
21 the poverty level; and

22 (B) for each State and county referred to
23 in subsection (a), the number of individuals age
24 65 or older below the poverty level; and

25 (2) shall be published—

1 (A) for each State, county, and local unit
2 of general purpose government referred to in
3 subsection (a), in 1996 and at least every sec-
4 ond year thereafter; and

5 (B) for each school district, in 1998 and at
6 least every second year thereafter.

7 (c) AUTHORITY TO AGGREGATE.—

8 (1) IN GENERAL.—If reliable data could not
9 otherwise be produced, the Secretary may, for pur-
10 poses of subsection (b)(1)(A), aggregate school dis-
11 tricts, but only to the extent necessary to achieve re-
12 liability.

13 (2) INFORMATION RELATING TO USE OF AU-
14 THORITY.—Any data produced under this subsection
15 shall be appropriately identified and shall be accom-
16 panied by a detailed explanation as to how and why
17 aggregation was used (including the measures taken
18 to minimize any such aggregation).

19 (d) REPORT TO BE SUBMITTED WHENEVER DATA
20 IS NOT TIMELY PUBLISHED.—If the Secretary is unable
21 to produce and publish the data required under this sec-
22 tion for any State, county, local unit of general purpose
23 government, or school district in any year specified in sub-
24 section (b)(2), a report shall be submitted by the Secretary
25 to the President of the Senate and the Speaker of the

1 House of Representatives, not later than 90 days before
2 the start of the following year, enumerating each govern-
3 ment or school district excluded and giving the reasons
4 for the exclusion.

5 (e) CRITERIA RELATING TO POVERTY.—In carrying
6 out this section, the Secretary shall use the same criteria
7 relating to poverty as were used in the then most recent
8 census of population under section 141(a) of title 13,
9 United States Code (subject to such periodic adjustments
10 as may be necessary to compensate for inflation and other
11 similar factors).

12 (f) CONSULTATION.—The Secretary shall consult
13 with the Secretary of Education in carrying out the re-
14 quirements of this section relating to school districts.

15 (g) DEFINITION.—For the purpose of this section,
16 the term “Secretary” means the Secretary of Health and
17 Human Services.

18 (h) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated to carry out this section
20 \$1,500,000 for each of fiscal years 1996 through 2000.

21 **SEC. 382. DATA ON PROGRAM PARTICIPATION AND OUT-**
22 **COMES.**

23 (a) IN GENERAL.—The Secretary shall produce data
24 relating to participation in programs authorized by this
25 Act by families and children. Such data may be produced

1 by means of sampling, estimation, or any other method
2 that the Secretary determines will produce comprehensive
3 and reliable data.

4 (b) CONTENT.—Data under this section shall include,
5 but not be limited to—

6 (1) changes in participation in welfare, health,
7 education, and employment and training programs,
8 for families and children, the duration of such par-
9 ticipation, and the causes and consequences of any
10 changes in program participation;

11 (2) changes in employment status, income and
12 poverty status, family structure and process, and
13 children's well-being, over time, for families and chil-
14 dren participating in Federal programs and, if ap-
15 propriate, other low-income families and children,
16 and the causes and consequences of such changes;
17 and

18 (3) demographic data, including household com-
19 position, marital status, relationship of householders,
20 racial and ethnic designation, age, and educational
21 attainment.

22 (c) FREQUENCY.—Data under this section shall re-
23 flect the period 1993 through 2002, and shall be published
24 as often as practicable during that time, but in any event
25 no later than December 31, 2003.

1 (d) DEFINITION.—For the purpose of this section,
2 the term “Secretary” means the Secretary of Health and
3 Human Services.

4 (e) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to carry out this section
6 \$2,500,000 in fiscal year 1996, \$10,000,000 for each of
7 fiscal years 1997 through 2002, and \$2,000,000 for fiscal
8 year 2003.

9 **Subtitle E—General Effective Date;**
10 **Preservation of Actions, Obligations,**
11 **and Rights**

12 **SEC. 391. EFFECTIVE DATE.**

13 Except as otherwise provided in this title, this title
14 and the amendments made by this title shall take effect
15 on October 1, 1995.

16 **SEC. 392. APPLICATION OF AMENDMENTS AND REPEALERS.**

17 An amendment or repeal made by this title shall not
18 apply with respect to—

19 (1) powers, duties, functions, rights, claims,
20 penalties, or obligations applicable to financial as-
21 sistance provided before the effective date of amend-
22 ment or repeal, as the case may be, under the Act
23 so amended or so repealed; and

1 (2) administrative actions and proceedings com-
2 menced before such date, or authorized before such
3 date to be commenced, under such Act.

4 **TITLE IV—RESTRICTING WEL-**
5 **FARE AND PUBLIC BENEFITS**
6 **FOR ALIENS**

7 **SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING**
8 **WELFARE AND IMMIGRATION.**

9 The Congress makes the following statements con-
10 cerning national policy with respect to welfare and immi-
11 gration:

12 (1) Self-sufficiency has been a basic principle of
13 United States immigration law since this country's
14 earliest immigration statutes.

15 (2) It continues to be the immigration policy of
16 the United States that—

17 (A) aliens within the nation's borders not
18 depend on public resources to meet their needs,
19 but rather rely on their own capabilities and the
20 resources of their families, their sponsors, and
21 private organizations, and

22 (B) the availability of public benefits not
23 constitute an incentive for immigration to the
24 United States.

1 (3) Despite the principle of self-sufficiency,
2 aliens have been applying for and receiving public
3 benefits from Federal, State, and local governments
4 at increasing rates.

5 (4) Current eligibility rules for public assistance
6 and unenforceable financial support agreements have
7 proved wholly incapable of assuring that individual
8 aliens not burden the public benefits system.

9 (5) It is a compelling government interest to
10 enact new rules for eligibility and sponsorship agree-
11 ments in order to assure that aliens be self-reliant
12 in accordance with national immigration policy.

13 (6) It is a compelling government interest to re-
14 move the incentive for illegal immigration provided
15 by the availability of public benefits.

16 **Subtitle A—Eligibility for Federal**
17 **Benefits Programs**

18 **SEC. 401. INELIGIBILITY OF ILLEGAL ALIENS FOR CERTAIN**
19 **PUBLIC BENEFITS PROGRAMS.**

20 (a) IN GENERAL.—Notwithstanding any other provi-
21 sion of law and except as provided in subsections (b) and
22 (c), any alien who is not lawfully present in the United
23 States shall not be eligible for any Federal means-tested
24 public benefits program (as defined in section 431(d)(2)).

1 (b) EXCEPTION FOR EMERGENCY ASSISTANCE.—

2 Subsection (a) shall not apply to the provision of non-cash,
3 in-kind emergency assistance (including emergency medi-
4 cal services).

5 (c) TREATMENT OF HOUSING-RELATED ASSIST-

6 ANCE.—Subsection (a) shall not apply to any program for
7 housing or community development assistance adminis-
8 tered by the Secretary of Housing and Urban Develop-
9 ment, any program under title V of the Housing Act of
10 1949, or any assistance under section 306C of the Consoli-
11 dated Farm and Rural Development Act, except that in
12 the case of financial assistance (as defined in section
13 214(b) of the Housing and Community Development Act
14 of 1980), the provisions of section 214 of such Act shall
15 apply instead of subsection (a).

16 **SEC. 402. INELIGIBILITY OF NONIMMIGRANTS FOR CER-**
17 **TAIN PUBLIC BENEFITS PROGRAMS.**

18 (a) IN GENERAL.—Notwithstanding any other provi-
19 sion of law and except as provided in subsections (b) and
20 (c), any alien who is lawfully present in the United States
21 as a nonimmigrant shall not be eligible for any Federal
22 means-tested public benefits program.

23 (b) EXCEPTIONS.—

24 (1) EMERGENCY ASSISTANCE.—Subsection (a)
25 shall not apply to the provision of non-cash, in-kind

1 emergency assistance (including emergency medical
2 services).

3 (2) ALIENS GRANTED ASYLUM.—Subsection (a)
4 shall not apply to an alien who is granted asylum
5 under section 208 of the Immigration and National-
6 ity Act or whose deportation has been withheld
7 under section 243(h) of such Act.

8 (3) CURRENT LEGAL RESIDENT EXCEPTION.—
9 Subsection (a) shall not apply to the eligibility of an
10 alien for a program until 1 year after the date of the
11 enactment of this Act if, on such date of enactment,
12 the alien is lawfully residing in any State or any ter-
13 ritory or possession of the United States and is eligi-
14 ble for the program.

15 (4) TREATMENT OF TEMPORARY AGRICUL-
16 TURAL WORKERS.—Subsection (a) shall not apply to
17 a nonimmigrant admitted as a temporary agricul-
18 tural worker under section 101(a)(15)(H)(ii)(a) of
19 the Immigration and Nationality Act or as the
20 spouse or minor child of such a worker under section
21 101(a)(15)(H)(iii) of such Act.

22 (c) TREATMENT OF HOUSING-RELATED ASSIST-
23 ANCE.—Subsection (a) shall not apply to any program for
24 housing or community development assistance adminis-
25 tered by the Secretary of Housing and Urban Develop-

1 ment, any program under title V of the Housing Act of
2 1949, or any assistance under section 306C of the Consoli-
3 dated Farm and Rural Development Act, except that in
4 the case of financial assistance (as defined in section
5 214(b) of the Housing and Community Development Act
6 of 1980), the provisions of section 214 of such Act shall
7 apply instead of subsection (a).

8 (d) TREATMENT OF ALIENS PAROLED INTO THE
9 UNITED STATES.—An alien who is paroled into the
10 United States under section 212(d)(5) of the Immigration
11 and Nationality Act for a period of less than 1 year shall
12 be considered, for purposes of this subtitle, to be lawfully
13 present in the United States as a nonimmigrant.

14 **SEC. 403. LIMITED ELIGIBILITY OF IMMIGRANTS FOR 5**
15 **SPECIFIED FEDERAL PUBLIC BENEFITS PRO-**
16 **GRAMS.**

17 (a) IN GENERAL.—Notwithstanding any other provi-
18 sion of law and except as provided in subsections (b) and
19 (c), any alien who is lawfully present in the United States
20 (other than as a nonimmigrant to which section 402(a)
21 or 402(c) applies) shall not be eligible for any of the fol-
22 lowing Federal means-tested public benefits programs:

23 (1) SSI.—The supplemental security income
24 program under title XVI of the Social Security Act.

1 (2) TEMPORARY ASSISTANCE FOR NEEDY FAMI-
2 LIES.—The program of block grants to States for
3 temporary assistance for needy families under part
4 A of title IV of the Social Security Act.

5 (3) SOCIAL SERVICES BLOCK GRANT.—The pro-
6 gram of block grants to States for social services
7 under title XX of the Social Security Act.

8 (4) MEDICAID.—The program of medical assist-
9 ance under title XIX of the Social Security Act.

10 (5) FOOD STAMPS.—The program under the
11 Food Stamp Act of 1977.

12 (b) EXCEPTIONS.—

13 (1) TIME-LIMITED EXCEPTION FOR REFUG-
14 GEES.—Subsection (a) shall not apply to an alien
15 admitted to the United States as a refugee under
16 section 207 of the Immigration and Nationality Act
17 until 5 years after the date of such alien's arrival
18 into the United States.

19 (2) CERTAIN LONG-TERM, PERMANENT RESI-
20 DENT, AGED ALIENS.—Subsection (a) shall not
21 apply to an alien who—

22 (A) has been lawfully admitted to the
23 United States for permanent residence;

24 (B) is over 75 years of age; and

1 (C) has resided in the United States for at
2 least 5 years.

3 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—
4 Subsection (a) shall not apply to an alien who is
5 lawfully residing in any State (or any territory or
6 possession of the United States) and is—

7 (A) a veteran (as defined in section 101 of
8 title 38, United States Code) with a discharge
9 characterized as an honorable discharge,

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 Subparagraph (A) shall not apply in the case of a
17 veteran who has been separated from military serv-
18 ice on account of alienage.

19 (4) EMERGENCY ASSISTANCE.—Subsection (a)
20 shall not apply to the provision of non-cash, in-kind
21 emergency assistance (including emergency medical
22 services).

23 (5) TRANSITION FOR CURRENT BENE-
24 FICIARIES.—Subsection (a) shall not apply to the eli-
25 gibility of an alien for a program until 1 year after

1 the date of the enactment of this Act if, on such
2 date of enactment, the alien is lawfully residing in
3 any State or any territory or possession of the
4 United States and is eligible for the program.

5 **SEC. 404. NOTIFICATION.**

6 Each Federal agency that administers a program to
7 which section 401, 402, or 403 applies shall, directly or
8 through the States, post information and provide general
9 notification to the public and to program recipients of the
10 changes regarding eligibility for any such program pursu-
11 ant to this subtitle.

12 **Subtitle B—Eligibility for State**
13 **and Local Public Benefits Pro-**
14 **grams**

15 **SEC. 411. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE**
16 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

17 (a) **IN GENERAL.**—Notwithstanding any other provi-
18 sion of law and except as otherwise provided in this sec-
19 tion, no alien who is not lawfully present in the United
20 States (as determined in accordance with regulations of
21 the Attorney General) shall be eligible for any State
22 means-tested public benefits program (as defined in sec-
23 tion 431(d)(3)).

24 (b) **EXCEPTION FOR EMERGENCY ASSISTANCE.**—
25 Subsection (a) shall not apply to the provision of non-cash,

1 in-kind emergency assistance (including emergency medi-
2 cal services).

3 **SEC. 412. INELIGIBILITY OF NONIMMIGRANTS FOR STATE**
4 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

5 (a) IN GENERAL.—Notwithstanding any other provi-
6 sion of law and except as otherwise provided in this sec-
7 tion, no alien who is lawfully present in the United States
8 as a nonimmigrant shall be eligible for any State means-
9 tested public benefits program (as defined in section
10 431(d)(3)).

11 (b) EXCEPTIONS.—

12 (1) EMERGENCY ASSISTANCE.—The limitations
13 under subsection (a) shall not apply to the provision
14 of non-cash, in-kind emergency assistance (including
15 emergency medical services).

16 (2) ALIENS GRANTED ASYLUM.—Subsection (a)
17 shall not apply to an alien who is granted asylum
18 under section 208 of the Immigration and National-
19 ity Act or whose deportation has been withheld
20 under section 243(h) of such Act.

21 (3) TREATMENT OF TEMPORARY AGRICUL-
22 TURAL WORKERS.—Subsection (a) shall not apply to
23 a nonimmigrant admitted as a temporary agricul-
24 tural worker under section 101(a)(15)(H)(ii)(a) of
25 the Immigration and Nationality Act or as the

1 spouse or minor child of such a worker under section
2 101(a)(15)(H)(iii) of such Act.

3 (c) TREATMENT OF ALIENS PAROLED INTO THE
4 UNITED STATES.—An alien who is paroled into the
5 United States under section 212(d)(5) of the Immigration
6 and Nationality Act for a period of less than 1 year shall
7 be considered, for purposes of this subtitle, to be lawfully
8 present in the United States as a nonimmigrant.

9 **SEC. 413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IM-**
10 **MIGRANTS FOR STATE AND LOCAL MEANS-**
11 **TESTED PUBLIC BENEFITS PROGRAMS.**

12 (a) IN GENERAL.—Notwithstanding any other provi-
13 sion of law and except as otherwise provided in this sec-
14 tion, a State is authorized to determine eligibility require-
15 ments for aliens who are lawfully present in the United
16 States (other than as a nonimmigrant to which section
17 412(a) or 412(c) applies) for any State means-tested pub-
18 lic benefits program.

19 (b) EXCEPTIONS.—

20 (1) TIME-LIMITED EXCEPTION FOR REFU-
21 GEES.—The authority under subsection (a) shall not
22 apply to an alien admitted to the United States as
23 a refugee under section 207 of the Immigration and
24 Nationality Act until 5 years after the date of such
25 alien's arrival into the United States.

1 (2) CERTAIN LONG-TERM, PERMANENT RESI-
2 DENT, AGED ALIENS.—The authority under sub-
3 section (a) shall not apply to an alien who—

4 (A) has been lawfully admitted to the
5 United States for permanent residence;

6 (B) is over 75 years of age; and

7 (C) has resided in the United States for at
8 least 5 years.

9 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—

10 The authority under subsection (a) shall not apply
11 to an alien who is lawfully residing in any State (or
12 any territory or possession of the United States) and
13 is—

14 (A) a veteran (as defined in section 101 of
15 title 38, United States Code) with a discharge
16 characterized as an honorable discharge,

17 (B) on active duty (other than active duty
18 for training) in the Armed Forces of the United
19 States, or

20 (C) the spouse or unmarried dependent
21 child of an individual described in subparagraph
22 (A) or (B).

23 Subparagraph (A) shall not apply in the case of a
24 veteran who has been separated from military serv-
25 ice on account of alienage.

1 (4) EMERGENCY ASSISTANCE.—The authority
2 under subsection (a) shall not apply to the provision
3 of non-cash, in-kind emergency assistance (including
4 emergency medical services).

5 (5) TRANSITION.—The authority under sub-
6 section (a) shall not apply to eligibility of an alien
7 for a State means-tested public benefits program
8 until 1 year after the date of the enactment of this
9 Act if, on such date of enactment, the alien is law-
10 fully present in the United States and is eligible for
11 benefits under the program. Nothing in the previous
12 sentence is intended to address alien eligibility for
13 such a program before the date of the enactment of
14 this Act.

15 **Subtitle C—Attribution of Income**
16 **and Affidavits of Support**

17 **SEC. 421. ATTRIBUTION OF SPONSOR'S INCOME AND RE-**
18 **SOURCES TO FAMILY-SPONSORED IMMI-**
19 **GRANTS.**

20 (a) IN GENERAL.—Notwithstanding any other provi-
21 sion of law and except as provided in subsection (c), in
22 determining the eligibility and the amount of benefits of
23 an alien for any means-tested public benefits program (as
24 defined in section 431(d)) the income and resources of the
25 alien shall be deemed to include—

1 (1) the income and resources of any person who
2 executed an affidavit of support pursuant to section
3 213A of the Immigration and Nationality Act (as
4 added by section 422) in behalf of such alien, and
5 (2) the income and resources of the spouse (if
6 any) of the person.

7 (b) APPLICATION.—Subsection (a) shall apply with
8 respect to an alien until such time as the alien achieves
9 United States citizenship through naturalization pursuant
10 to chapter 2 of title III of the Immigration and National-
11 ity Act.

12 (c) EXCEPTION FOR HOUSING-RELATED ASSIST-
13 ANCE.—Subsection (a) shall not apply to any program for
14 housing or community development assistance adminis-
15 tered by the Secretary of Housing and Urban Develop-
16 ment, any program under title V of the Housing Act of
17 1949, or any assistance under section 306C of the Consoli-
18 dated Farm and Rural Development Act.

19 **SEC. 422. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**
20 **SUPPORT.**

21 (a) IN GENERAL.—Title II of the Immigration and
22 Nationality Act is amended by inserting after section 213
23 the following new section:

24 "REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT
25 "SEC. 213A. (a) ENFORCEABILITY.—No affidavit of
26 support may be accepted by the Attorney General or by

1 any consular officer to establish that an alien is not ex-
2 cludable as a public charge under section 212(a)(4) unless
3 such affidavit is executed as a contract—

4 “(1) which is legally enforceable against the
5 sponsor by the Federal Government and by any
6 State (or any political subdivision of such State)
7 which provides any means-tested public benefits pro-
8 gram, but not later than 10 years after the alien last
9 receives any such benefit; and

10 “(2) in which the sponsor agrees to submit to
11 the jurisdiction of any Federal or State court for the
12 purpose of actions brought under subsection (e)(2).

13 Such contract shall be enforceable with respect to benefits
14 provided to the alien until such time as the alien achieves
15 United States citizenship through naturalization pursuant
16 to chapter 2 of title III.

17 “(b) FORMS.—Not later than 90 days after the date
18 of enactment of this section, the Attorney General, in con-
19 sultation with the Secretary of State and the Secretary
20 of Health and Human Services, shall formulate an affida-
21 vit of support consistent with the provisions of this sec-
22 tion.

23 “(c) STATUTORY CONSTRUCTION.—Nothing in this
24 section shall be construed to grant third party beneficiary

1 rights to any sponsored alien under an affidavit of
2 support.

3 “(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1)

4 The sponsor shall notify the Federal Government and the
5 State in which the sponsored alien is currently resident
6 within 30 days of any change of address of the sponsor
7 during the period specified in subsection (a)(1).

8 “(2) Any person subject to the requirement of para-
9 graph (1) who fails to satisfy such requirement shall be
10 subject to a civil penalty of—

11 “(A) not less than \$250 or more than \$2,000,

12 or

13 “(B) if such failure occurs with knowledge that
14 the sponsored alien has received any benefit under
15 any means-tested public benefits program, not less
16 than \$2,000 or more than \$5,000.

17 “(e) REIMBURSEMENT OF GOVERNMENT EX-
18 PENSES.—(1)(A) Upon notification that a sponsored alien
19 has received any benefit under any means-tested public
20 benefits program, the appropriate Federal, State, or local
21 official shall request reimbursement by the sponsor in the
22 amount of such assistance.

23 “(B) The Attorney General, in consultation with the
24 Secretary of Health and Human Services, shall prescribe

1 such regulations as may be necessary to carry out sub-
2 paragraph (A).

3 “(2) If within 45 days after requesting reimburse-
4 ment, the appropriate Federal, State, or local agency has
5 not received a response from the sponsor indicating a will-
6 ingness to commence payments, an action may be brought
7 against the sponsor pursuant to the affidavit of support.

8 “(3) If the sponsor fails to abide by the repayment
9 terms established by such agency, the agency may, within
10 60 days of such failure, bring an action against the spon-
11 sor pursuant to the affidavit of support.

12 “(4) No cause of action may be brought under this
13 subsection later than 10 years after the alien last received
14 any benefit under any means-tested public benefits pro-
15 gram.

16 “(f) DEFINITIONS.—For the purposes of this sec-
17 tion—

18 “(1) SPONSOR.—The term ‘sponsor’ means an
19 individual who—

20 “(A) is a citizen or national of the United
21 States or an alien who is lawfully admitted to
22 the United States for permanent residence;

23 “(B) is 18 years of age or over; and

24 “(C) is domiciled in any State.

1 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-
2 GRAM.—The term ‘means-tested public benefits pro-
3 gram’ means a program of public benefits (including
4 cash, medical, housing, and food assistance and so-
5 cial services) of the Federal Government or of a
6 State or political subdivision of a State in which the
7 eligibility of an individual, household, or family eligi-
8 bility unit for benefits under the program, or the
9 amount of such benefits, or both are determined on
10 the basis of income, resources, or financial need of
11 the individual, household, or unit.”.

12 (b) CLERICAL AMENDMENT.—The table of contents
13 of such Act is amended by inserting after the item relating
14 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

15 (c) EFFECTIVE DATE.—Subsection (a) of section
16 213A of the Immigration and Nationality Act, as inserted
17 by subsection (a) of this section, shall apply to affidavits
18 of support executed on or after a date specified by the
19 Attorney General, which date shall be not earlier than 60
20 days (and not later than 90 days) after the date the Attor-
21 ney General formulates the form for such affidavits under
22 subsection (b) of such section.

1 **Subtitle D—General Provisions**

2 **SEC. 431. DEFINITIONS.**

3 (a) **IN GENERAL.**—Except as otherwise provided in
4 this section, the terms used in this title have the same
5 meaning given such terms in section 101(a) of the Immi-
6 gration and Nationality Act.

7 (b) **LAWFUL PRESENCE.**—For purposes of this title,
8 the determination of whether an alien is lawfully present
9 in the United States shall be made in accordance with reg-
10 ulations of the Attorney General. An individual shall not
11 be considered to be lawfully present in the United States
12 for purposes of this title merely because the alien may be
13 considered to be permanently residing in the United States
14 under color of law for purposes of any particular program.

15 (c) **STATE.**—As used in this title, the term “State”
16 includes the District of Columbia, Puerto Rico, the Virgin
17 Islands, Guam, the Northern Mariana Islands, and Amer-
18 ican Samoa.

19 (d) **PUBLIC BENEFITS PROGRAMS.**—As used in this
20 title—

21 (1) **MEANS-TESTED PROGRAM.**—The term
22 “means-tested public benefits program” means a
23 program of public benefits (including cash, medical,
24 housing, and food assistance and social services) of
25 the Federal Government or of a State or political

1 subdivision of a State in which the eligibility of an
2 individual, household, or family eligibility unit for
3 benefits under the program, or the amount of such
4 benefits, or both are determined on the basis of in-
5 come, resources, or financial need of the individual,
6 household, or unit.

7 (2) FEDERAL MEANS-TESTED PUBLIC BENE-
8 FITS PROGRAM.—The term “Federal means-tested
9 public benefits program” means a means-tested pub-
10 lic benefits program of (or contributed to by) the
11 Federal Government and under which the Federal
12 Government has specified standards for eligibility
13 and includes the programs specified in section
14 403(a).

15 (3) STATE MEANS-TESTED PUBLIC BENEFITS
16 PROGRAM.—The term “State means-tested public
17 benefits program” means a means-tested public ben-
18 efits program of a State or political subdivision of a
19 State under which the State or political subdivision
20 specifies the standards for eligibility, and does not
21 include any Federal means-tested public benefits
22 program.

1 **SEC. 432. CONSTRUCTION.**

2 Nothing in this title shall be construed as addressing
3 alien eligibility for governmental programs that are not
4 means-tested public benefits programs.

5 **Subtitle E—Conforming**
6 **Amendments**

7 **SEC. 441. CONFORMING AMENDMENTS RELATING TO AS-**
8 **SISTED HOUSING.**

9 Section 214 of the Housing and Community Develop-
10 ment Act of 1980 (42 U.S.C. 1436a) is amended—

11 (1) by striking “Secretary of Housing and
12 Urban Development” each place it appears and in-
13 serting “applicable Secretary”;

14 (2) in subsection (b), by inserting after “Na-
15 tional Housing Act,” the following: “the direct loan
16 program under section 502 of the Housing Act of
17 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or
18 542 of such Act, subtitle A of title III of the Cran-
19 ston-Gonzalez National Affordable Housing Act.”;

20 (3) in paragraphs (2) through (6) of subsection
21 (d), by striking “Secretary” each place it appears
22 and inserting “applicable Secretary”;

23 (4) in subsection (d), in the matter following
24 paragraph (6), by striking “the term ‘Secretary’”
25 and inserting “the term ‘applicable Secretary’”; and

1 (5) by adding at the end the following new sub-
2 section:

3 “(h) For purposes of this section, the term ‘applicable
4 Secretary’ means—

5 “(1) the Secretary of Housing and Urban De-
6 velopment, with respect to financial assistance ad-
7 ministered by such Secretary and financial assist-
8 ance under subtitle A of title III of the Cranston-
9 Gonzalez National Affordable Housing Act; and

10 “(2) the Secretary of Agriculture, with respect
11 to financial assistance administered by such Sec-
12 retary.”.

13 **TITLE V—FOOD STAMP REFORM** 14 **AND COMMODITY DISTRIBUTION**

15 **SEC. 501. SHORT TITLE.**

16 This title may be cited as the “Food Stamp Reform
17 and Commodity Distribution Act”.

18 **Subtitle A—Commodity** 19 **Distribution Provisions**

20 **SEC. 511. SHORT TITLE.**

21 This subtitle may be cited as the “Commodity Dis-
22 tribution Act of 1995”.

23 **SEC. 512. AVAILABILITY OF COMMODITIES.**

24 (a) Notwithstanding any other provision of law, the
25 Secretary of Agriculture (hereinafter in this subtitle re-

1 ferred to as the "Secretary") is authorized during fiscal
2 years 1996 through 2000 to purchase a variety of nutri-
3 tious and useful commodities and distribute such commod-
4 ities to the States for distribution in accordance with this
5 subtitle.

6 (b) In addition to the commodities described in sub-
7 section (a), the Secretary may expend funds made avail-
8 able to carry out section 32 of the Act of August 24, 1935
9 (7 U.S.C. 612c), which are not expended or needed to
10 carry out such sections, to purchase, process, and distrib-
11 ute commodities of the types customarily purchased under
12 such section to the States for distribution in accordance
13 with this subtitle.

14 (c) In addition to the commodities described in sub-
15 sections (a) and (b), agricultural commodities and the
16 products thereof made available under clause (2) of the
17 second sentence of section 32 of the Act of August 24,
18 1935 (7 U.S.C. 612c), may be made available by the Sec-
19 retary to the States for distribution in accordance with
20 this subtitle.

21 (d) In addition to the commodities described in sub-
22 sections (a), (b), and (c), commodities acquired by the
23 Commodity Credit Corporation that the Secretary deter-
24 mines, in the discretion of the Secretary, are in excess of
25 quantities need to—

1 (1) carry out other domestic donation pro-
2 grams;

3 (2) meet other domestic obligations;

4 (3) meet international market development and
5 food aid commitments; and

6 (4) carry out the farm price and income sta-
7 bilization purposes of the Agricultural Adjustment
8 Act of 1938, the Agricultural Act of 1949, and the
9 Commodity Credit Corporation Charter Act;

10 shall be made available by the Secretary, without charge
11 or credit for such commodities, to the States for distribu-
12 tion in accordance with this subtitle.

13 (e) During each fiscal year, the types, varieties, and
14 amounts of commodities to be purchased under this sub-
15 title shall be determined by the Secretary. In purchasing
16 such commodities, except those commodities purchased
17 pursuant to section 520, the Secretary shall, to the extent
18 practicable and appropriate, make purchases based on—

19 (1) agricultural market conditions;

20 (2) the preferences and needs of States and dis-
21 tributing agencies; and

22 (3) the preferences of the recipients.

1 SEC. 513. STATE, LOCAL AND PRIVATE SUPPLEMENTATION
2 OF COMMODITIES.

3 (a) The Secretary shall establish procedures under
4 which State and local agencies, recipient agencies, or any
5 other entity or person may supplement the commodities
6 distributed under this subtitle for use by recipient agencies
7 with nutritious and wholesome commodities that such en-
8 tities or persons donate for distribution, in all or part of
9 the State, in addition to the commodities otherwise made
10 available under this subtitle.

11 (b) States and eligible recipient agencies may use—

12 (1) the funds appropriated for administrative
13 cost under section 519(b);

14 (2) equipment, structures, vehicles, and all
15 other facilities involved in the storage, handling, or
16 distribution of commodities made available under
17 this subtitle; and

18 (3) the personnel, both paid or volunteer, in-
19 volved in such storage, handling, or distribution;
20 to store, handle or distribute commodities donated for use
21 under subsection (a).

22 (c) States and recipient agencies shall continue, to
23 the maximum extent practical, to use volunteer workers,
24 and commodities and other foodstuffs donated by chari-
25 table and other organizations, in the distribution of com-
26 modities under this subtitle.

1 **SEC. 514. STATE PLAN.**

2 (a) A State seeking to receive commodities under this
3 subtitle shall submit a plan of operation and administra-
4 tion every four years to the Secretary for approval. The
5 plan may be amended at any time, with the approval of
6 the Secretary.

7 (b) The State plan, at a minimum, shall—

8 (1) designate the State agency responsible for
9 distributing the commodities received under this sub-
10 title;

11 (2) set forth a plan of operation and adminis-
12 tration to expeditiously distribute commodities under
13 this subtitle in quantities requested to eligible recipi-
14 ent agencies in accordance with sections 516 and
15 520;

16 (3) set forth the standards of eligibility for re-
17 cipient agencies; and

18 (4) set forth the standards of eligibility for indi-
19 vidual or household recipients of commodities, which
20 at minimum shall require—

21 (A) individuals or households to be com-
22 prised of needy persons; and

23 (B) individual or household members to be
24 residing in the geographic location served by
25 the distributing agency at the time of applica-
26 tion for assistance.

1 (c) The Secretary shall encourage each State receiv-
2 ing commodities under this subtitle to establish a State
3 advisory board consisting of representatives of all inter-
4 ested entities, both public and private, in the distribution
5 of commodities received under this subtitle in the State.

6 (d) A State agency receiving commodities under this
7 subtitle may—

8 (1)(A) enter into cooperative agreements with
9 State agencies of other States to jointly provide
10 commodities received under this subtitle to eligible
11 recipient agencies that serve needy persons in a sin-
12 gle geographical area which includes such States; or

13 (B) transfer commodities received under this
14 subtitle to any such eligible recipient agency in the
15 other State under such agreement; and

16 (2) advise the Secretary of an agreement en-
17 tered into under this subsection and the transfer of
18 commodities made pursuant to such agreement.

19 **SEC. 515. ALLOCATION OF COMMODITIES TO STATES.**

20 (a) In each fiscal year, except for those commodities
21 purchased under section 520, the Secretary shall allocate
22 the commodities distributed under this subtitle as follows:

23 (1) 60 percent of the such total value of com-
24 modities shall be allocated in a manner such that the
25 value of commodities allocated to each State bears

1 the same ratio to 60 percent of such total value as
2 the number of persons in households within the
3 State having incomes below the poverty line bears to
4 the total number of persons in households within all
5 States having incomes below such poverty line. Each
6 State shall receive the value of commodities allocated
7 under this paragraph.

8 (2) 40 percent of such total value of commod-
9 ities shall be allocated in a manner such that the
10 value of commodities allocated to each State bears
11 the same ratio to 40 percent of such total value as
12 the average monthly number of unemployed persons
13 within the State bears to the average monthly num-
14 ber of unemployed persons within all States during
15 the same fiscal year. Each State shall receive the
16 value of commodities allocated to the State under
17 this paragraph.

18 (b)(1) The Secretary shall notify each State of the
19 amount of commodities that such State is allotted to re-
20 ceive under subsection (a) or this subsection, if applicable.
21 Each State shall promptly notify the Secretary if such
22 State determines that it will not accept any or all of the
23 commodities made available under such allocation. On
24 such a notification by a State, the Secretary shall reallo-
25 cate and distribute such commodities as the Secretary

1 deems appropriate and equitable. The Secretary shall fur-
2 ther establish procedures to permit States to decline to
3 receive portions of such allocation during each fiscal year
4 as the State determines is appropriate and the Secretary
5 shall reallocate and distribute such allocation as the Sec-
6 retary deems appropriate and equitable.

7 (2) In the event of any drought, flood, hurricane, or
8 other natural disaster affecting substantial numbers of
9 persons in a State, county, or parish, the Secretary may
10 request that States unaffected by such a disaster consider
11 assisting affected States by allowing the Secretary to re-
12 allocate commodities from such unaffected State to States
13 containing areas adversely affected by the disaster.

14 (c) Purchases of commodities under this subtitle shall
15 be made by the Secretary at such times and under such
16 conditions as the Secretary determines appropriate within
17 each fiscal year. All commodities so purchased for each
18 such fiscal year shall be delivered at reasonable intervals
19 to States based on the allocations and reallocations made
20 under subsections (a) and (b), and or carry out section
21 520, not later than December 31 of the following fiscal
22 year.

1 be final and conclusive and shall not be reviewable by any
2 other officer or agency of the Government.

3 **SEC. 526. SALE OF COMMODITIES PROHIBITED.**

4 Except as otherwise provided in section 517, none of
5 the commodities distributed under this subtitle shall be
6 sold or otherwise disposed of in commercial channels in
7 any form.

8 **SEC. 527. SETTLEMENT AND ADJUSTMENT OF CLAIMS.**

9 (a) The Secretary, or a designee of the Secretary,
10 shall have the authority to—

11 (1) determine the amount of, settle, and adjust
12 any claim arising under this subtitle; and

13 (2) waive such a claim if the Secretary deter-
14 mines that to do so will serve the purposes of this
15 subtitle.

16 (b) Nothing contained in this section shall be con-
17 strued to diminish the authority of the Attorney General
18 of the United States under section 516 of title 28, United
19 States Code, to conduct litigation on behalf of the United
20 States.

21 **SEC. 528. REPEALERS; AMENDMENTS.**

22 (a) The Emergency Food Assistance Act of 1983 (7
23 U.S.C. 612c note) is repealed.

24 (b) AMENDMENTS.—

1 (1) The Hunger Prevention Act of 1988 (7
2 U.S.C. 612c note) is amended—

3 (A) by striking section 110;

4 (C) by striking subtitle C; and

5 (B) by striking section 502.

6 (2) The Commodity Distribution Reform Act
7 and WIC Amendments of 1987 (7 U.S.C. 612c note)
8 is amended by striking section 4.

9 (3) The Charitable Assistance and Food Bank
10 Act of 1987 (7 U.S.C. 612c note) is amended by
11 striking section 3.

12 (4) The Food Security Act of 1985 (7 U.S.C.
13 612c note) is amended—

14 (A) by striking section 1571; and

15 (B) in section 1562(d), by striking “sec-
16 tion 4 of the Agricultural and Consumer Pro-
17 tection Act of 1973” and inserting “section 110
18 of the Commodity Distribution Act of 1995”.

19 (5) The Agricultural and Consumer Protection
20 Act of 1973 (7 U.S.C. 612c note) is amended—

21 (A) in section 4(a), by striking “institu-
22 tions (including hospitals and facilities caring
23 for needy infants and children), supplemental
24 feeding programs serving women, infants and
25 children or elderly persons, or both, wherever

1 located, disaster areas, summer camps for chil-
2 dren” and inserting “disaster areas”;

3 (B) in subsection 4(c), by striking “the
4 Emergency Food Assistance Act of 1983” and
5 inserting “the Commodity Distribution Act of
6 1995”; and

7 (C) by striking section 5.

8 (6) The Food, Agriculture, Conservation, and
9 Trade Act of 1990 (7 U.S.C. 612c note) is amended
10 by striking section 1773(f).

11 **Subtitle B—Simplification and**
12 **Reform of Food Stamp Program**

13 **SEC. 531. SHORT TITLE.**

14 This subtitle may be cited as the “Food Stamp Sim-
15 plification and Reform Act of 1995”.

16 **CHAPTER 1—SIMPLIFIED FOOD STAMP**
17 **PROGRAM AND STATE ASSISTANCE**
18 **FOR NEEDY FAMILIES**

19 **SEC. 541. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP**
20 **PROGRAM.**

21 Section 4(a) of the Food Stamp Act of 1977 (7
22 U.S.C. 2013(a)) is amended—

23 (1) by inserting “(1)” after “(a)”; and

24 (3) by adding at the end the following new
25 paragraph:

1 “(2) At the request of the State agency, a State may
2 operate a program, as provided in section 24, within the
3 State or any political subdivisions within the State in
4 which households with one or more members receiving reg-
5 ular cash benefits under the program established by the
6 State under the Temporary Assistance for Needy Families
7 Block Grant will be issued food stamp benefits in accord-
8 ance with the rules and procedures established—

9 “(A) by the State under the Temporary Assist-
10 ance for Needy Families Block Grant or this Act; or

11 “(B) under the food stamp program.”.

12 **SEC. 542. SIMPLIFIED FOOD STAMP PROGRAM.**

13 (a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et
14 seq.) is amended by adding the following new section:

15 **“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

16 “(a) If a State elects to operate a program under sec-
17 tion 4(a)(2) within the State or any political subdivision
18 within the State—

19 “(1) households in which all members receive
20 regular cash benefits under the program established
21 by the State under the Temporary Assistance for
22 Needy Families Block Grant shall be automatically
23 eligible to participate in the food stamp program;

24 “(2) benefits under such program shall be de-
25 termined under the rules and procedures established

1 by the State or political subdivision under the Tem-
2 porary Assistance for Needy Families Block Grant
3 or under the food stamp program, subject to sub-
4 section (g).

5 “(b) In approving a State plan to carry out a pro-
6 gram under section 4(a)(2), the Secretary shall certify
7 that the average level of food stamp benefits per household
8 participating in the program under such section for the
9 State or political subdivision in which such program is in
10 operation is not expected to exceed the average level of
11 food stamp benefits per household that received benefits
12 under the program established by a State under part A
13 of title IV of the Social Security Act (42 U.S.C. 601 et
14 seq.) in such area in the preceding fiscal year, adjusted
15 for any changes in the thrifty food plan under section 3(o).
16 The Secretary shall compute the permissible average level
17 of food stamp benefits per household each year for each
18 State or political subdivision in which such program is in
19 operation and may require a State to report any informa-
20 tion necessary to make such computation.

21 “(c) When the Secretary determines that the average
22 level of food stamp benefits per household provided by the
23 State or political subdivision under such program has ex-
24 ceeded the permissible average level of food stamp benefits
25 per household for the State or political subdivision in

1 which the program was in operation, the State or political
2 subdivision shall pay to the Treasury of the United States
3 the value of the food stamp benefits in excess of the per-
4 missible average level of food stamp benefits per household
5 in the State or political subdivision within 90 days after
6 the notification of such excess payments.

7 “(d)(1) A household against which a penalty is im-
8 posed (including a reduction in benefits or disqualifica-
9 tion) for noncompliance with the program established by
10 the State under the Temporary Assistance for Needy
11 Families Block Grant may have the same penalty imposed
12 against it (including a reduction in benefits or disqualifica-
13 tion) in the program administered under this section.

14 “(2) If the penalty for noncompliance with the pro-
15 gram established by the State under the Temporary As-
16 sistance for Needy Families block grant is a reduction in
17 benefits in such program, the household shall not receive
18 an increased allotment under the program administered
19 under this section as a result of a decrease in the house-
20 hold’s income (as determined by the State under this sec-
21 tion) caused by such penalty.

22 “(3) Any household disqualified from the program
23 administered under this subsection may, after such dis-
24 qualification period has expired, apply for food stamp ben-

1 efits under this Act and shall be treated as a new appli-
2 cant.

3 “(e) If a State or political subdivision, at its option,
4 operates a program under section 4(a)(2) for households
5 that include any member who does not receive regular
6 cash benefits under the program established by the State
7 under the Temporary Assistance for Needy Families Block
8 Grant, the Secretary shall ensure that the State plan pro-
9 vides that household eligibility shall be determined under
10 this Act, benefits may be determined under the rules and
11 procedures established by the State under the Temporary
12 Assistance for Needy Families Block Grant or this Act,
13 and benefits provided under this section shall be equitably
14 distributed among all household members.

15 “(f)(1) Under the program operated under section
16 4(a)(2), the State may elect to provide cash assistance in
17 lieu of allotments to all households that include a member
18 who is employed and whose employment produces for the
19 benefit of the member’s household income that satisfies
20 the requirements of paragraph (2).

21 “(2) The State, in electing to provide cash assistance
22 under paragraph (1), at a minimum shall require that
23 such earned income is—

24 “(A) not less than \$350 per month;

1 “(B) earned from employment provided by a
2 nongovernmental employer, as determined by the
3 State; and

4 “(C) received from the same employer for a pe-
5 riod of employment of not less than 3 consecutive
6 months.

7 “(3) If a State that makes the election described in
8 paragraph (1) identifies each household that receives cash
9 assistance under this subsection—

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

14 “(B) the State shall provide such amount to the
15 household as cash assistance in lieu of such allot-
16 ment; and

17 “(C) for purposes of the food stamp program
18 (other than this section and section 4(a)(2))—

19 “(i) such cash assistance shall be consid-
20 ered to be an allotment; and

21 “(ii) such household shall not receive any
22 other food stamp benefit for the period for
23 which such cash assistance is provided.

24 “(4) A State that makes the election in paragraph
25 (1) shall—

1 “(A) increase the cash benefits provided to
2 households under this subsection to compensate for
3 any State or local sales tax that may be collected on
4 purchases of food by any household receiving cash
5 benefits under this subsection, unless the Secretary
6 determines on the basis of information provided by
7 the State that the increase is unnecessary on the
8 basis of the limited nature of the items subject to
9 the State or local sales tax; and

10 “(B) pay the cost of any increase in cash bene-
11 fits required by paragraph (1).

12 “(5) After a State operates a program under this sub-
13 section for 2 years, the State shall provide to the Secretary
14 a written evaluation of the impact of cash assistance.

15 “(g) In operating a program under section 4(a)(2),
16 the State or political subdivision may follow the rules and
17 procedures established by the State or political subdivision
18 under the Temporary Assistance for Needy Families Block
19 Grant or under the food stamp program, except that the
20 State or political subdivision shall comply with the require-
21 ments of—

22 “(1) subsections (a) through (g) of section 7
23 (relating to the issuance and use of coupons);

24 “(2) section 8(a) (relating to the value of allot-
25 ments, except that a household’s income may be de-

1 terminated under the program established by the State
2 under the Temporary Assistance for Needy Families
3 Block Grant);

4 “(3) section 8(b) (allotment not considered in-
5 come or resources);

6 “(4) subsections (a), (c), (d), and (n) of section
7 11 (relating to administration);

8 “(5) paragraphs (8), (12), (17), (19), (21),
9 (26), and (27) of section 11(e) (relating to the State
10 plan);

11 “(6) section 11(e)(10) (relating to a fair hear-
12 ing) or a comparable requirement established by the
13 State under the Temporary Assistance for Needy
14 Families Block Grant; and

15 “(7) section 16 (relating to administrative cost-
16 sharing and quality control).”.

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

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

21 (2) in paragraph (25), by striking the period at
22 the end and inserting “; and”; and

23 (3) by adding at the end the following new
24 paragraph:

1 “(26) the plans of the State agency for operat-
2 ing, at the election of the State, a program under
3 section 4(a)(2), including—

4 “(A) the rules and procedures to be fol-
5 lowed by the State to determine food stamp
6 benefits;

7 “(B) a statement specifying whether the
8 program operated by the State under section
9 4(a)(2) will include households that include
10 members who do not receive regular cash bene-
11 fits under the program established by the State
12 under the Temporary Assistance for Needy
13 Families Block Grant; and

14 “(C) a description of the method by which
15 the State or political subdivision will carry out
16 a quality control system under section 16(c).”.

17 **SEC. 543. CONFORMING AMENDMENTS.**

18 (a) Section 8 of the Food Stamp Act of 1977 (7
19 U.S.C. 2017) is amended by striking subsection (e).

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

22 (1) by striking subsection (i); and

23 (2) by redesignating subsections (j), (k), and (l)
24 as subsections (i), (j), and (k), respectively.

1 CHAPTER 2—FOOD STAMP PROGRAM**2 SEC. 551. THRIFTY FOOD PLAN.**

3 Section (3)(o) of the Food Stamp Act of 1977 (7
4 U.S.C. 2012(o)) is amended by striking “(4) through Jan-
5 uary 1, 1980, adjust the cost of such diet every January
6 1 and July 1” and all that follows through the end of the
7 subsection, and inserting the following: “(4) on October
8 1, 1995, adjust the cost of the thrifty food plan to reflect
9 103 percent of the cost of the thrifty food plan in June
10 1994 and increase such amount by 2 percent, rounding
11 the result to the nearest lower dollar increment for each
12 household size, and (5) on October 1, 1996, and each Oc-
13 tober 1 thereafter, increase the amount established for the
14 preceding October 1, before such amount was rounded, by
15 2 percent, rounding the result to the nearest lower dollar
16 increment for each household size.”.

17 SEC. 552. INCOME DEDUCTIONS AND ENERGY ASSISTANCE.

18 (a) Section 5(d)(11) of the Food Stamp Act of 1977
19 (7 U.S.C. 2014(d)(11)) is amended—

20 (1) by striking “(A)”; and

21 (2) by striking “or (B) under any State or local
22 laws,” and all that follows through “or impracticable
23 to do so,”.

24 (b) Section 5(e) of the Food Stamp Act of 1977 (7
25 U.S.C. 2014(e)) is amended to read as follows:

1 “(e)(1) DEDUCTIONS FOR STANDARD AND EARNED
2 INCOME.—

3 “(A) In computing household income, the Sec-
4 retary shall allow a standard deduction of \$134 a
5 month for each household, except that households in
6 Alaska, Hawaii, Guam, and the Virgin Islands of the
7 United States shall be allowed a standard deduction
8 of \$229, \$189, \$269, and \$118, respectively.

9 “(B) All households with earned income shall
10 also be allowed an additional deduction of 20 per-
11 cent of all earned income (other than that excluded
12 by subsection (d) of this section and that earned
13 under section 16(j)), to compensate for taxes, other
14 mandatory deductions from salary, and work ex-
15 penses, except that such additional deduction shall
16 not be allowed with respect to earned income that a
17 household willfully or fraudulently fails (as proven in
18 a proceeding provided for in section 6(b)) to report
19 in a timely manner.

20 “(2) DEPENDENT CARE DEDUCTION.—The Sec-
21 retary shall allow households, a deduction with respect to
22 expenses other than expenses paid on behalf of the house-
23 hold by a third party or amounts made available and ex-
24 cluded for the expenses under subsection (d)(3), the maxi-
25 mum allowable level of which shall be \$200 a month for

1 each dependent child under 2 years of age and \$175 a
2 month for each other dependent, for the actual cost of
3 payments necessary for the care of a dependent when such
4 care enables a household member to accept or continue
5 employment, or training or education which is preparatory
6 for employment.

7 “(3) EXCESS SHELTER EXPENSE DEDUCTION.—

8 “(A) The Secretary shall allow households,
9 other than those households containing an elderly or
10 disabled member, with respect to expenses other
11 than expenses paid on behalf of the household by a
12 third party, an excess shelter expense deduction to
13 the extent that the monthly amount expended by a
14 household for shelter exceeds an amount equal to 50
15 percent of monthly household income after all other
16 applicable deductions have been allowed.

17 “(B) Such excess shelter expense deduction
18 shall not exceed \$231 a month in the 48 contiguous
19 States and the District of Columbia, and shall not
20 exceed, in Alaska, Hawaii, Guam, and the Virgin Is-
21 lands of the United States, \$402, \$330, \$280, and
22 \$171 a month, respectively.

23 “(C)(i) Notwithstanding section 2605(f) of the
24 Low-Income Home Energy Assistance Act of 1981
25 (42 U.S.C. 8624(f)), a household may not claim as

1 a shelter expense any payment received, or costs
2 paid on its behalf, under the Low-Income Home En-
3 ergy Assistance Act of 1981 (42 U.S.C. 8621 et
4 seq.).

5 “(ii) Notwithstanding section 2605(f) of the
6 Low-Income Home Energy Assistance Act of 1981
7 (42 U.S.C. 8624(f)), a State agency may use a
8 standard utility allowance as provided under sub-
9 paragraph (D) for heating and cooling expenses only
10 if the household incurs out-of-pocket heating or cool-
11 ing expenses in excess of any payment received, or
12 costs paid on its behalf, under the Low-Income
13 Home Energy Assistance Act of 1981 (42 U.S.C.
14 8621 et seq.).

15 “(iii) For purposes of the food stamp program,
16 assistance provided under the Low-Income Home
17 Energy Assistance Act of 1981 shall be considered
18 to be prorated over the entire heating or cooling sea-
19 son for which it was provided.

20 “(iv) At the end of any certification period and
21 up to one additional time during each twelve-month
22 period, a State agency shall allow a household to
23 switch between any standard utility allowance and a
24 deduction based on its actual utility costs.

1 “(D)(i) In computing the excess shelter expense
2 deduction, a State agency may use a standard utility
3 allowance in accordance with regulations promul-
4 gated by the Secretary, except that a State agency
5 may use an allowance which does not fluctuate with-
6 in a year to reflect seasonal variations.

7 “(ii) An allowance for a heating or cooling ex-
8 pense may not be used for a household that does not
9 incur a heating or cooling expense, as the case may
10 be, or does incur a heating or cooling expense but
11 is located in a public housing unit which has central
12 utility meters and charges households, with regard
13 to such expense, only for excess utility costs.

14 “(iii) No such allowance may be used for a
15 household that shares such expense with, and lives
16 with, another individual not participating in the food
17 stamp program, another household participating in
18 the food stamp program, or both, unless the allow-
19 ance is prorated between the household and the
20 other individual, household, or both.

21 “(4) HOMELESS SHELTER DEDUCTION.—(A) A
22 State shall develop a standard homeless shelter deduction,
23 which shall not exceed \$139 a month, for the expenses
24 that may reasonably be expected to be incurred by house-
25 holds in which all members are homeless but are not re-

1 ceiving free shelter throughout the month. Subject to sub-
2 paragraph (B), the State shall use such deduction in de-
3 termining eligibility and allotments for such households.

4 “(B) The Secretary may prohibit the use of the
5 standard homeless shelter deduction for households with
6 extremely low shelter costs.

7 “(5) ELDERLY AND DISABLED HOUSEHOLDS.—

8 “(A) The Secretary shall allow households con-
9 taining an elderly or disabled member, with respect
10 to expenses other than expenses paid on behalf of
11 the household by a third party—

12 “(i) an excess medical expense deduction
13 for that portion of the actual cost of allowable
14 medical expenses, incurred by elderly or dis-
15 abled members, exclusive of special diets, that
16 exceed \$35 a month; and

17 “(ii) an excess shelter expense deduction to
18 the extent that the monthly amount expended
19 by a household for shelter exceeds an amount
20 equal to 50 percent of monthly household in-
21 come after all other applicable deductions have
22 been allowed.

23 “(B) State agencies shall offer eligible house-
24 holds a method of claiming a deduction for recurring
25 medical expenses that are initially verified under the

1 excess medical expense deduction provided for in
2 subparagraph (A), in lieu of submitting information
3 or verification on actual expenses on a monthly
4 basis. The method described in the preceding sen-
5 tence shall be designed to minimize the administra-
6 tive burden for eligible elderly and disabled house-
7 hold members choosing to deduct their recurrent
8 medical expenses pursuant to such method, shall rely
9 on reasonable estimates of the member's expected
10 medical expenses for the certification period (includ-
11 ing changes that can be reasonably anticipated
12 based on available information about the member's
13 medical condition, public or private medical insur-
14 ance coverage, and the current verified medical ex-
15 penses incurred by the member), and shall not re-
16 quire further reporting or verification of a change in
17 medical expenses if such a change has been antici-
18 pated for the certification period.

19 “(6) CHILD SUPPORT DEDUCTION.—Before deter-
20 mining the excess shelter expense deduction, the Secretary
21 shall allow all households a deduction for child support
22 payments made by a household member to or for an indi-
23 vidual who is not a member of the household if such house-
24 hold member was legally obligated to make such payments,
25 except that the Secretary is authorized to prescribe by reg-

1 ulation the methods, including calculation on a retrospec-
2 tive basis, that State agencies shall use to determine the
3 amount of the deduction for child support payments.”.

4 (c) Section 11(e)(3) of the Food Stamp Act of 1977
5 (7 U.S.C. 2020(e)(3)) is amended by striking “Under the
6 rules prescribed by the Secretary, a State agency shall de-
7 velop standard estimates” and all that follows through the
8 end of the paragraph.

9 **SEC. 553. VEHICLE ALLOWANCE.**

10 Section 5(g)(2) of the Food Stamp Act of 1977 (7
11 U.S.C. 2014(g)(2)) is amended by striking “a level set by
12 the Secretary, which shall be \$4,500 through August 31,
13 1994,” and all that follows through the end of the para-
14 graph, and inserting “\$4,550.”.

15 **SEC. 554. WORK REQUIREMENTS.**

16 (a) Section 6(d) of the Food Stamp Act of 1977 (42
17 U.S.C. 2015(d)) is amended—

18 (1) in paragraph (1)(A)(ii), by striking “an em-
19 ployment and training program under paragraph
20 (4), to the extent required under paragraph (4), in-
21 cluding any reasonable employment requirements as
22 are prescribed by the State agency in accordance
23 with paragraph (4)” and inserting “a State job
24 search program”;

25 (2) in paragraph (2)(A)—

1 (A) by striking “title IV of the Social Se-
2 curity Act (42 U.S.C. 602)” and inserting “the
3 program established by the State under the
4 Temporary Assistance for Needy Families
5 Block Grant”; and

6 (B) by striking “that is comparable to a
7 requirement of paragraph (1)”; and

8 (3) by amending paragraph (4) to read as fol-
9 lows:

10 “(4)(A) Except as provided in subparagraphs (B),
11 (C), and (D), an individual shall not be denied initial eligi-
12 bility but shall be disqualified from the food stamp pro-
13 gram if after 90 days from the certification of eligibility
14 of such individual the individual was not employed a mini-
15 mum of 20 hours per week, or does not participate in a
16 program established under section 20 or a comparable
17 program established by the State or local government.

18 “(B) Subparagraph (A) shall not apply in the case
19 of an individual who—

20 “(i) is under eighteen or over fifty years of age;

21 “(ii) is certified by a physician as physically or
22 mentally unfit for employment;

23 “(iii) is a parent or other member of a house-
24 hold with responsibility for the care of a dependent;

1 “(iv) is participating a minimum of 20 hours
2 per week and is in compliance with the requirements
3 of—

4 “(I) a program under the Job Training
5 Partnership Act (29 U.S.C. 1501 et seq.);

6 “(II) a program under section 236 of the
7 Trade Act of 1974 (19 U.S.C. 2296); or

8 “(III) a program of employment or train-
9 ing operated or supervised by an agency of
10 State or local government which meets stand-
11 ards deemed appropriate by the Governor; or

12 “(v) would otherwise be exempt under sub-
13 section (d)(2).

14 “(C) Upon request of the State, the Secretary
15 may waive the requirements of subparagraph (A) in
16 the case of some or all individuals within all or part
17 of the State if the Secretary makes a determination
18 that such area—

19 “(i) has an unemployment rate of over 10 per-
20 cent; or

21 “(ii) does not have a sufficient number of jobs
22 to provide employment for individuals subject to this
23 paragraph. The Secretary shall report to the Com-
24 mittee on Agriculture of the House of Representa-
25 tives and the Committee on Agriculture, Nutrition,

1 and Forestry of the Senate on the basis on which
2 the Secretary made such a decision.

3 “(D) An individual who has been disqualified from
4 the food stamp program under subparagraph (A) may re-
5 establish eligibility for assistance if such person becomes
6 exempt under subparagraph (B) or by—

7 “(i) becoming employed for a minimum of 20
8 hours per week during any consecutive thirty-day pe-
9 riod; or

10 “(ii) participating in a program established
11 under section 20 or a comparable program estab-
12 lished by the State or local government.”.

13 (b) Section 16 of the Food Stamp Act of 1977 (7
14 U.S.C. 2025) is amended—

15 (1) by striking subsection (h); and

16 (2) by redesignating subsections (i) and (j) as
17 subsections (h) and (i), respectively.

18 (c) Section 17 of the Food Stamp Act of 1977 (7
19 U.S.C. 2026), as amended by section 543(b), is amend-
20 ed—

21 (1) by striking subsection (d); and

22 (2) by redesignating subsections (e) through (k)
23 as subsections (d) through (j), respectively.

24 (d) Section 20 of the Food Stamp Act of 1977 (7
25 U.S.C. 2029) is amended to read as follows:

1 “SEC. 20. (a)(1) The Secretary shall permit a State
2 that applies and submits a plan in compliance with guide-
3 lines promulgated by the Secretary to operate a program
4 within the State or any political subdivision within the
5 State, under which persons who are required to work
6 under section 6(d)(4) may accept an offer from the State
7 or political subdivision to perform work on its behalf, or
8 on behalf of a private nonprofit entity designated by the
9 State or political subdivision, in order to continue to qual-
10 ify for benefits after they have initially been judged eligi-
11 ble.

12 “(2) The Secretary shall promulgate guidelines pur-
13 suant to paragraph (1) which, to the maximum extent
14 practicable, enable a State or political subdivision to de-
15 sign and operate a program that is compatible and consist-
16 ent with similar programs operated by the State or politi-
17 cal subdivision.

18 “(b) To be approved by the Secretary, a program
19 shall provide that participants work, in return for com-
20 pensation consisting of the allotment to which the house-
21 hold is entitled under section 8(a), with each hour of such
22 work entitling that household to a portion of its allotment
23 equal in value to 100 percent of the higher of the applica-
24 ble State minimum wage or the Federal minimum hourly
25 rate under the Fair Labor Standards Act of 1938.

1 “(c) No State or political subdivision that receives
2 funds provided under this section shall replace any em-
3 ployed worker with an individual who is participating in
4 a program under this section for the purposes of comply-
5 ing with section 6(d)(4). Such an individual may be placed
6 in any position offered by the State or political subdivision
7 that—

8 “(1) is a new position;

9 “(2) is a position that became available in the
10 normal course of conducting the business of the
11 State or political subdivision;

12 “(3) involves performing work that would other-
13 wise be performed on an overtime basis by a worker
14 who is not an individual participating in such pro-
15 gram; or

16 “(4) that is a position which became available
17 by shifting a current employee to an alternate posi-
18 tion.

19 “(d) The Secretary shall allocate among the States
20 or political subdivisions in each fiscal year, from funds ap-
21 propriated for the fiscal year under section 18(a)(1), the
22 amount of \$75,000,000 to assist in carrying out the pro-
23 gram under this section during the fiscal year.

24 “(e)(1) In making the allocation required under sub-
25 section (d), the Secretary shall allocate to each State oper-

1 ating a program under this section that percentage of the
2 total funds allocated under subsection (d) which equals the
3 estimate of the Secretary of the percentage of participants
4 who are required to work under section 6(d)(4) that reside
5 in such State.

6 “(2) The State shall promptly notify the Secretary
7 if such State determines that it will not expend the funds
8 allocated it under paragraph (1) and the Secretary shall
9 reallocate such funds as the Secretary deems appropriate
10 and equitable.

11 “(f) Notwithstanding subsection (d), the Secretary
12 shall ensure that each State operating a program under
13 this section is allocated at least \$50,000 by reducing, to
14 the extent necessary, the funds allocated to those States
15 allocated more than \$50,000.

16 “(g) If, in carrying out such program during such
17 fiscal year, a State or political subdivision incurs costs
18 that exceed the amount allocated to the State agency
19 under subsection (d)—

20 “(1) the Secretary shall pay such State agency
21 an amount equal to 50 percent of such additional
22 costs, subject to the first limitation in paragraph
23 (2); and

24 “(2) the Secretary shall also reimburse each
25 State agency in an amount equal to 50 percent of

1 the total amount of payments made or costs in-
2 curred by the State or political subdivision in con-
3 nection with transportation costs and other expenses
4 reasonably necessary and directly related to partici-
5 pation in a program under this section, except that
6 such total amount shall not exceed an amount rep-
7 resenting \$25 per participant per month for costs of
8 transportation and other actual costs and such reim-
9 bursement shall not be made out of funds allocated
10 under subsection (d).

11 “(h) The Secretary may suspend or cancel some or
12 all of these payments, or may withdraw approval from a
13 State or political subdivision to operate a program, upon
14 a finding that the State or political subdivision has failed
15 to comply with the requirements of this section.”.

16 (e) Section 7(i)(6) of the Food Stamp Act of 1977
17 (7 U.S.C. 2015(i)(6)) is amended by striking “section
18 17(f)” and inserting “17(e)”.

19 **SEC. 555. COMPARABLE TREATMENT OF DISQUALIFIED**
20 **INDIVIDUALS.**

21 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
22 2015) is amended by adding at the end the following new
23 subsection:

24 “(i) An individual who is a member of a household
25 who would otherwise be eligible to participate in the food

1 stamp program under this section and who has been dis-
2 qualified for noncompliance with program requirements
3 from the program established by the State under part A
4 of title IV of the Social Security Act (42 U.S.C. 601 et
5 seq.) shall not be eligible to participate in the food stamp
6 program during the period such disqualification is in
7 effect.”.

8 **SEC. 556. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**
9 **SYSTEMS.**

10 (a) Section 7(i) of the Food Stamp Act of 1977 (7
11 U.S.C. 2016(i)) is amended—

12 (1) by amending paragraph (1) to read as
13 follows:

14 “(1)(A) State agencies are encouraged to implement
15 an on-line electronic benefit transfer system in which
16 household benefits determined under section 8(a) or sec-
17 tion 24 are issued from and stored in a central data bank
18 and electronically accessed by household members at the
19 point-of-sale.

20 “(B) Subject to paragraph (2), a State is authorized
21 to procure and implement an on-line electronic benefit
22 transfer system under the terms, conditions, and design
23 that the State deems appropriate.

24 “(C) Upon request of a State, the Secretary may
25 waive any provision of this Act prohibiting the effective

1 implementation of an electronic benefit transfer system
2 under this subsection.”;

3 (2) in paragraph (2), by striking “the approval
4 of”; and

5 (3) in paragraph (3), by striking “the Secretary
6 shall not approve such a system unless—” and in-
7 serting “such system shall provide that—”.

8 (b) The Food Stamp Act of 1977 (7 U.S.C. 2011 et
9 seq.), as amended by section 542(a), is amended by adding
10 at the end the following new section:

11 **“SEC. 25. ENCOURAGEMENT OF ELECTRONIC BENEFIT**
12 **TRANSFER SYSTEMS.**

13 “(a) Upon fully implementing an electronic benefit
14 transfer system which operates in the entire State, a State
15 may, subject to the provisions of this section, elect to re-
16 ceive a grant for any fiscal year to operate a low-income
17 nutrition assistance program in such fiscal year in lieu of
18 the food stamp program.

19 “(b)(1) A State that meets the requirements of this
20 section and elects to operate such program, shall receive
21 each fiscal year under this section the sum of—

22 “(A)(i) the total dollar value of all benefits is-
23 sued under the food stamp program by the State
24 during fiscal year 1994; or

1 “(ii) the average per fiscal year of the total dol-
2 lar value of all benefits issued under the food stamp
3 program by the State during fiscal years 1992
4 through 1994; and

5 “(B)(i) the total amount received by the State
6 for administrative costs under section 16(a) for fis-
7 cal year 1994; or

8 “(ii) the average per fiscal year of the total
9 amount received by the State for administrative
10 costs under section 16(a) for fiscal years 1992
11 through 1994.

12 “(2) Upon approval by the Secretary of the plan sub-
13 mitted by a State under subsection (c), the Secretary shall
14 pay to the State at such times and in such manner as
15 the Secretary may determine, the amount to which the
16 State is eligible under subsection (b)(1).

17 “(c) To be eligible to operate a low-income nutrition
18 assistance program under this section, a State shall sub-
19 mit for approval each fiscal year a plan of operation speci-
20 fying the manner in which such a program will be con-
21 ducted by the State. Such plan shall—

22 “(1) certify that the State has implemented a
23 state-wide electronic benefit transfer system in ac-
24 cordance with section 7(i);

1 “(2) designate a single State agency responsible
2 for the administration of the low-income nutrition
3 assistance program under this section;

4 “(3) assess the food and nutrition needs of
5 needy persons residing in the State;

6 “(4) limit the assistance to be provided under
7 this section to the purchase of food;

8 “(5) describe the persons to whom such assist-
9 ance will be provided;

10 “(6) assure the Secretary that assistance will be
11 provided to the most needy persons in the State and
12 that applicants for assistance shall have adequate
13 notice and fair hearings comparable to those re-
14 quired under section 11;

15 “(7) provide that, in the operation of the low-
16 income nutrition assistance program, there shall be
17 no discrimination on the basis of race, sex, religion,
18 national origin, or political beliefs; and

19 “(8) include other information as may be re-
20 quired by the Secretary.

21 “(d) Payments made under this section to the State
22 may be expended only in the fiscal year for which such
23 payments are distributed, except that the State may re-
24 serve up to 5 percent of the grant received for a fiscal
25 year to provide assistance under this section in the subse-

1 quent fiscal year: *Provided*, That such reserved funds may
2 not total more than 20 percent of the total grant received
3 under this section for a fiscal year.

4 “(e) The State agency shall keep records concerning
5 the operation of the program carried out under this sec-
6 tion and shall make such records available to the Secretary
7 and the Comptroller General of the United States.

8 “(f) If the Secretary finds that there is substantial
9 failure by a State to comply with the requirements of this
10 section, regulations issued pursuant to this section, or the
11 plan approved under subsection (c), then the Secretary
12 shall take one or more of the following actions:

13 “(1) Suspend all or part of such payment au-
14 thorized by subsection (b)(2) to be made available to
15 such State, until the Secretary determines the State
16 to be in substantial compliance with such require-
17 ments.

18 “(2) Withhold all or part of such payments
19 until the Secretary determines that there is no
20 longer failure to comply with such requirements, at
21 which time the withheld payment may be paid.

22 “(3) Terminate the authority of the State to
23 operate the low-income nutrition assistance program.

24 “(g)(1) States which receive grants under this section
25 shall provide for—

1 “(A) a biennial audit, conducted in accordance
2 with the standards of the Comptroller General, of
3 expenditures for the provision of nutrition assistance
4 under this section; and

5 “(B) not later than 120 days after the end of
6 each fiscal year in which an audit is conducted, pro-
7 vide the Secretary with such audit.

8 States shall make the report of such audit available for
9 public inspection.

10 “(2) Not later than 120 days after the end of the
11 fiscal year for which a State receives a grant under this
12 section, such State shall prepare an activities report com-
13 paring actual expenditures for such fiscal year for nutri-
14 tion assistance under this section with the expenditures
15 for such fiscal year predicted in the plan submitted in ac-
16 cordance with subsection (c). Such State shall make the
17 activities report available for public inspection.

18 “(h) Whoever knowingly and willfully embezzles,
19 misapplies, steals, or obtains by fraud, false statement, or
20 forgery, any funds, assets, or property provided or fi-
21 nanced under this section shall be fined not more than
22 \$10,000 or imprisoned for not more than 5 years, or
23 both.”.

1 **SEC. 557. VALUE OF MINIMUM ALLOTMENT.**

2 Section 8(a) of the Food Stamp Act of 1977 (7
3 U.S.C. 2017(a)) is amended by striking “, and shall be
4 adjusted on each October 1” and all that follows through
5 the end of such subsection, and inserting a period.

6 **SEC. 558. INITIAL MONTH BENEFIT DETERMINATION.**

7 Section 8(c)(2)(B) of the Food Stamp Act of 1977
8 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more
9 than one month” after “following any period”.

10 **SEC. 559. IMPROVING FOOD STAMP PROGRAM MANAGE-**
11 **MENT.**

12 (a) Section 13(a)(1) of the Food Stamp Act of 1977
13 (7 U.S.C. 2022(a)(1)) is amended—

14 (1) in the fifth sentence, by inserting “(after a
15 determination on any request for a waiver for good
16 cause related to the claim has been made by the Sec-
17 retary)” after “bill for collection”; and

18 (2) in the sixth sentence, by striking “1 year”
19 and inserting “2 years”.

20 (b) Section 16(c) of the Food Stamp Act of 1977 (7
21 U.S.C. 2025(c)) is amended—

22 (1) in paragraph (1)(C)—

23 (A) by striking “national performance
24 measure” and inserting “payment error toler-
25 ance level”; and

1 (B) by striking “equal to—” and all that
2 follows through the period at the end and in-
3 serting the following:

4 “equal to its payment error rate less such tolerance
5 level times the total value of allotments issued in
6 such a fiscal year by such State agency. The amount
7 of liability shall not be affected by corrective action
8 under subparagraph (B).”;

9 (2) in paragraph (3)(A), by striking “120 days”
10 and inserting “60 days (or 90 days at the discretion
11 of the Secretary)”;

12 (3) in the last sentence of paragraph (6), by in-
13 serting “shall be used to establish a payment-error
14 tolerance level. Such tolerance level for any fiscal
15 year will be one percentage point added to the lowest
16 national performance measure ever announced up to
17 and including such fiscal year under this section.
18 The payment-error tolerance level” after “The an-
19 nounced national performance measure”;

20 (4) by striking paragraphs (8) and (9).

21 **SEC. 560. WORK SUPPLEMENTATION OR SUPPORT PRO-**
22 **GRAM.**

23 (a) Section 11(e) of the Food Stamp Act of 1977 (7
24 U.S.C. 2020(e)), as amended by section 542(b), is amend-
25 ed—

1 (1) in paragraph (25), by striking “and”;

2 (2) in paragraph (26), by striking the period
3 and inserting “; and” at the end; and

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

6 “(27) the plans of the State agency for includ-
7 ing eligible food stamp recipients in a work
8 supplementation or support program under section
9 16(j).”.

10 (b) Section 16 of the Food Stamp Act of 1977 (7
11 U.S.C. 2025), as amended by section 554(b), is amended
12 by adding at the end the following new subsection:

13 “(j) WORK SUPPLEMENTATION OR SUPPORT PRO-
14 GRAM.—

15 “(1) A State may elect to use the sums equal
16 to the food stamp benefits that would otherwise be
17 allotted to participants under the food stamp pro-
18 gram but for the operation of this subsection for the
19 purposes of providing and subsidizing or supporting
20 jobs under a work supplementation or support pro-
21 gram established by the State.

22 “(2) If a State that makes the election de-
23 scribed in paragraph (1) identifies each household
24 that participates in the food stamp program which

1 contains an individual who is participating in such
2 work supplementation or support program—

3 “(A) the Secretary shall pay to the State
4 an amount equal to the value of the allotment
5 that the household would be eligible to receive
6 but for the operation of this subsection;

7 “(B) the State shall expend such amount
8 in accordance with its work supplementation or
9 support program in lieu of the allotment that
10 the household would receive but for the oper-
11 ation of this subsection;

12 “(C) for purposes of—

13 “(i) sections 5 and 8(a), the amount
14 received under this subsection shall be ex-
15 cluded from household income and re-
16 sources; and

17 “(ii) section 8(b), the amount received
18 under this subsection shall be considered
19 as the value of an allotment provided to
20 the household; and

21 “(D) the household shall not receive an al-
22 lotment from the State agency for the period
23 during which the member continues to partici-
24 pate in the work supplementation program.

1 “(3) No person shall be excused by reason of
2 the fact that such State has a work supplementation
3 or support program from any work requirement
4 under section 6(d), except during the periods in
5 which such individual is employed under such work
6 supplementation or support program.

7 “(4) For purposes of this subsection, the term
8 “work supplementation or support program” shall
9 mean a program in which, as determined by the Sec-
10 retary, public assistance, including any benefits pro-
11 vided under a program established by the State and
12 the food stamp program, is provided to an employer
13 to be used for hiring a public assistance recipient.”.

14 **SEC. 561. OBLIGATIONS AND ALLOTMENTS.**

15 Section 18 of the Food Stamp Act of 1977 Act (7
16 U.S.C. 2027) is amended—

17 (1) in subsection (a)—

18 (A) in paragraph (1)—

19 (i) by striking “are authorized to be
20 appropriated such sums as are necessary
21 for each of the fiscal years 1991 through
22 1995” and inserting the following:

23 “is provided to be obligated, not in excess of the cost esti-
24 mate made by the Congressional Budget Office for this
25 Act, as amended by the Food Stamp Simplification and

1 Reform Act of 1995, for the fiscal year ending September
2 30, 1996, with adjustments for any estimates of total obli-
3 gations for additional fiscal years made by the Congres-
4 sional Budget Office to reflect the provisions contained in
5 the Food Stamp Simplification and Reform Act of 1995”;

6 (ii) by striking “In each monthly re-
7 port, the Secretary shall also state” and
8 inserting “Also, the Secretary shall file a
9 report every February 15, April 15, and
10 July 15, stating”; and

11 (iii) by striking “supplemental appro-
12 priations” and inserting “additional
13 obligational authority”; and

14 (B) in paragraph (2), by striking “author-
15 ized to be appropriated” and inserting “obli-
16 gated”;

17 (2) in subsection (b)—

18 (A) in the first sentence, by striking “ap-
19 propriation” and inserting “total obligations
20 limitation provided”; and

21 (B) in the second sentence, by striking
22 “appropriation” and inserting “obligational
23 amount provided in subsection (a)(1)”;

24 (3) in subsection (c)—

1 (A) by inserting “or under section 24”
2 after “under sections 5(d) and 5(e)”;

3 (B) by inserting “or under section 24”
4 after “under section 5(c)”;

5 (C) by striking “and” after “or otherwise
6 disabled”; and

7 (D) by inserting before the period at the
8 end “, and (3) adequate and appropriate rec-
9 ommendations on how to equitably achieve such
10 reductions”; and

11 (4) in subsection (f), by striking “No funds ap-
12 propriated” and inserting “None of the funds obli-
13 gated”.

14 **CHAPTER 3—PROGRAM INTEGRITY**

15 **SEC. 571. AUTHORITY TO ESTABLISH AUTHORIZATION** 16 **PERIODS.**

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 new sentence:

20 “The Secretary shall establish specific time periods during
21 which authorization to accept and redeem coupons, or to
22 redeem benefits through an electronic benefit transfer sys-
23 tem, under the food stamp program shall be valid.”.

1 **SEC. 572. CONDITION PRECEDENT FOR APPROVAL OF RE-**
2 **TAIL FOOD STORES AND WHOLESALE FOOD**
3 **CONCERNS.**

4 Section 9(a)(1) of the Food Stamp Act of 1977 (7
5 U.S.C. 2018(a)(1)), as previously amended by this title,
6 is amended by adding at the end the following new sen-
7 tence:

8 “No retail food store or wholesale food concern shall be
9 approved for participation in the food stamp program un-
10 less, wherever possible, an authorized employee of the De-
11 partment of Agriculture, or an official of the State or local
12 government designated by the Department of Agriculture,
13 has visited such retail food store or wholesale food concern
14 for the purpose of determining whether such retail food
15 store or wholesale food concern should be so approved.”.

16 **SEC. 573. WAITING PERIOD FOR RETAIL FOOD STORES AND**
17 **WHOLESALE FOOD CONCERNS THAT ARE DE-**
18 **NIED APPROVAL TO ACCEPT COUPONS.**

19 Section 9(d) of the Food Stamp Act of 1977 (7
20 U.S.C. 2018(d)) is amended by adding at the end the fol-
21 lowing new sentence:

22 “Such retail food store or wholesale food concern shall not
23 submit an application under subsection (a)(1) for six
24 months from the date of receipt of the notice of denial.”.

1 **SEC. 574. DISQUALIFICATION OF RETAIL FOOD STORES**
2 **AND WHOLESALE FOOD CONCERNS.**

3 Section 12(a) of the Food Stamp Act of 1977 (7
4 U.S.C. 2021(a)) is amended—

5 (1) by inserting “(1)” after “(a); and

6 (2) by inserting the following new paragraph:

7 “(2) A retail food store or wholesale food concern
8 that is disqualified from participating in the program
9 under section 17 of the Child Nutrition Act of 1966 shall
10 for such period of disqualification also be disqualified from
11 participating in the food stamp program.”.

12 **SEC. 575. AUTHORITY TO SUSPEND STORES VIOLATING**
13 **PROGRAM REQUIREMENTS PENDING ADMIN-**
14 **ISTRATIVE AND JUDICIAL REVIEW.**

15 Section 14(a) of the Food Stamp Act of 1977 (7
16 U.S.C. 2023(a)) is amended by adding at the end the fol-
17 lowing new sentence:

18 “Notwithstanding any other provision of law, the perma-
19 nent disqualification of a retail food store or wholesale
20 food concern under section 12(b)(3) shall be effective from
21 the date of receipt of the notice of disqualification.”.

22 **SEC. 576. CRIMINAL FORFEITURE.**

23 Section 15(g) of the Food Stamp Act of 1977 (7
24 U.S.C. 2024(g)) is amended to read as follows:

25 “(g)(1) The court, in imposing sentence on a person
26 convicted of an offense in violation of subsection (b) or

1 (c), shall order, in addition to any other sentence imposed
2 pursuant to this subsection, that the person forfeit to the
3 United States all property described in paragraph (2).

4 “(2) All property, real and personal, used in a trans-
5 action or attempted transaction, to commit, or to facilitate
6 the commission of, a violation (other than a misdemeanor)
7 of subsection (b) or (c), or proceeds traceable to a violation
8 of subsection (b) or (c), is subject to forfeiture to the Unit-
9 ed States.

10 “(3) No property shall be forfeited under this sub-
11 section to the extent of an interest of an owner, by reason
12 of any act or omission established by that owner to have
13 been committed or omitted without the knowledge or con-
14 sent of that owner.

15 “(4) The proceeds from any sale of forfeited property
16 and any monies forfeited under this subsection shall be
17 used—

18 “(A) to reimburse the Department of Justice
19 for the costs incurred by the Department to initiate
20 and complete the forfeiture proceeding that caused
21 the sale that produced such proceeds;

22 “(B) to reimburse the Department of Agri-
23 culture Office of Inspector General for any costs it
24 incurred in the law enforcement effort resulting in
25 the forfeiture;

1 “(C) to reimburse any Federal or State law en-
2 forcement agencies for any costs incurred in the law
3 enforcement effort resulting in the forfeiture; and

4 “(D) by the Secretary to carry out the ap-
5 proval, reauthorization, and compliance investiga-
6 tions of retail stores under section 9.”.

7 **SEC. 577. EXPANDED DEFINITION OF “COUPON”.**

8 Section 3(d) of the Food Stamp Act of 1977 (7
9 U.S.C. 2012(d)) is amended by striking “or type of certifi-
10 cate” and inserting “type of certificate, authorization
11 cards, cash or checks issued in lieu of coupons, or access
12 devices, including, but not limited to, electronic benefit
13 transfer cards or personal identification numbers”.

14 **SEC. 578. DOUBLED PENALTIES FOR VIOLATING FOOD**
15 **STAMP PROGRAM REQUIREMENTS.**

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

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

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

22 **SEC. 579. DISQUALIFICATION OF CONVICTED INDIVIDUALS.**

23 Section 6(b)(1)(iii) of the Food Stamp Act of 1977
24 (7 U.S.C. 2015(b)(1)(iii)) is amended—

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

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

5 (3) by adding at the end the following new
6 subclause:

7 “(IV) a conviction of an offense under sub-
8 section (a) or (b) of section 15 involving items
9 referred to in such subsection having a value of
10 \$500 or more.”.

11 **SEC. 580. CLAIMS COLLECTION.**

12 (a) Section 11(e)(8) of the Food Stamp Act of 1977
13 (7 U.S.C. 2020(e)(8)) is amended by inserting before the
14 semicolon at the end “or refunds of Federal taxes as au-
15 thorized pursuant to section 3720A of title 31 of the Unit-
16 ed States Code”.

17 (b) Section 13(d) of the Act (7 U.S.C. 2022(d)) is
18 amended—

19 (1) by striking “may” and inserting “shall”;
20 and

21 (2) by inserting before the period at the end
22 “or refunds of Federal taxes as authorized pursuant
23 to section 3720A of title 31 of the United States
24 Code”.

1 **Subtitle C—Effective Dates and**
2 **Miscellaneous Provisions**

3 **SEC. 591. EFFECTIVE DATES.**

4 (a) Except as provided in subsection (b) and (c), this
5 title and amendments made by this title shall take effect
6 on October 1, 1995.

7 (b) The amendments made by section 554 shall take
8 effect on October 1, 1996.

9 (c) The amendments made by section 560 shall take
10 effect on October 1, 1994.

11 **SEC. 592. SENSE OF THE CONGRESS.**

12 It is the sense of the Congress that States that oper-
13 ate electronic benefit systems to transfer benefits provided
14 under the Food Stamp Act of 1977 should operate elec-
15 tronic benefit systems that are compatible with each other.

16 **SEC. 593. DEFICIT REDUCTION.**

17 It is the sense of the Committee on Agriculture of
18 the House of Representatives that reductions in outlays
19 resulting from subtitle B shall not be taken into account
20 for purposes of section 252 of the Balanced Budget and
21 Emergency Deficit Control Act of 1985.

1 **TITLE VI—SUPPLEMENTAL**
2 **SECURITY INCOME**

3 **SEC. 601. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
4 **BENEFITS BY REASON OF DISABILITY TO**
5 **DRUG ADDICTS AND ALCOHOLICS.**

6 (a) IN GENERAL.—Section 1614(a)(3) of the Social
7 Security Act (42 U.S.C. 1382c(a)(3)) is amended by add-
8 ing at the end the following:

9 “(I) Notwithstanding subparagraph (A), an individ-
10 ual shall not be considered to be disabled for purposes of
11 this title if alcoholism or drug addiction would (but for
12 this subparagraph) be a contributing factor material to
13 the Commissioner’s determination that the individual is
14 disabled.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 1611(e) of such Act (42 U.S.C.
17 1382(e)) is amended by striking paragraph (3).

18 (2) Section 1631(a)(2)(A)(ii) of such Act (42
19 U.S.C. 1383(a)(2)(A)(ii)) is amended—

20 (A) by striking “(I)”; and

21 (B) by striking subclause (II).

22 (3) Section 1631(a)(2)(B) of such Act (42
23 U.S.C. 1383(a)(2)(B)) is amended—

24 (A) by striking clause (vii);

1 (B) in clause (viii), by striking “(ix)” and
2 inserting “(viii)”;

3 (C) in clause (ix)—

4 (i) by striking “(viii)” and inserting
5 “(vii)”;

6 (ii) in subclause (II), by striking all
7 that follows “15 years” and inserting a pe-
8 riod;

9 (D) in clause (xiii)—

10 (i) by striking “(xii)” and inserting
11 “(xi)”;

12 (ii) by striking “(xi)” and inserting
13 “(x)”;

14 (E) by redesignating clauses (viii) through
15 (xiii) as clauses (vii) through (xii), respectively.

16 (4) Section 1631(a)(2)(D)(i)(II) of such Act
17 (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by
18 striking all that follows “\$25.00 per month” and in-
19 serting a period.

20 (5) Section 1634 of such Act (42 U.S.C. 1383c)
21 is amended by striking subsection (e).

22 (6) Section 201(c)(1) of the Social Security
23 Independence and Program Improvements Act of
24 1994 (42 U.S.C. 425 note) is amended—

1 (A) by striking “—” and all that follows
2 through “(A)” the 1st place such term appears;

3 (B) by striking “and” the 3rd place such
4 term appears;

5 (C) by striking subparagraph (B);

6 (D) by striking “either subparagraph (A)
7 or subparagraph (B)” and inserting “the pre-
8 ceding sentence”; and

9 (E) by striking “subparagraph (A) or (B)”
10 and inserting “the preceding sentence”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect on October 1, 1995, and shall
13 apply with respect to months beginning on or after such
14 date.

15 (d) FUNDING OF CERTAIN PROGRAMS FOR DRUG
16 ADDICTS AND ALCOHOLICS.—

17 (1) IN GENERAL.—Out of any money in the
18 Treasury not otherwise appropriated, there are here-
19 by appropriated—

20 (A) for carrying out section 1971 of the
21 Public Health Service Act (as amended by
22 paragraph (2) of this subsection), \$95,000,000
23 for each of the fiscal years 1997 through 2000;
24 and

1 (B) for carrying out the medication devel-
2 opment project to improve drug abuse and drug
3 treatment research (administered through the
4 National Institute on Drug Abuse), \$5,000,000
5 for each of the fiscal years 1997 through 2000.

6 (2) CAPACITY EXPANSION PROGRAM REGARD-
7 ING DRUG ABUSE TREATMENT.—Section 1971 of the
8 Public Health Service Act (42 U.S.C. 300y) is
9 amended—

10 (A) in subsection (a)(1), by adding at the
11 end the following sentence: “This paragraph is
12 subject to subsection (j).”;

13 (B) by redesignating subsection (j) as sub-
14 section (k);

15 (C) in subsection (j) (as so redesignated),
16 by inserting before the period the following:
17 “and for each of the fiscal years 1995 through
18 2000”; and

19 (D) by inserting after subsection (i) the
20 following subsection:

21 “(j) FORMULA GRANTS FOR CERTAIN FISCAL
22 YEARS.—

23 “(1) IN GENERAL.—For each of the fiscal years
24 1997 through 2000, the Director shall, for the pur-
25 pose described in subsection (a)(1), make a grant to

1 each State that submits to the Director an applica-
2 tion in accordance with paragraph (2). Such a grant
3 for a State shall consist of the allotment determined
4 for the State under paragraph (3). For each of the
5 fiscal years 1997 through 2000, grants under this
6 paragraph shall be the exclusive grants under this
7 section.

8 “(2) REQUIREMENTS.—The Director may make
9 a grant under paragraph (1) only if, by the date
10 specified by the Director, the State submits to the
11 Director an application for the grant that is in such
12 form, is made in such manner, and contain such
13 agreements, assurances, and information as the Di-
14 rector determines to be necessary to carry out this
15 subsection, and if the application contains an agree-
16 ment by the State in accordance with the following:

17 “(A) The State will expend the grant in
18 accordance with the priority described in sub-
19 section (b)(1).

20 “(B) The State will comply with the condi-
21 tions described in each of subsections (c), (d),
22 (g), and (h).

23 “(3) ALLOTMENT.—

24 “(A) For purposes of paragraph (1), the
25 allotment under this paragraph for a State for

1 a fiscal year shall, except as provided in sub-
2 paragraph (B), be the product of—

3 “(i) the amount appropriated in sec-
4 tion 601(d)(1) of the Personal Responsibil-
5 ity Act of 1995 for the fiscal year, together
6 with any additional amounts appropriated
7 to carry out this section for the fiscal year;
8 and

9 “(ii) the percentage determined for
10 the State under the formula established in
11 section 1933(a).

12 “(B) Subsections (b) through (d) of section
13 1933 apply to an allotment under subparagraph
14 (A) to the same extent and in the same manner
15 as such subsections apply to an allotment under
16 subsection (a) of section 1933.”.

17 **SEC. 602. SUPPLEMENTAL SECURITY INCOME BENEFITS**
18 **FOR DISABLED CHILDREN.**

19 (a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENE-
20 FITS.—

21 (1) IN GENERAL.—Section 1614(a)(3)(A) of the
22 Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is
23 amended—

24 (A) by inserting “(i)” after “(3)(A)”;

1 (B) by inserting “who has attained 18
2 years of age” before “shall be considered”;

3 (C) by striking “he” and inserting “the in-
4 dividual”;

5 (D) by striking “(or, in the case of an indi-
6 vidual under the age of 18, if he suffers from
7 any medically determinable physical or mental
8 impairment impairment of comparable sever-
9 ity)”; and

10 (E) by adding after and below the end the
11 following:

12 “(ii) An individual who has not attained 18 years of
13 age shall be considered to be disabled for purposes of this
14 title for a month if the individual—

15 “(I) meets all non-disability-related require-
16 ments for eligibility for cash benefits under this title;

17 “(II) has any medically determinable physical
18 or mental impairment (or combination of impair-
19 ments) that meets the requirements, applicable to
20 individuals who have not attained 18 years of age,
21 of the Listings of Impairments set forth in appendix
22 1 of subpart P of part 404 of title 20, Code of Fed-
23 eral Regulations (revised as of April 1, 1994), or
24 that is equivalent in severity to such an impairment
25 (or such a combination of impairments); and

1 “(III)(aa) for the month preceding the first
2 month for which this clause takes effect, was eligible
3 for cash benefits under this title by reason of disabil-
4 ity; or

5 “(bb) as a result of the impairment (or com-
6 bination of impairments) involved—

7 “(1) is in a hospital, skilled nursing facil-
8 ity, nursing facility, residential treatment facil-
9 ity, intermediate care facility for the mentally
10 retarded, or other medical institution; or

11 “(2) would be required to be placed in
12 such an institution if the individual were not re-
13 ceiving personal assistance necessitated by the
14 impairment (or impairments).

15 “(iii) As used in clause (ii) (III) (bb) (2), the term ‘per-
16 sonal assistance’ includes at least hands-on or stand-by
17 assistance, supervision, or cueing, with activities of daily
18 living and the administration of medical treatment (where
19 applicable). For purposes of the preceding sentence, the
20 term ‘activities of daily living’ means eating, toileting,
21 dressing, bathing, and transferring.”.

22 (2) NOTICE.—Within 1 month after the date of
23 the enactment of this Act, the Commissioner of So-
24 cial Security shall notify each individual whose eligi-
25 bility for cash supplemental security income benefits

1 under title XVI of the Social Security Act will termi-
2 nate by reason of the amendments made by para-
3 graph (1) of such termination.

4 (3) ANNUAL REPORTS ON LISTINGS OF IMPAIR-
5 MENTS.—The Commissioner of Social Security shall
6 annually submit to the Congress a report on the
7 Listings of Impairments set forth in appendix 1 of
8 subpart P of part 404 of title 20, Code of Federal
9 Regulations (revised as of April 1, 1994), that are
10 applicable to individuals who have not attained 18
11 years of age, and recommend any necessary revisions
12 to the listings.

13 (b) ESTABLISHMENT OF PROGRAM OF BLOCK
14 GRANTS REGARDING CHILDREN WITH DISABILITIES.—

15 (1) IN GENERAL.—Title XVI of the Social Se-
16 curity Act (42 U.S.C. 1381 et seq.) is amended by
17 adding at the end the following:

18 **“PART C—BLOCK GRANTS TO STATES FOR**
19 **CHILDREN WITH DISABILITIES**

20 **“SEC. 1641. ENTITLEMENT TO GRANTS.**

21 “Each State that meets the requirements of section
22 1642 for fiscal year 1997 or any subsequent fiscal year
23 shall be entitled to receive from the Commissioner for the
24 fiscal year a grant in an amount equal to the allotment

1 (as defined in section 1646(1)) of the State for the fiscal
2 year.

3 **“SEC. 1642. REQUIREMENTS.**

4 “(a) IN GENERAL.—A State meets the requirements
5 of this section for a grant under section 1641 for a fiscal
6 year if by the date specified by the Commissioner, the
7 State submits to the Commissioner an application for the
8 grant that is in such form, is made in such manner, and
9 contain such agreements, assurances, and information as
10 the Commissioner determines to be necessary to carry out
11 this part, and if the application contains an agreement by
12 the State in accordance with the following:

13 “(1) The grant will not be expended for any
14 purpose other than providing authorized services (as
15 defined in section 1646(2)) to qualifying children (as
16 defined in section 1646(3)).

17 “(2)(A) In providing authorized services, the
18 State will make every reasonable effort to obtain
19 payment for the services from other Federal or State
20 programs that provide payment for such services
21 and from private entities that are legally liable to
22 make the payments pursuant to insurance policies,
23 prepaid plans, or other arrangements.

24 “(B) The State will expend the grant only to
25 the extent that payments from the programs and en-

1 tities described in subparagraph (A) are not avail-
2 able for authorized services provided by the State.

3 “(3) The State will comply with the condition
4 described in subsection (b).

5 “(4) The State will comply with the condition
6 described in subsection (c).

7 “(b) MAINTENANCE OF EFFORT.—

8 “(1) IN GENERAL.—The condition referred to
9 in subsection (a)(3) for a State for a fiscal year is
10 that, with respect to the purposes described in para-
11 graph (2), the State will maintain expenditures of
12 non-Federal amounts for such purposes at a level
13 that is not less than the following, as applicable:

14 “(A) For the first fiscal year for which the
15 State receives a grant under section 1641, an
16 amount equal to the difference between—

17 “(i) the average level of such expendi-
18 tures maintained by the State for the 2-
19 year period preceding October 1, 1995 (ex-
20 cept that, if such first fiscal year is other
21 than fiscal year 1997, the amount of such
22 average level shall be increased to the ex-
23 tent necessary to offset the effect of infla-
24 tion occurring after October 1, 1995); and

1 “(ii) the aggregate of non-Federal ex-
2 penditures made by the State for such 2-
3 year period pursuant to section 1618 (as
4 such section was in effect for such period).

5 “(B) For each subsequent fiscal year, the
6 amount applicable under subparagraph (A) in-
7 creased to the extent necessary to offset the ef-
8 fect of inflation occurring after the beginning of
9 the fiscal year to which such subparagraph ap-
10 plies.

11 “(2) RELEVANT PURPOSES.—The purposes de-
12 scribed in this paragraph are any purposes designed
13 to meet (or assist in meeting) the unique needs of
14 qualifying children that arise from physical and
15 mental impairments, including such purposes that
16 are authorized to be carried out under title XIX.

17 “(3) RULE OF CONSTRUCTION.—With respect
18 to compliance with the agreement made by a State
19 pursuant to paragraph (1), the State has discretion
20 to select, from among the purposes described in
21 paragraph (2), the purposes for which the State ex-
22 pends the non-Federal amounts reserved by the
23 State for such compliance.

24 “(4) USE OF CONSUMER PRICE INDEX.—Deter-
25 minations under paragraph (1) of the extent of in-

1 flation shall be made through use of the consumer
2 price index for all urban consumers, U.S. city aver-
3 age, published by the Bureau of Labor Statistics.

4 “(c) ASSESSMENT OF NEED FOR SERVICES.—The
5 condition referred to in subsection (a)(4) for a State for
6 a fiscal year is that each qualifying child will be permitted
7 to apply for authorized services, and will be provided with
8 an opportunity to have an assessment conducted to deter-
9 mine the need of such child for authorized services.

10 **“SEC. 1643. AUTHORITY OF STATE.**

11 “The following decisions are in the discretion of a
12 State with respect to compliance with an agreement made
13 by the State under section 1642(a)(1):

14 “(1) Decisions regarding which of the author-
15 ized services are provided.

16 “(2) Decisions regarding who among qualifying
17 children in the State receives the services.

18 “(3) Decisions regarding the number of services
19 provided for the qualifying child involved and the
20 duration of the services.

21 **“SEC. 1644. AUTHORIZED SERVICES.**

22 “(a) AUTHORITY OF COMMISSIONER.—The Commis-
23 sioner, subject to subsection (b), shall issue regulations
24 designating the purposes for which grants under section
25 1641 are authorized to be expended by the States.

1 “(b) REQUIREMENTS REGARDING SERVICES.—The
2 Commissioner shall ensure that the purposes authorized
3 under subsection (a)—

4 “(1) are designed to meet (or assist in meeting)
5 the unique needs of qualifying children that arise
6 from physical and mental impairments;

7 “(2) include medical and nonmedical services;
8 and

9 “(3) do not include the provision of cash bene-
10 fits.

11 **“SEC. 1645. GENERAL PROVISIONS.**

12 “(a) ISSUANCE OF REGULATIONS.—Regulations
13 under this part shall be issued in accordance with proce-
14 dures established for the issuance of substantive rules
15 under section 553 of title 5, United States Code. Pay-
16 ments under grants under section 1641 for fiscal year
17 1997 shall begin not later than January 1, 1997, without
18 regard to whether final rules under this part have been
19 issued and without regard to whether such rules have
20 taken effect.

21 “(b) PROVISIONS REGARDING OTHER PROGRAMS.—

22 “(1) INAPPLICABILITY OF VALUE OF SERV-
23 ICES.—The value of authorized services provided
24 under this part shall not be taken into account in
25 determining eligibility for, or the amount of, benefits

1 or services under any Federal or federally-assisted
2 program.

3 “(2) MEDICAID PROGRAM.—For purposes of
4 title XIX, each qualifying child shall be considered
5 to be a recipient of supplemental security income
6 benefits under this title (without regard to whether
7 the child has received authorized services under this
8 part and without regard to whether the State in-
9 volved is receiving a grant under section 1641). The
10 preceding sentence applies on and after the date of
11 the enactment of this part.

12 “(c) USE BY STATES OF EXISTING DELIVERY SYS-
13 TEMS.—With respect to the systems utilized by the States
14 to deliver services to individuals with disabilities (including
15 systems utilized before the date of the enactment of the
16 Personal Responsibility Act of 1995), it is the sense of
17 the Congress that the States should utilize such systems
18 in providing authorized services under this part.

19 “(d) REQUIRED PARTICIPATION OF STATES.—Sub-
20 paragraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall
21 not apply to a State that does not participate in the pro-
22 gram established in this part for fiscal year 1997 or any
23 succeeding fiscal year.

24 “SEC. 1646. DEFINITIONS.

25 “As used in this part:

1 “(1) ALLOTMENT.—The term ‘allotment’
2 means, with respect to a State and a fiscal year, the
3 product of—

4 “(A) an amount equal to the difference be-
5 tween—

6 “(i) the number of qualifying children
7 in the State (as determined for the most
8 recent 12-month period for which data are
9 available to the Commissioner); and

10 “(ii) the number of qualifying children
11 in the State receiving cash benefits under
12 this title by reason of disability (as so de-
13 termined); and

14 “(B) an amount equal to 75 percent of the
15 mean average of the respective annual totals of
16 cash benefits paid under this title to each quali-
17 fying child described in subparagraph (A)(ii)
18 (as so determined).

19 “(2) AUTHORIZED SERVICE.—The term ‘au-
20 thorized service’ means each purpose authorized by
21 the Commissioner under section 1644(a).

22 “(3) QUALIFYING CHILD.—

23 “(A) IN GENERAL.—The term ‘qualifying
24 child’ means an individual who—

1 “(i) has not attained 18 years of age;
2 and

3 “(ii)(I) is eligible for cash benefits
4 under this title by reason of disability; or

5 “(II) meets the conditions described
6 in subclauses (I) and (II) of section
7 1614(a)(3)(A)(ii), but (by reason of
8 subclause (III) of such section) is not eligi-
9 ble for such cash benefits.

10 “(B) RESPONSIBILITIES OF COMMIS-
11 SIONER.—The Commissioner shall provide for
12 determinations of whether individuals meet the
13 criteria established in subparagraph (A) for sta-
14 tus as qualifying children. Such determinations
15 shall be made in accordance with the provisions
16 otherwise applicable under this title with re-
17 spect to such criteria.”.

18 (2) RULE REGARDING CERTAIN MILITARY PAR-
19 ENTS; CASH BENEFITS FOR QUALIFYING CHIL-
20 DREN.—Section 1614(a)(1)(B)(ii) of the Social Se-
21 curity Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amend-
22 ed by striking “United States, and who, for the
23 month” and all that follows and inserting the follow-
24 ing: “United States, and—

1 “(I) who, for the month before the parent re-
2 ported for such assignment, received a cash benefit
3 under this title by reason of blindness, or

4 “(II) for whom, for such month, a determina-
5 tion was in effect that the child is a qualifying child
6 under section 1646(3).”.

7 (c) PROVISIONS RELATING TO SSI CASH BENEFITS
8 AND SSI SERVICE BENEFITS.—

9 (1) CONTINUING DISABILITY REVIEWS FOR
10 CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such
11 Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

12 (A) by inserting “(i)” after “(G)”; and

13 (B) by adding at the end the following:

14 “(ii)(I) Not less frequently than once every 3 years,
15 the Commissioner shall redetermine the eligibility for cash
16 benefits under this title and for services under part C—

17 “(aa) of each individual who has not attained
18 18 years of age and is eligible for such cash benefits
19 by reason of disability; and

20 “(bb) of each qualifying child (as defined in sec-
21 tion 1646(3)).

22 “(II) Subclause (I) shall not apply to an individual
23 if the individual has an impairment (or combination of im-
24 pairments) which is (or are) not expected to improve.”.

1 (2) DISABILITY REVIEW REQUIRED FOR SSI RE-
2 CIPIENTS WHO ARE 18 YEARS OF AGE.—

3 (A) IN GENERAL.—Section 1614(a)(3)(G)
4 of such Act (42 U.S.C. 1382c(a)(3)(G)), as
5 amended by paragraph (1) of this subsection, is
6 amended by adding at the end the following:

7 “(iii)(I) The Commissioner shall redetermine the eli-
8 gibility of a qualified individual for supplemental security
9 income benefits under this title by reason of disability, by
10 applying the criteria used in determining eligibility for
11 such benefits of applicants who have attained 18 years of
12 age.

13 “(II) The redetermination required by subclause (I)
14 with respect to a qualified individual shall be conducted
15 during the 1-year period that begins on the date the quali-
16 fied individual attains 18 years of age.

17 “(III) As used in this clause, the term ‘qualified indi-
18 vidual’ means an individual who attains 18 years of age
19 and is a recipient of cash benefits under this title by rea-
20 son of disability or of services under part C.

21 “(IV) A redetermination under subclause (I) of this
22 clause shall be considered a substitute for a review re-
23 quired under any other provision of this subparagraph.”.

24 (B) REPORT TO THE CONGRESS.—Not
25 later than October 1, 1998, the Commissioner

1 of Social Security shall submit to the Commit-
2 tee on Ways and Means of the House of Rep-
3 resentatives and the Committee on Finance of
4 the Senate a report on the activities conducted
5 under section 1614(a)(3)(G)(iii) of the Social
6 Security Act.

7 (C) CONFORMING REPEAL.—Section 207
8 of the Social Security Independence and Pro-
9 gram Improvements Act of 1994 (42 U.S.C.
10 1382 note; 108 Stat. 1516) is hereby repealed.

11 (3) DISABILITY REVIEW REQUIRED FOR LOW
12 BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI
13 BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G)
14 of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended
15 by paragraphs (1) and (2) of this subsection, is
16 amended by adding at the end the following:

17 “(iv)(I) The Commissioner shall redetermine the eli-
18 gibility for—

19 “(aa) cash benefits under this title by reason of
20 disability of an individual whose low birth weight is
21 a contributing factor material to the Commissioner’s
22 determination that the individual is disabled; and

23 “(bb) services under part C of an individual
24 who is eligible for such services by reason of low
25 birth weight.

1 “(II) The redetermination required by subclause (I)
2 shall be conducted once the individual has received such
3 benefits for 12 months.

4 “(III) A redetermination under subclause (I) of this
5 clause shall be considered a substitute for a review re-
6 quired under any other provision of this subparagraph.”.

7 (4) APPLICABILITY OF MEDICAID RULES RE-
8 GARDING COUNTING OF CERTAIN ASSETS AND
9 TRUSTS OF CHILDREN.—Section 1613(c) of the So-
10 cial Security Act (42 U.S.C. 1382b(c)) is amended
11 to read as follows:

12 “TREATMENT OF CERTAIN ASSETS AND TRUSTS IN
13 ELIGIBILITY DETERMINATIONS FOR CHILDREN

14 “(c) Subsections (c) and (d) of section 1917 shall
15 apply to determinations of eligibility for benefits under
16 this title in the case of an individual who has not attained
17 18 years of age in the same manner as such subsections
18 apply to determinations of eligibility for medical assistance
19 under a State plan under title XIX, except that—

20 “(1) the amount described in section
21 1917(c)(1)(E)(i)(II) shall be the amount of cash
22 benefits payable under this title to an eligible indi-
23 vidual who does not have an eligible spouse and who
24 has no income or resources;

25 “(2) the look-back date specified in section
26 1917(c)(1)(B) shall be the date that is 36 months

1 before the date the individual has applied for bene-
2 fits under this title; and

3 “(3) any assets in a trust over which the indi-
4 vidual has control shall be considered assets of the
5 individual.”.

6 (d) CONFORMING AMENDMENTS.—

7 (1) Subsections (b)(1), (b)(2), (c)(3), (c)(5),
8 and (e)(1)(B) of section 1611 of the Social Security
9 Act (42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5),
10 and (e)(1)(B)) are each amended by inserting
11 “cash” before “benefit under this title”.

12 (2) Section 1611(c)(1) of such Act (42 U.S.C.
13 1382(c)(1)) is amended—

14 (A) by striking “a benefit” and inserting
15 “benefits”;

16 (B) by striking “such benefit” and insert-
17 ing “the cash benefit under this title”; and

18 (C) by striking “and the amount of such
19 benefits” and inserting “benefits under this
20 title and the amount of any cash benefit under
21 this title”.

22 (3) Section 1611(c)(2) of such Act (42 U.S.C.
23 1382(c)(2)) is amended—

24 (A) by striking “such benefit” and insert-
25 ing “the cash benefit”;

1 (B) by inserting “cash” before “benefits”
2 each place such term appears; and

3 (C) in subparagraph (B), by inserting
4 “cash” before “benefit”.

5 (4) Section 1611(c)(3) of such Act (42 U.S.C.
6 1382(c)(3)) is amended by inserting “cash” before
7 “benefits under this title”.

8 (5) Section 1611(e)(1)(G) of such Act (42
9 U.S.C. 1382(e)(1)(G)) is amended by inserting
10 “cash” before “benefit of”.

11 (6) Section 1614(a)(4) of such Act (42 U.S.C.
12 1382c(a)(4)) is amended by inserting “or impair-
13 ment” after “disability” each place such term ap-
14 pears.

15 (7) Section 1614(f)(1) of such Act (42 U.S.C.
16 1382c(f)(1)) is amended by striking “and the
17 amount of benefits” and inserting “benefits under
18 this title and the amount of any cash benefit under
19 this title”.

20 (8) Section 1614(f)(2)(A) of such Act (42
21 U.S.C. 1382c(f)(2)(A)) is amended by striking “and
22 the amount of benefits” and inserting “benefits
23 under this title and the amount of any cash benefit”.

24 (9) Section 1614(f)(3) of such Act (42 U.S.C.
25 1382c(f)(3)) is amended by striking “and the

1 amount of benefits” and inserting “benefits under
2 this title and the amount of any cash benefit under
3 this title”.

4 (10) Section 1616(e)(1) of such Act (42 U.S.C.
5 1382e(e)(1)) is amended by inserting “cash” before
6 “supplemental”.

7 (11) Section 1621(a) of such Act (42 U.S.C.
8 1382j(a)) is amended by striking “and the amount
9 of benefits” and inserting “benefits under this title
10 and the amount of any cash benefit under this title”.

11 (12) Section 1631(a)(4) of such Act (42 U.S.C.
12 1383(a)(4)) is amended by inserting “cash” before
13 “benefits” the 1st place such term appears in each
14 of subparagraphs (A) and (B).

15 (13) Section 1631(a)(7)(A) of such Act (42
16 U.S.C. 1383(a)(7)(A)) is amended by inserting
17 “cash” before “benefits based”.

18 (14) Section 1631(a)(8)(A) of such Act (42
19 U.S.C. 1383(a)(8)(A)) is amended by striking “ben-
20 efits based on disability or blindness under this
21 title” and inserting “benefits under this title (other
22 than by reason of age)”.

23 (15) Section 1631(c) of such Act (42 U.S.C.
24 1383(c)) is amended—

1 (A) by striking “payment” each place such
2 term appears and inserting “benefits”; and

3 (B) by striking “payments” each place
4 such term appears and inserting “benefits”.

5 (17) Section 1631(e) of such Act (42 U.S.C.
6 1383(e)) is amended—

7 (A) in paragraph (1)(B), by striking
8 “amounts of such benefits” and inserting
9 “amounts of cash benefits under this title”;

10 (B) in paragraph (2), by inserting “cash”
11 before “benefits” each place such term appears;

12 (C) by redesignating the 2nd paragraph
13 (6) and paragraph (7) as paragraphs (7) and
14 (8), respectively; and

15 (D) in paragraph (7) (as so redesignated),
16 by inserting “cash” before “benefits” each place
17 such term appears.

18 (18) Section 1631(g)(2) of such Act (42 U.S.C.
19 1383(g)(2)) is amended by striking “supplemental
20 security income” and inserting “cash”.

21 (19) Section 1635(a) of such Act (42 U.S.C.
22 1383d(a)) is amended by striking “by reason of dis-
23 ability or blindness”.

24 (e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS
25 FOR POOR DISABLED CHILDREN RESIDING IN STATES

1 APPLYING ALTERNATIVE INCOME ELIGIBILITY STAND-
2 ARDS UNDER MEDICAID.—

3 (1) IN GENERAL.—For the period beginning
4 upon the 1st day of the 1st month that begins 90
5 or more days after the date of the enactment of this
6 Act and ending upon the close of fiscal year 1996,
7 an individual described in paragraph (2) shall be
8 considered to be eligible for cash benefits under title
9 XVI of the Social Security Act, notwithstanding that
10 the individual does not meet any of the conditions
11 described in section 1614(a)(3)(A)(ii)(III) of such
12 Act.

13 (2) REQUIREMENTS.—For purposes of para-
14 graph (1), an individual described in this paragraph
15 is an individual who—

16 (A) has not attained 18 years of age;

17 (B) meets the conditions described in
18 subclauses (I) and (II) of section
19 1614(a)(3)(A)(ii) of the Social Security Act;

20 (C) resides in a State that, pursuant to
21 section 1902(f) of such Act, restricts eligibility
22 for medical assistance under title XIX of such
23 Act with respect to aged, blind, and disabled in-
24 dividuals; and

1 (D) is not eligible for medical assistance
2 under the State plan under such title XIX.

3 (f) REDUCTION IN CASH BENEFITS PAYABLE TO IN-
4 STITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS
5 ARE COVERED BY PRIVATE INSURANCE.—Section
6 1611(e)(1)(B) of the Social Security Act (42 U.S.C.
7 1382(e)(1)(B)) is amended by inserting “or under any
8 health insurance policy issued by a private provider of
9 such insurance” after “title XIX”.

10 (g) APPLICABILITY.—

11 (1) IN GENERAL.—Except as provided in para-
12 graph (2), the amendments made by subsections
13 (a)(1), (c), (d) and (f) and section 1645(b)(2) of the
14 Social Security Act (as added by the amendment
15 made by subsection (b) of this section), shall apply
16 to benefits for months beginning 90 or more days
17 after the date of the enactment of this Act, without
18 regard to whether regulations have been issued to
19 implement such amendments.

20 (2) DELAYED APPLICABILITY TO CURRENT SSI
21 RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The
22 amendments made by subsection (a)(1) shall not
23 apply, during the first 6 months that begin after the
24 month in which this Act becomes law, to an individ-
25 ual who is a recipient of cash supplemental security

1 income benefits under title XVI of the Social Secu-
2 rity Act for the month in which this Act becomes
3 law.

4 (h) REGULATIONS.—Within 3 months after the date
5 of the enactment of this Act—

6 (1) the Commissioner of Social Security shall
7 prescribe such regulations as may be necessary to
8 implement the amendments made by subsections
9 (a)(1), (c), (d), and (f) and to implement subsection
10 (e); and

11 (2) the Secretary of Health and Human Serv-
12 ices shall prescribe such regulations as may be nec-
13 essary to implement section 1645(b)(2) of the Social
14 Security Act, as added by the amendment made by
15 subsection (b) of this section.

16 **SEC. 603. EXAMINATION OF MENTAL LISTINGS USED TO DE-**
17 **TERMINE ELIGIBILITY OF CHILDREN FOR SSI**
18 **BENEFITS BY REASON OF DISABILITY.**

19 Section 202(e)(2) of the Social Security Independ-
20 ence and Program Improvements Act of 1994 (42 U.S.C.
21 1382 note) is amended—

22 (1) by striking “and” at the end of subpara-
23 graph (F); and

1 (2) by redesignating subparagraph (G) as sub-
2 paragraph (H) and inserting after subparagraph (F)
3 the following:

4 “(G) whether the criteria in the mental dis-
5 orders listings in the Listings of Impairments set
6 forth in appendix 1 of subpart P of part 404 of title
7 20, Code of Federal Regulations, are appropriate to
8 ensure that eligibility of individuals who have not at-
9 tained 18 years of age for cash benefits under the
10 supplemental security income program by reason of
11 disability is limited to those who have serious dis-
12 abilities and for whom such benefits are necessary to
13 improve their condition or quality of life; and”.

14 **SEC. 604. LIMITATION ON PAYMENTS TO PUERTO RICO,**
15 **THE VIRGIN ISLANDS, AND GUAM UNDER**
16 **PROGRAMS OF AID TO THE AGED, BLIND, OR**
17 **DISABLED.**

18 Section 1108 of the Social Security Act (42 U.S.C.
19 1308), as amended by section 104(e)(1) of this Act, is
20 amended by inserting before “The total” the following:

21 “(a) PROGRAMS OF AID TO THE AGED, BLIND, OR
22 DISABLED.—The total amount certified by the Secretary
23 of Health and Human Services under titles I, X, XIV, and
24 XVI (as in effect without regard to the amendment made

1 by section 301 of the Social Security Amendments of
2 1972)—

3 “(1) for payment to Puerto Rico shall not ex-
4 ceed \$18,053,940;

5 “(2) for payment to the Virgin Islands shall not
6 exceed \$473,659; and

7 “(3) for payment to Guam shall not exceed
8 \$900,718.

9 “(b) MEDICAID PROGRAMS.—”.

10 **SEC. 605. REPEAL OF MAINTENANCE OF EFFORT REQUIRE-**
11 **MENTS APPLICABLE TO OPTIONAL STATE**
12 **PROGRAMS FOR SUPPLEMENTATION OF SSI**
13 **BENEFITS.**

14 Section 1618 of the Social Security Act (42 U.S.C.
15 1382g) is hereby repealed.

16 **TITLE VII—CHILD SUPPORT**

17 **SEC. 700. REFERENCES.**

18 Except as otherwise specifically provided, wherever in
19 this title an amendment is expressed in terms of an
20 amendment to or repeal of a section or other provision,
21 the reference shall be considered to be made to that sec-
22 tion or other provision of the Social Security Act.

1 **Subtitle A—Eligibility for Services;**
2 **Distribution of Payments**

3 **SEC. 701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**
4 **ENFORCEMENT SERVICES.**

5 (a) STATE PLAN REQUIREMENTS.—Section 454 (42
6 U.S.C. 654) is amended—

7 (1) by striking paragraph (4) and inserting the
8 following:

9 “(4) provide that the State will—

10 “(A) provide services relating to the estab-
11 lishment of paternity or the establishment,
12 modification, or enforcement of child support
13 obligations, as appropriate, under the plan with
14 respect to—

15 “(i) each child for whom cash assist-
16 ance is provided under the State program
17 funded under part A of this title, benefits
18 or services are provided under the State
19 program funded under part B of this title,
20 or medical assistance is provided under the
21 State plan approved under title XIX, un-
22 less the State agency administering the
23 plan determines (in accordance with para-
24 graph (28)) that it is against the best in-
25 terests of the child to do so; and

1 “(ii) any other child, if an individual
2 applies for such services with respect to
3 the child; and

4 “(B) enforce any support obligation estab-
5 lished with respect to—

6 “(i) a child with respect to whom the
7 State provides services under the plan; or

8 “(ii) the custodial parent of such a
9 child.”; and

10 (2) in paragraph (6)—

11 (A) by striking “provide that” and insert-
12 ing “provide that—”;

13 (B) by striking subparagraph (A) and in-
14 serting the following:

15 “(A) services under the plan shall be made
16 available to nonresidents on the same terms as
17 to residents;”;

18 (C) in subparagraph (B), by inserting “on
19 individuals not receiving assistance under any
20 State program funded under part A” after
21 “such services shall be imposed”;

22 (D) in each of subparagraphs (B), (C),
23 (D), and (E)—

24 (i) by indenting the subparagraph in
25 the same manner as, and aligning the left

1 margin of the subparagraph with the left
2 margin of, the matter inserted by subpara-
3 graph (B) of this paragraph; and

4 (ii) by striking the final comma and
5 inserting a semicolon; and

6 (E) in subparagraph (E), by indenting
7 each of clauses (i) and (ii) 2 additional ems.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 452(b) (42 U.S.C. 652(b)) is
10 amended by striking “454(6)” and inserting
11 “454(4)”.

12 (2) Section 452(g)(2)(A) (42 U.S.C.
13 652(g)(2)(A)) is amended by striking “454(6)” each
14 place it appears and inserting “454(4)(A)(ii)”.

15 (3) Section 466(a)(3)(B) (42 U.S.C.
16 666(a)(3)(B)) is amended by striking “in the case of
17 overdue support which a State has agreed to collect
18 under section 454(6)” and inserting “in any other
19 case”.

20 (4) Section 466(e) (42 U.S.C. 666(e)) is
21 amended by striking “paragraph (4) or (6) of sec-
22 tion 454” and inserting “section 454(4)”.

1 **SEC. 702. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
2 **TIONS.**

3 (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is
4 amended to read as follows:

5 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

6 “(a) IN GENERAL.—An amount collected on behalf
7 of a family as support by a State pursuant to a plan ap-
8 proved under this part shall be distributed as follows:

9 “(1) FAMILIES RECEIVING CASH ASSISTANCE.—

10 In the case of a family receiving cash assistance
11 from the State, the State shall—

12 “(A) retain, or distribute to the family, the
13 State share of the amount so collected; and

14 “(B) pay to the Federal Government the
15 Federal share of the amount so collected.

16 “(2) FAMILIES THAT FORMERLY RECEIVED
17 CASH ASSISTANCE.—In the case of a family that for-
18 merly received cash assistance from the State:

19 “(A) CURRENT SUPPORT PAYMENTS.—To
20 the extent that the amount so collected does not
21 exceed the amount required to be paid to the
22 family for the month in which collected, the
23 State shall distribute the amount so collected to
24 the family.

25 “(B) PAYMENTS OF ARREARAGES.—To the
26 extent that the amount so collected exceeds the

1 amount required to be paid to the family for
2 the month in which collected, the State shall
3 distribute the amount so collected as follows:

4 “(i) DISTRIBUTION TO THE FAMILY
5 TO SATISFY ARREARAGES THAT ACCRUED
6 BEFORE OR AFTER THE FAMILY RECEIVED
7 CASH ASSISTANCE.—The State shall dis-
8 tribute the amount so collected to the fam-
9 ily to the extent necessary to satisfy any
10 support arrears with respect to the family
11 that accrued before or after the family re-
12 ceived cash assistance from the State.

13 “(ii) REIMBURSEMENT OF GOVERN-
14 MENTS FOR ASSISTANCE PROVIDED TO
15 THE FAMILY.—To the extent that clause
16 (i) does not apply to the amount, the State
17 shall retain the State share of the amount
18 so collected, and pay to the Federal Gov-
19 ernment the Federal share of the amount
20 so collected, to the extent necessary to re-
21 imburse amounts paid to the family as
22 cash assistance from the State.

23 “(iii) DISTRIBUTION OF THE REMAIN-
24 DER TO THE FAMILY.—To the extent that
25 neither clause (i) nor clause (ii) applies to

1 the amount so collected, the State shall
2 distribute the amount to the family.

3 “(3) FAMILIES THAT NEVER RECEIVED CASH
4 ASSISTANCE.—In the case of any other family, the
5 State shall distribute the amount so collected to the
6 family.

7 “(b) DEFINITIONS.—As used in subsection (a):

8 “(1) CASH ASSISTANCE.—The term ‘cash as-
9 sistance from the State’ means—

10 “(A) cash assistance under the State pro-
11 gram funded under part A or under the State
12 plan approved under part A of this title (as in
13 effect before October 1, 1996); or

14 “(B) cash benefits under the State pro-
15 gram funded under part B or under the State
16 plan approved under part B or E of this title
17 (as in effect before October 1, 1996).

18 “(2) FEDERAL SHARE.—The term ‘Federal
19 share’ means, with respect to an amount collected by
20 the State to satisfy a support obligation owed to a
21 family for a time period—

22 “(A) the greatest Federal medical assist-
23 ance percentage in effect for the State for fiscal
24 year 1995 or any succeeding fiscal year; or

1 “(B) if support is not owed to the family
2 for any month for which the family received aid
3 to families with dependent children under the
4 State plan approved under part A of this title
5 (as in effect before October 1, 1996), the Fed-
6 eral reimbursement percentage for the fiscal
7 year in which the time period occurs.

8 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
9 AGE.—The term ‘Federal medical assistance per-
10 centage’ means—

11 “(A) the Federal medical assistance per-
12 centage (as defined in section 1118), in the case
13 of Puerto Rico, the Virgin Islands, Guam, and
14 American Samoa; or

15 “(B) the Federal medical assistance per-
16 centage (as defined in section 1905(b)) in the
17 case of any other State.

18 “(4) FEDERAL REIMBURSEMENT PERCENT-
19 AGE.—The term ‘Federal assistance percentage’
20 means, with respect to a fiscal year—

21 “(A) the total amount paid to the State
22 under section 403 for the fiscal year; divided by

23 “(B) the total amount expended by the
24 State to carry out the State program under
25 part A during the fiscal year.

1 “(5) STATE SHARE.—The term ‘State share’
2 means 100 percent minus the Federal share.

3 “(c) CONTINUATION OF SERVICES FOR FAMILIES
4 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
5 PROGRAM FUNDED UNDER PART A.—When a family with
6 respect to which services are provided under a State plan
7 approved under this part ceases to receive assistance
8 under the State program funded under part A, the State
9 shall provide appropriate notice to the family and continue
10 to provide such services, subject to the same conditions
11 and on the same basis as in the case of individuals to
12 whom services are furnished under section 454, except
13 that an application or other request to continue services
14 shall not be required of such a family and section
15 454(6)(B) shall not apply to the family.”.

16 (b) EFFECTIVE DATE.—

17 (1) GENERAL RULE.—Except as provided in
18 paragraph (2), the amendment made by subsection
19 (a) shall become effective on October 1, 1999.

20 (2) EARLIER EFFECTIVE DATE FOR RULES RE-
21 LATING TO DISTRIBUTION OF SUPPORT COLLECTED
22 FOR FAMILIES RECEIVING TEMPORARY FAMILY AS-
23 SISTANCE.—Section 457(a)(1) of the Social Security
24 Act, as added by the amendment made by subsection
25 (a), shall become effective on October 1, 1995.

1 **SEC. 703. PRIVACY SAFEGUARDS.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42
3 U.S.C. 654) is amended—

4 (1) by striking “and” at the end of paragraph
5 (23);

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

8 (3) by adding after paragraph (24) the follow-
9 ing:

10 “(25) will have in effect safeguards, applicable
11 to all confidential information handled by the State
12 agency, that are designed to protect the privacy
13 rights of the parties, including—

14 “(A) safeguards against unauthorized use
15 or disclosure of information relating to proceed-
16 ings or actions to establish paternity, or to es-
17 tablish or enforce support;

18 “(B) prohibitions against the release of in-
19 formation on the whereabouts of one party to
20 another party against whom a protective order
21 with respect to the former party has been en-
22 tered; and

23 “(C) prohibitions against the release of in-
24 formation on the whereabouts of one party to
25 another party if the State has reason to believe
26 that the release of the information may result

1 in physical or emotional harm to the former
2 party.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall become effective on October 1, 1997.

5 **Subtitle B—Locate and Case** 6 **Tracking**

7 **SEC. 711. STATE CASE REGISTRY.**

8 Section 454A, as added by section 745(a)(2) of this
9 Act, is amended by adding at the end the following:

10 “(e) STATE CASE REGISTRY.—

11 “(1) CONTENTS.—The automated system re-
12 quired by this section shall include a registry (which
13 shall be known as the ‘State case registry’) that con-
14 tains records with respect to—

15 “(A) each case in which services are being
16 provided by the State agency under the State
17 plan approved under this part; and

18 “(B) each support order established or
19 modified in the State on or after October 1,
20 1998.

21 “(2) LINKING OF LOCAL REGISTRIES.—The
22 State case registry may be established by linking
23 local case registries of support orders through an
24 automated information network, subject to this sec-
25 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 arrears, 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 pur-
2 suant to section 466(a)(4).

3 “(5) UPDATING AND MONITORING.—The State
4 agency operating the automated system required by
5 this section shall promptly establish and maintain,
6 and regularly monitor, case records in the State case
7 registry with respect to which services are being pro-
8 vided under the State plan approved under this part,
9 on the basis of—

10 “(A) information on administrative actions
11 and administrative and judicial proceedings and
12 orders relating to paternity and support;

13 “(B) information obtained from compari-
14 son with Federal, State, or local sources of in-
15 formation;

16 “(C) information on support collections
17 and distributions; and

18 “(D) any other relevant information.

19 “(f) INFORMATION COMPARISONS AND OTHER DIS-
20 CLOSURES OF INFORMATION.—The State shall use the
21 automated system required by this section to extract infor-
22 mation from (at such times, and in such standardized for-
23 mat or formats, as may be required by the Secretary), to
24 share and compare information with, and to receive infor-
25 mation from, other data bases and information compari-

1 son services, in order to obtain (or provide) information
2 necessary to enable the State agency (or the Secretary or
3 other State or Federal agencies) to carry out this part,
4 subject to section 6103 of the Internal Revenue Code of
5 1986. Such information comparison activities shall include
6 the following:

7 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
8 PORT ORDERS.—Furnishing to the Federal Case
9 Registry of Child Support Orders established under
10 section 453(h) (and update as necessary, with infor-
11 mation including notice of expiration of orders) the
12 minimum amount of information on child support
13 cases recorded in the State case registry that is nec-
14 essary to operate the registry (as specified by the
15 Secretary in regulations).

16 “(2) FEDERAL PARENT LOCATOR SERVICE.—
17 Exchanging information with the Federal Parent
18 Locator Service for the purposes specified in section
19 453.

20 “(3) TEMPORARY FAMILY ASSISTANCE AND
21 MEDICAID AGENCIES.—Exchanging information with
22 State agencies (of the State and of other States) ad-
23 ministering programs funded under part A, pro-
24 grams operated under State plans under title XIX,
25 and other programs designated by the Secretary, as

1 necessary to perform State agency responsibilities
2 under this part and under such programs.

3 “(4) INTRA- AND INTERSTATE INFORMATION
4 COMPARISONS.—Exchanging information with other
5 agencies of the State, agencies of other States, and
6 interstate information networks, as necessary and
7 appropriate to carry out (or assist other States to
8 carry out) the purposes of this part.”.

9 **SEC. 712. COLLECTION AND DISBURSEMENT OF SUPPORT**
10 **PAYMENTS.**

11 (a) STATE PLAN REQUIREMENT.—Section 454 (42
12 U.S.C. 654), as amended by section 703(a) of this Act,
13 is amended—

14 (1) by striking “and” at the end of paragraph
15 (24);

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

18 (3) by adding after paragraph (25) the follow-
19 ing:

20 “(26) provide that, on and after October 1,
21 1998, the State agency will—

22 “(A) operate a State disbursement unit in
23 accordance with section 454B; and

24 “(B) have sufficient State staff (consisting
25 of State employees) and (at State option) con-

1 tractors reporting directly to the State agency
2 to—

3 “(i) monitor and enforce support col-
4 lections through the unit (including carry-
5 ing out the automated data processing re-
6 sponsibilities described in section 454A(g));
7 and

8 “(ii) take the actions described in sec-
9 tion 466(c)(1) in appropriate cases.”.

10 (b) ESTABLISHMENT OF STATE DISBURSEMENT
11 UNIT.—Part D of title IV (42 U.S.C. 651–669), as
12 amended by section 745(a)(2) of this Act, is amended by
13 inserting after section 454A the following:

14 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-
15 PORT PAYMENTS.**

16 **“(a) STATE DISBURSEMENT UNIT.—**

17 **“(1) IN GENERAL.—**In order for a State to
18 meet the requirements of this section, the State
19 agency must establish and operate a unit (which
20 shall be known as the ‘State disbursement unit’) for
21 the collection and disbursement of payments under
22 support orders in all cases being enforced by the
23 State pursuant to section 454(4).

24 **“(2) OPERATION.—**The State disbursement
25 unit shall be operated—

1 “(A) directly by the State agency (or 2 or
2 more State agencies under a regional coopera-
3 tive agreement), or (to the extent appropriate)
4 by a contractor responsible directly to the State
5 agency; and

6 “(B) in coordination with the automated
7 system established by the State pursuant to
8 section 454A.

9 “(3) LINKING OF LOCAL DISBURSEMENT
10 UNITS.—The State disbursement unit may be estab-
11 lished by linking local disbursement units through
12 an automated information network, subject to this
13 section.

14 “(b) REQUIRED PROCEDURES.—The State disburse-
15 ment unit shall use automated procedures, electronic proc-
16 esses, and computer-driven technology to the maximum
17 extent feasible, efficient, and economical, for the collection
18 and disbursement of support payments, including proce-
19 dures—

20 “(1) for receipt of payments from parents, em-
21 ployers, and other States, and for disbursements to
22 custodial parents and other obligees, the State agen-
23 cy, and the agencies of other States;

24 “(2) for accurate identification of payments;

1 “(3) to ensure prompt disbursement of the cus-
2 todial parent’s share of any payment; and

3 “(4) to furnish to any parent, upon request,
4 timely information on the current status of support
5 payments under an order requiring payments to be
6 made by or to the parent.

7 “(c) TIMING OF DISBURSEMENTS.—The State dis-
8 bursement unit shall distribute all amounts payable under
9 section 457(a) within 2 business days after receipt from
10 the employer or other source of periodic income, if suffi-
11 cient information identifying the payee is provided.

12 “(d) BUSINESS DAY DEFINED.—As used in this sec-
13 tion, the term ‘business day’ means a day on which State
14 offices are open for regular business.”.

15 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
16 added by section 745(a)(2) of this Act and as amended
17 by section 711 of this Act, is amended by adding at the
18 end the following:

19 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
20 PAYMENTS.—

21 “(1) IN GENERAL.—The State shall use the
22 automated system required by this section, to the
23 maximum extent feasible, to assist and facilitate the
24 collection and disbursement of support payments
25 through the State disbursement unit operated under

1 section 454B, through the performance of functions,
2 including, at a minimum—

3 “(A) transmission of orders and notices to
4 employers (and other debtors) for the withhold-
5 ing of wages (and other income)—

6 “(i) within 2 business days after re-
7 ceipt (from a court, another State, an em-
8 ployer, the Federal Parent Locator Service,
9 or another source recognized by the State)
10 of notice of, and the income source subject
11 to, such withholding; and

12 “(ii) using uniform formats prescribed
13 by the Secretary;

14 “(B) ongoing monitoring to promptly iden-
15 tify failures to make timely payment of support;
16 and

17 “(C) automatic use of enforcement proce-
18 dures (including procedures authorized pursu-
19 ant to section 466(c)) where payments are not
20 timely made.

21 “(2) BUSINESS DAY DEFINED.—As used in
22 paragraph (1), the term ‘business day’ means a day
23 on which State offices are open for regular busi-
24 ness.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall become effective on October 1, 1998.

3 **SEC. 713. STATE DIRECTORY OF NEW HIRES.**

4 (a) STATE PLAN REQUIREMENT.—Section 454 (42
5 U.S.C. 654), as amended by sections 703(a) and 712(a)
6 of this Act, is amended—

7 (1) by striking “and” at the end of paragraph
8 (25);

9 (2) by striking the period at the end of para-
10 graph (26) and inserting “; and”; and

11 (3) by adding after paragraph (26) the follow-
12 ing:

13 “(27) provide that, on and after October 1,
14 1997, the State will operate a State Directory of
15 New Hires in accordance with section 453A.”.

16 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
17 title IV (42 U.S.C. 651–669) is amended by inserting
18 after section 453 the following:

19 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

20 **“(a) ESTABLISHMENT.—**

21 **“(1) IN GENERAL.—**Not later than October 1,
22 1997, each State shall establish an automated direc-
23 tory (to be known as the ‘State Directory of New
24 Hires’) which shall contain information supplied in

1 accordance with subsection (b) by employers and
2 labor organizations on each newly hired employee.

3 “(2) DEFINITIONS.—As used in this section:

4 “(A) EMPLOYEE.—The term ‘employee’—

5 “(i) means an individual who is an
6 employee within the meaning of chapter 24
7 of the Internal Revenue Code of 1986; and

8 “(ii) does not include an employee of
9 a Federal or State agency performing in-
10 telligence or counterintelligence functions,
11 if the head of such agency has determined
12 that reporting pursuant to paragraph (1)
13 with respect to the employee could endan-
14 ger the safety of the employee or com-
15 promise an ongoing investigation or intel-
16 ligence mission.

17 “(B) GOVERNMENTAL EMPLOYERS.—The
18 term ‘employer’ includes any governmental en-
19 tity.

20 “(C) LABOR ORGANIZATION.—The term
21 ‘labor organization’ shall have the meaning
22 given such term in section 2(5) of the National
23 Labor Relations Act, and includes any entity
24 (also known as a ‘hiring hall’) which is used by
25 the organization and an employer to carry out

1 requirements described in section 8(f)(3) of
2 such Act of an agreement between the organiza-
3 tion and the employer.

4 “(b) EMPLOYER INFORMATION.—

5 “(1) REPORTING REQUIREMENT.—

6 “(A) IN GENERAL.—Except as provided in
7 subparagraph (B), each employer shall furnish
8 to the Directory of New Hires of the State in
9 which a newly hired employee works a report
10 that contains the name, address, and social se-
11 curity number of the employee, and the name
12 of, and identifying number assigned under sec-
13 tion 6109 of the Internal Revenue Code of 1986
14 to, the employer.

15 “(B) MULTISTATE EMPLOYERS.—An em-
16 ployer who has employees who are employed in
17 2 or more States may comply with subpara-
18 graph (A) by transmitting the report described
19 in subparagraph (A) magnetically or electroni-
20 cally to the State in which the greatest number
21 of employees of the employer are employed.

22 “(2) TIMING OF REPORT.—The report required
23 by paragraph (1) with respect to an employee shall
24 be made not later than the later of—

1 “(A) 15 days after the date the employer
2 hires the employee; or

3 “(B) the date the employee first receives
4 wages or other compensation from the em-
5 ployer.

6 “(c) REPORTING FORMAT AND METHOD.—Each re-
7 port required by subsection (b) shall be made on a W-
8 4 form or the equivalent, and may be transmitted by first
9 class mail, magnetically, or electronically.

10 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
11 EMPLOYERS.—

12 “(1) IN GENERAL.—An employer that fails to
13 comply with subsection (b) with respect to an em-
14 ployee shall be subject to a civil money penalty of—

15 “(A) \$25; or

16 “(B) \$500 if, under State law, the failure
17 is the result of a conspiracy between the em-
18 ployer and the employee to not supply the re-
19 quired report or to supply a false or incomplete
20 report.

21 “(2) APPLICABILITY OF SECTION 1128.—Section
22 1128 (other than subsections (a) and (b) of such
23 section) shall apply to a civil money penalty under
24 paragraph (1) of this subsection in the same manner

1 as such section applies to a civil money penalty or
2 proceeding under section 1128A(a).

3 “(e) INFORMATION COMPARISONS.—

4 “(1) IN GENERAL.—Not later than October 1,
5 1997, an agency designated by the State shall, di-
6 rectly or by contract, conduct automated compari-
7 sons of the social security numbers reported by em-
8 ployers pursuant to subsection (b) and the social se-
9 curity numbers appearing in the records of the State
10 case registry for cases being enforced under the
11 State plan.

12 “(2) NOTICE OF MATCH.—When an information
13 comparison conducted under paragraph (1) reveals a
14 match with respect to the social security number of
15 an individual required to provide support under a
16 support order, the State Directory of New Hires
17 shall provide the agency administering the State
18 plan approved under this part of the appropriate
19 State with the name, address, and social security
20 number of the employee to whom the social security
21 number is assigned, and the name of, and identify-
22 ing number assigned under section 6109 of the In-
23 ternal Revenue Code of 1986 to, the employer.

24 “(f) TRANSMISSION OF INFORMATION.—

1 “(1) TRANSMISSION OF WAGE WITHHOLDING
2 NOTICES TO EMPLOYERS.—Within 2 business days
3 after the date information regarding a newly hired
4 employee is entered into the State Directory of New
5 Hires, the State agency enforcing the employee’s
6 child support obligation shall transmit a notice to
7 the employer of the employee directing the employer
8 to withhold from the wages of the employee an
9 amount equal to the monthly (or other periodic)
10 child support obligation of the employee, unless the
11 employee’s wages are not subject to withholding pur-
12 suant to section 466(b)(3).

13 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
14 TORY OF NEW HIRES.—

15 “(A) NEW HIRE INFORMATION.—Within 4
16 business days after the State Directory of New
17 Hires receives information from employers pur-
18 suant to this section, the State Directory of
19 New Hires shall furnish the information to the
20 National Directory of New Hires.

21 “(B) WAGE AND UNEMPLOYMENT COM-
22 PENSATION INFORMATION.—The State Direc-
23 tory of New Hires shall, on a quarterly basis,
24 furnish to the National Directory of New Hires
25 extracts of the reports required under section

1 303(a)(6) to be made to the Secretary of Labor
2 concerning the wages and unemployment com-
3 pensation paid to individuals, by such dates, in
4 such format, and containing such information
5 as the Secretary of Health and Human Services
6 shall specify in regulations.

7 “(3) BUSINESS DAY DEFINED.—As used in this
8 subsection, the term ‘business day’ means a day on
9 which State offices are open for regular business.

10 “(g) OTHER USES OF NEW HIRE INFORMATION.—

11 “(1) LOCATION OF CHILD SUPPORT OBLI-
12 GORS.—The agency administering the State plan ap-
13 proved under this part shall use information received
14 pursuant to subsection (e)(2) to locate individuals
15 for purposes of establishing paternity and establish-
16 ing, modifying, and enforcing child support obliga-
17 tions.

18 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
19 TAIN PROGRAMS.—A State agency responsible for
20 administering a program specified in section 1137(b)
21 shall have access to information reported by employ-
22 ers pursuant to subsection (b) of this section for
23 purposes of verifying eligibility for the program.

24 “(3) ADMINISTRATION OF EMPLOYMENT SECUR-
25 ITY AND WORKERS COMPENSATION.—State agen-

1 cies operating employment security and workers'
2 compensation programs shall have access to informa-
3 tion reported by employers pursuant to subsection
4 (b) for the purposes of administering such pro-
5 grams.”.

6 **SEC. 714. AMENDMENTS CONCERNING INCOME WITHHOLD-**
7 **ING.**

8 (a) **MANDATORY INCOME WITHHOLDING.—**

9 (1) **IN GENERAL.—**Section 466(a)(1) (42
10 U.S.C. 666(a)(1)) is amended to read as follows:

11 “(1) **INCOME WITHHOLDING.—**

12 “(A) **UNDER ORDERS ENFORCED UNDER**
13 **THE STATE PLAN.—**Procedures described in
14 subsection (b) for the withholding from income
15 of amounts payable as support in cases subject
16 to enforcement under the State plan.

17 “(B) **UNDER CERTAIN ORDERS PREDATING**
18 **CHANGE IN REQUIREMENT.—**Procedures under
19 which the wages of a person with a support ob-
20 ligation imposed by a support order issued (or
21 modified) in the State before October 1, 1996,
22 if not otherwise subject to withholding under
23 subsection (b), shall become subject to with-
24 holding as provided in subsection (b) if arrear-

1 ages occur, without the need for a judicial or
2 administrative hearing.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 466(a)(8)(B)(iii) (42 U.S.C.
5 666(a)(8)(B)(iii)) is amended—

6 (i) by striking “(5)”; and

7 (ii) by inserting “, and, at the option
8 of the State, the requirements of sub-
9 section (b)(5)” before the period.

10 (B) Section 466(b) (42 U.S.C. 666(b)) is
11 amended in the matter preceding paragraph
12 (1), by striking “subsection (a)(1)” and insert-
13 ing “subsection (a)(1)(A)”.

14 (C) Section 466(b)(5) (42 U.S.C.
15 666(b)(5)) is amended by striking all that fol-
16 lows “administered by” and inserting “the
17 State through the State disbursement unit es-
18 tablished pursuant to section 454B, in accord-
19 ance with the requirements of section 454B.”.

20 (D) Section 466(b)(6)(A) (42 U.S.C.
21 666(b)(6)(A)) is amended—

22 (i) in clause (i), by striking “to the
23 appropriate agency” and all that follows
24 and inserting “to the State disbursement
25 unit within 2 business days after the date

1 the amount would (but for this subsection)
2 have been paid or credited to the employee,
3 for distribution in accordance with this
4 part.”;

5 (ii) in clause (ii), by inserting “be in
6 a standard format prescribed by the Sec-
7 retary, and” after “shall”; and

8 (iii) by adding at the end the follow-
9 ing:

10 “(iii) As used in this subparagraph, the term
11 ‘business day’ means a day on which State offices
12 are open for regular business.”.

13 (E) Section 466(b)(6)(D) (42 U.S.C.
14 666(b)(6)(D)) is amended by striking “any em-
15 ployer” and all that follows and inserting the
16 following:

17 “any employer who—

18 “(i) discharges from employment, refuses
19 to employ, or takes disciplinary action against
20 any absent parent subject to wage withholding
21 required by this subsection because of the exist-
22 ence of such withholding and the obligations or
23 additional obligations which is imposes upon the
24 employer; or

1 “(ii) fails to withhold support from wages,
2 or to pay such amounts to the State disburse-
3 ment unit in accordance with this subsection.”.

4 (F) Section 466(b) (42 U.S.C. 666(b)) is
5 amended by adding at the end the following:

6 “(11) Procedures under which the agency ad-
7 ministering the State plan approved under this part
8 may execute a withholding order through electronic
9 means and without advance notice to the obligor.”.

10 (b) CONFORMING AMENDMENT.—Section 466(c) (42
11 U.S.C. 666(c)) is repealed.

12 **SEC. 715. LOCATOR INFORMATION FROM INTERSTATE NET-**
13 **WORKS.**

14 Section 466(a) (42 U.S.C. 666(a)) is amended by
15 adding at the end the following:

16 “(12) LOCATOR INFORMATION FROM INTER-
17 STATE NETWORKS.—Procedures to ensure that all
18 Federal and State agencies conducting activities
19 under this part have access to any system used by
20 the State to locate an individual for purposes relat-
21 ing to motor vehicles or law enforcement.”.

1 SEC. 716. EXPANSION OF THE FEDERAL PARENT LOCATOR
2 SERVICE.

3 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
4 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
5 amended—

6 (1) in subsection (a), by striking all that follows
7 “subsection (c)” and inserting “, for the purpose of
8 establishing parentage, establishing, setting the
9 amount of, modifying, or enforcing child support ob-
10 ligations—

11 “(1) information on, or facilitating the discov-
12 ery of, the location of any individual—

13 “(A) who is under an obligation to pay
14 child support;

15 “(B) against whom such an obligation is
16 sought; or

17 “(C) to whom such an obligation is owed,
18 including the individual’s social security number (or
19 numbers), most recent address, and the name, ad-
20 dress, and employer identification number of the in-
21 dividual’s employer; and

22 “(2) information on the individual’s wages (or
23 other income) from, and benefits of, employment (in-
24 cluding rights to or enrollment in group health care
25 coverage).”; and

1 (2) in subsection (b), in the matter preceding
2 paragraph (1), by striking “social security” and all
3 that follows through “absent parent” and inserting
4 “information described in subsection (a)”.

5 (b) REIMBURSEMENT FOR INFORMATION FROM FED-
6 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
7 653(e)(2)) is amended in the 4th sentence by inserting
8 “in an amount which the Secretary determines to be rea-
9 sonable payment for the information exchange (which
10 amount shall not include payment for the costs of obtain-
11 ing, compiling, or maintaining the information)” before
12 the period.

13 (c) REIMBURSEMENT FOR REPORTS BY STATE
14 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
15 adding at the end the following:

16 “(g) The Secretary may reimburse Federal and State
17 agencies for the costs incurred by such entities in furnish-
18 ing information requested by the Secretary under this sec-
19 tion in an amount which the Secretary determines to be
20 reasonable payment for the information exchange (which
21 amount shall not include payment for the costs of obtain-
22 ing, compiling, or maintaining the information).”.

23 (d) TECHNICAL AMENDMENTS.—

24 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
25 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),

1 653(b), 663(a), 663(e), and 663(f)) are each amend-
2 ed by inserting "Federal" before "Parent" each
3 place such term appears.

4 (2) Section 453 (42 U.S.C. 653) is amended in
5 the heading by adding "FEDERAL" before "PAR-
6 ENT".

7 (e) NEW COMPONENTS.—Section 453 (42 U.S.C.
8 653), as amended by subsection (c) of this section, is
9 amended by adding at the end the following:

10 "(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
11 ORDERS.—

12 "(1) IN GENERAL.—Not later than October 1,
13 1998, in order to assist States in administering pro-
14 grams under State plans approved under this part
15 and programs funded under part A, and for the
16 other purposes specified in this section, the Sec-
17 retary shall establish and maintain in the Federal
18 Parent Locator Service an automated registry
19 (which shall be known as the 'Federal Case Registry
20 of Child Support Orders'), which shall contain ab-
21 stracts of support orders and other information de-
22 scribed in paragraph (2) with respect to each case
23 in each State case registry maintained pursuant to
24 section 454A(e), as furnished (and regularly up-

1 dated), pursuant to section 454A(f), by State agen-
2 cies administering programs under this part.

3 “(2) CASE INFORMATION.—The information re-
4 ferred to in paragraph (1) with respect to a case
5 shall be such information as the Secretary may
6 specify in regulations (including the names, social
7 security numbers or other uniform identification
8 numbers, and State case identification numbers) to
9 identify the individuals who owe or are owed support
10 (or with respect to or on behalf of whom support
11 obligations are sought to be established), and the
12 State or States which have the case.

13 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

14 “(1) IN GENERAL.—In order to assist States in
15 administering programs under State plans approved
16 under this part and programs funded under part A,
17 and for the other purposes specified in this section,
18 the Secretary shall, not later than October 1, 1996,
19 establish and maintain in the Federal Parent Loca-
20 tor Service an automated directory to be known as
21 the National Directory of New Hires, which shall
22 contain the information supplied pursuant to section
23 453A(f)(2).

24 “(2) ADMINISTRATION OF FEDERAL TAX
25 LAWS.—The Secretary of the Treasury shall have

1 access to the information in the Federal Directory of
2 New Hires for purposes of administering section 32
3 of the Internal Revenue Code of 1986, or the ad-
4 vance payment of the earned income tax credit
5 under section 3507 of such Code, and verifying a
6 claim with respect to employment in a tax return.

7 “(j) INFORMATION COMPARISONS AND OTHER DIS-
8 CLOSURES.—

9 “(1) VERIFICATION BY SOCIAL SECURITY AD-
10 MINISTRATION.—

11 “(A) The Secretary shall transmit informa-
12 tion on individuals and employers maintained
13 under this section to the Social Security Admin-
14 istration to the extent necessary for verification
15 in accordance with subparagraph (B).

16 “(B) The Social Security Administration
17 shall verify the accuracy of, correct, or supply
18 to the extent possible, and report to the Sec-
19 retary, the following information supplied by
20 the Secretary pursuant to subparagraph (A):

21 “(i) The name, social security num-
22 ber, and birth date of each such individual.

23 “(ii) The employer identification num-
24 ber of each such employer.

1 “(2) INFORMATION COMPARISONS.—For the
2 purpose of locating individuals in a paternity estab-
3 lishment case or a case involving the establishment,
4 modification, or enforcement of a support order, the
5 Secretary shall—

6 “(A) compare information in the National
7 Directory of New Hires against information in
8 the support order abstracts in the Federal Case
9 Registry of Child Support Orders not less often
10 than every 2 business days; and

11 “(B) within 2 such days after such a com-
12 parison reveals a match with respect to an indi-
13 vidual, report the information to the State
14 agency responsible for the case.

15 “(3) INFORMATION COMPARISONS AND DISCLO-
16 SURES OF INFORMATION IN ALL REGISTRIES FOR
17 TITLE IV PROGRAM PURPOSES.—To the extent and
18 with the frequency that the Secretary determines to
19 be effective in assisting States to carry out their re-
20 sponsibilities under programs operated under this
21 part and programs funded under part A, the Sec-
22 retary shall—

23 “(A) compare the information in each com-
24 ponent of the Federal Parent Locator Service
25 maintained under this section against the infor-

1 mation in each other such component (other
2 than the comparison required by paragraph
3 (2)), and report instances in which such a com-
4 parison reveals a match with respect to an indi-
5 vidual to State agencies operating such pro-
6 grams; and

7 “(B) disclose information in such registries
8 to such State agencies.

9 “(4) PROVISION OF NEW HIRE INFORMATION
10 TO THE SOCIAL SECURITY ADMINISTRATION.—The
11 National Directory of New Hires shall provide the
12 Commissioner of Social Security with all information
13 in the National Directory, which shall be used to de-
14 termine the accuracy of payments under the supple-
15 mental security income program under title XVI and
16 in connection with benefits under title II.

17 “(5) RESEARCH.—The Secretary may provide
18 access to information reported by employers pursu-
19 ant to section 453A(b) for research purposes found
20 by the Secretary to be likely to contribute to achiev-
21 ing the purposes of part A or this part, but without
22 personal identifiers.

23 “(k) FEES.—

24 “(1) FOR SSA VERIFICATION.—The Secretary
25 shall reimburse the Commissioner of Social Security,

1 at a rate negotiated between the Secretary and the
2 Commissioner, for the costs incurred by the Com-
3 missioner in performing the verification services de-
4 scribed in subsection (j).

5 “(2) FOR INFORMATION FROM STATE DIREC-
6 TORIES OF NEW HIRES.—The Secretary shall reim-
7 burse costs incurred by State directories of new
8 hires in furnishing information as required by sub-
9 section (j)(3), at rates which the Secretary deter-
10 mines to be reasonable (which rates shall not include
11 payment for the costs of obtaining, compiling, or
12 maintaining such information).

13 “(3) FOR INFORMATION FURNISHED TO STATE
14 AND FEDERAL AGENCIES.—A State or Federal agen-
15 cy that receives information from the Secretary pur-
16 suant to this section shall reimburse the Secretary
17 for costs incurred by the Secretary in furnishing the
18 information, at rates which the Secretary determines
19 to be reasonable (which rates shall include payment
20 for the costs of obtaining, verifying, maintaining,
21 and comparing the information).

22 “(1) RESTRICTION ON DISCLOSURE AND USE.—In-
23 formation in the Federal Parent Locator Service, and in-
24 formation resulting from comparisons using such informa-
25 tion, shall not be used or disclosed except as expressly pro-

1 vided in this section, subject to section 6103 of the Inter-
2 nal Revenue Code of 1986.

3 “(m) INFORMATION INTEGRITY AND SECURITY.—

4 The Secretary shall establish and implement safeguards
5 with respect to the entities established under this section
6 designed to—

7 “(1) ensure the accuracy and completeness of
8 information in the Federal Parent Locator Service;
9 and

10 “(2) restrict access to confidential information
11 in the Federal Parent Locator Service to authorized
12 persons, and restrict use of such information to au-
13 thorized purposes.”.

14 (f) CONFORMING AMENDMENTS.—

15 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
16 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
17 654(8)(B)) is amended to read as follows:

18 “(B) the Federal Parent Locator Service
19 established under section 453;”.

20 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
21 Section 3304(a)(16) of the Internal Revenue Code of
22 1986 is amended—

23 (A) by striking “Secretary of Health, Edu-
24 cation, and Welfare” each place such term ap-

1 appears and inserting “Secretary of Health and
2 Human Services”;

3 (B) in subparagraph (B), by striking
4 “such information” and all that follows and in-
5 serting “information furnished under subpara-
6 graph (A) or (B) is used only for the purposes
7 authorized under such subparagraph;”;

8 (C) by striking “and” at the end of sub-
9 paragraph (A);

10 (D) by redesignating subparagraph (B) as
11 subparagraph (C); and

12 (E) by inserting after subparagraph (A)
13 the following new subparagraph:

14 “(B) wage and unemployment compensa-
15 tion information contained in the records of
16 such agency shall be furnished to the Secretary
17 of Health and Human Services (in accordance
18 with regulations promulgated by such Sec-
19 retary) as necessary for the purposes of the Na-
20 tional Directory of New Hires established under
21 section 453(i) of the Social Security Act, and”.

22 (3) TO STATE GRANT PROGRAM UNDER TITLE
23 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
24 (42 U.S.C. 503(a)) is amended—

1 (A) by striking “and” at the end of para-
2 graph (8);

3 (B) by striking “and” at the end of para-
4 graph (9);

5 (C) by striking the period at the end of
6 paragraph (10) and inserting “; and”; and

7 (D) by adding after paragraph (10) the
8 following:

9 “(11) The making of quarterly electronic re-
10 ports, at such dates, in such format, and containing
11 such information, as required by the Secretary of
12 Health and Human Services under section 453(i)(3),
13 and compliance with such provisions as such Sec-
14 retary may find necessary to ensure the correctness
15 and verification of such reports.”.

16 **SEC. 717. COLLECTION AND USE OF SOCIAL SECURITY**
17 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
18 **FORCEMENT.**

19 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
20 U.S.C. 666(a)), as amended by section 715 of this Act,
21 is amended by adding at the end the following:

22 “(13) RECORDING OF SOCIAL SECURITY NUM-
23 BERS IN CERTAIN FAMILY MATTERS.—Procedures
24 requiring that the social security number of—

1 “(A) any applicant for a professional li-
2 cense, commercial driver’s license, occupational
3 license, or marriage license be recorded on the
4 application; and

5 “(B) any individual who is subject to a di-
6 vorce decree, support order, or paternity deter-
7 mination or acknowledgment be placed in the
8 records relating to the matter.”.

9 (b) CONFORMING AMENDMENTS.—Section
10 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
11 section 321(a)(9) of the Social Security Independence and
12 Program Improvements Act of 1994, is amended—

13 (1) in clause (i), by striking “may require” and
14 inserting “shall require”;

15 (2) in clause (ii), by inserting after the 1st sen-
16 tence the following: “In the administration of any
17 law involving the issuance of a marriage certificate
18 or license, each State shall require each party named
19 in the certificate or license to furnish to the State
20 (or political subdivision thereof) or any State agency
21 having administrative responsibility for the law in-
22 volved, the social security number of the party.”;

23 (3) in clause (vi), by striking “may” and insert-
24 ing “shall”; and

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

1 “(x) An agency of a State (or a politi-
2 cal subdivision thereof) charged with the
3 administration of any law concerning the
4 issuance or renewal of a license, certificate,
5 permit, or other authorization to engage in
6 a profession, an occupation, or a commer-
7 cial activity shall require all applicants for
8 issuance or renewal of the license, certifi-
9 cate, permit, or other authorization to pro-
10 vide the applicant’s social security number
11 to the agency for the purpose of admin-
12 istering such laws, and for the purpose of
13 responding to requests for information
14 from an agency operating pursuant to part
15 D of title IV.

16 “(xi) All divorce decrees, support or-
17 ders, and paternity determinations issued,
18 and all paternity acknowledgments made,
19 in each State shall include the social secu-
20 rity number of each party to the decree,
21 order, determination, or acknowledgement
22 in the records relating to the matter.”.

1 **Subtitle C—Streamlining and**
2 **Uniformity of Procedures**

3 **SEC. 721. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466 (42 U.S.C. 666) is amended by adding
5 at the end the following:

6 “(f) UNIFORM INTERSTATE FAMILY SUPPORT
7 ACT.—

8 “(1) ENACTMENT AND USE.—In order to sat-
9 isfy section 454(20)(A) on or after January 1, 1997,
10 each State must have in effect the Uniform Inter-
11 state Family Support Act, as approved by the Na-
12 tional Conference of Commissioners on Uniform
13 State Laws in August 1992 (with the modifications
14 and additions specified in this subsection), and the
15 procedures required to implement such Act.

16 “(2) EXPANDED APPLICATION.—The State law
17 enacted pursuant to paragraph (1) shall be applied
18 to any case involving an order which is established
19 or modified in a State and which is sought to be
20 modified or enforced in another State.

21 “(3) JURISDICTION TO MODIFY ORDERS.—The
22 State law enacted pursuant to paragraph (1) of this
23 subsection shall contain the following provision in
24 lieu of section 611(a)(1) of the Uniform Interstate
25 Family Support Act:

1 “(1) the following requirements are met:

2 “(i) the child, the individual obligee, and
3 the obligor—

4 “(I) do not reside in the issuing
5 State; and

6 “(II) either reside in this State or
7 are subject to the jurisdiction of this State
8 pursuant to section 201; and

9 “(ii) (in any case where another State is
10 exercising or seeks to exercise jurisdiction to
11 modify the order) the conditions of section 204
12 are met to the same extent as required for pro-
13 ceedings to establish orders; or’.

14 “(4) SERVICE OF PROCESS.—The State law en-
15 acted pursuant to paragraph (1) shall provide that,
16 in any proceeding subject to the law, process may be
17 served (and proved) upon persons in the State by
18 any means acceptable in any State which is the initi-
19 ating or responding State in the proceeding.”.

20 **SEC. 722. IMPROVEMENTS TO FULL FAITH AND CREDIT**
21 **FOR CHILD SUPPORT ORDERS.**

22 Section 1738B of title 28, United States Code, is
23 amended—

24 (1) in subsection (a)(2), by striking “subsection
25 (e)” and inserting “subsections (e), (f), and (i)”;

1 (2) in subsection (b), by inserting after the 2nd
2 undesigned paragraph the following:

3 “ ‘child’s home State’ means the State in which
4 a child lived with a parent or a person acting as par-
5 ent for at least six consecutive months immediately
6 preceding the time of filing of a petition or com-
7 parable pleading for support and, if a child is less
8 than six months old, the State in which the child
9 lived from birth with any of them. A period of tem-
10 porary absence of any of them is counted as part of
11 the six-month period.”;

12 (3) in subsection (c), by inserting “by a court
13 of a State” before “is made”;

14 (4) in subsection (c)(1), by inserting “and sub-
15 sections (e), (f), and (g)” after “located”;

16 (5) in subsection (d)—

17 (A) by inserting “individual” before “con-
18 testant”; and

19 (B) by striking “subsection (e)” and in-
20 serting “subsections (e) and (f)”;

21 (6) in subsection (e), by striking “make a modi-
22 fication of a child support order with respect to a
23 child that is made” and inserting “modify a child
24 support order issued”;

1 (7) in subsection (e)(1), by inserting “pursuant
2 to subsection (i)” before the semicolon;

3 (8) in subsection (e)(2)—

4 (A) by inserting “individual” before “con-
5 testant” each place such term appears; and

6 (B) by striking “to that court’s making the
7 modification and assuming” and inserting “with
8 the State of continuing, exclusive jurisdiction
9 for a court of another State to modify the order
10 and assume”;

11 (9) by redesignating subsections (f) and (g) as
12 subsections (g) and (h), respectively;

13 (10) by inserting after subsection (e) the follow-
14 ing:

15 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—
16 If one or more child support orders have been issued in
17 this or another State with regard to an obligor and a child,
18 a court shall apply the following rules in determining
19 which order to recognize for purposes of continuing, exclu-
20 sive jurisdiction and enforcement:

21 “(1) If only one court has issued a child sup-
22 port order, the order of that court must be recog-
23 nized.

24 “(2) If two or more courts have issued child
25 support orders for the same obligor and child, and

1 only one of the courts would have continuing, exclu-
2 sive jurisdiction under this section, the order of that
3 court must be recognized.

4 “(3) If two or more courts have issued child
5 support orders for the same obligor and child, and
6 only one of the courts would have continuing, exclu-
7 sive jurisdiction under this section, an order issued
8 by a court in the current home State of the child
9 must be recognized, but if an order has not been is-
10 sued in the current home State of the child, the
11 order most recently issued must be recognized.

12 “(4) If two or more courts have issued child
13 support orders for the same obligor and child, and
14 none of the courts would have continuing, exclusive
15 jurisdiction under this section, a court may issue a
16 child support order, which must be recognized.

17 “(5) The court that has issued an order recog-
18 nized under this subsection is the court having con-
19 tinuing, exclusive jurisdiction.”;

20 (11) in subsection (g) (as so redesignated)—

21 (A) by striking “PRIOR” and inserting
22 “MODIFIED”; and

23 (B) by striking “subsection (e)” and in-
24 serting “subsections (e) and (f)”;

25 (12) in subsection (h) (as so redesignated)—

1 (A) in paragraph (2), by inserting “includ-
2 ing the duration of current payments and other
3 obligations of support” before the comma; and

4 (B) in paragraph (3), by inserting “arrear
5 under” after “enforce”; and

6 (13) by adding at the end the following:

7 “(i) REGISTRATION FOR MODIFICATION.—If there is
8 no individual contestant or child residing in the issuing
9 State, the party or support enforcement agency seeking
10 to modify, or to modify and enforce, a child support order
11 issued in another State shall register that order in a State
12 with jurisdiction over the nonmovant for the purpose of
13 modification.”.

14 **SEC. 723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
15 **CASES.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by
17 sections 715 and 717(a) of this Act, is amended by adding
18 at the end the following:

19 “(14) ADMINISTRATIVE ENFORCEMENT IN
20 INTERSTATE CASES.—Procedures under which—

21 “(A)(i) the State shall respond within 5
22 business days to a request made by another
23 State to enforce a support order; and

1 “(ii) the term ‘business day’ means a day
2 on which State offices are open for regular
3 business;

4 “(B) the State may, by electronic or other
5 means, transmit to another State a request for
6 assistance in a case involving the enforcement
7 of a support order, which request—

8 “(i) shall include such information as
9 will enable the State to which the request
10 is transmitted to compare the information
11 about the case to the information in the
12 data bases of the State;

13 “(ii) shall constitute a certification by
14 the requesting State—

15 “(I) of the amount of support
16 under the order the payment of which
17 is in arrears; and

18 “(II) that the requesting State
19 has complied with all procedural due
20 process requirements applicable to the
21 case.

22 “(C) if the State provides assistance to an-
23 other State pursuant to this paragraph with re-
24 spect to a case, neither State shall consider the

1 case to be transferred to the caseload of such
2 other State; and

3 “(D) the State shall maintain records of—

4 “(i) the number of such requests for
5 assistance received by the State;

6 “(ii) the number of cases for which
7 the State collected support in response to
8 such a request; and

9 “(iii) the amount of such collected
10 support.”.

11 **SEC. 724. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

12 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
13 652(a)) is amended—

14 (1) by striking “and” at the end of paragraph
15 (9);

16 (2) by striking the period at the end of para-
17 graph (10) and inserting “; and”; and

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

19 “(11) not later than June 30, 1996, promulgate
20 forms to be used by States in interstate cases for—

21 “(A) collection of child support through in-
22 come withholding;

23 “(B) imposition of liens; and

24 “(C) administrative subpoenas.”.

1 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
2 654(9)) is amended—

3 (1) by striking “and” at the end of subpara-
4 graph (C);

5 (2) by inserting “and” at the end of subpara-
6 graph (D); and

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

8 “(E) no later than October 1, 1996, in
9 using the forms promulgated pursuant to sec-
10 tion 452(a)(11) for income withholding, imposi-
11 tion of liens, and issuance of administrative
12 subpoenas in interstate child support cases;”.

13 **SEC. 725. STATE LAWS PROVIDING EXPEDITED PROCE-**
14 **DURES.**

15 (a) STATE LAW REQUIREMENTS.—Section 466 (42
16 U.S.C. 666), as amended by section 714 of this Act, is
17 amended—

18 (1) in subsection (a)(2), by striking the 1st sen-
19 tence and inserting the following: “Expedited admin-
20 istrative and judicial procedures (including the pro-
21 cedures specified in subsection (c)) for establishing
22 paternity and for establishing, modifying, and en-
23 forcing support obligations.”; and

24 (2) by inserting after subsection (b) the follow-
25 ing:

1 “(c) EXPEDITED PROCEDURES.—The procedures
2 specified in this subsection are the following:

3 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
4 CY.—Procedures which give the State agency the au-
5 thority to take the following actions relating to es-
6 tablishment or enforcement of support orders, with-
7 out the necessity of obtaining an order from any
8 other judicial or administrative tribunal (but subject
9 to due process safeguards, including (as appropriate)
10 requirements for notice, opportunity to contest the
11 action, and opportunity for an appeal on the record
12 to an independent administrative or judicial tribu-
13 nal), and to recognize and enforce the authority of
14 State agencies of other States) to take the following
15 actions:

16 “(A) GENETIC TESTING.—To order genetic
17 testing for the purpose of paternity establish-
18 ment as provided in section 466(a)(5).

19 “(B) DEFAULT ORDERS.—To enter a de-
20 fault order, upon a showing of service of proc-
21 ess and any additional showing required by
22 State law—

23 “(i) establishing paternity, in the case
24 of a putative father who refuses to submit
25 to genetic testing; and

1 “(ii) establishing or modifying a sup-
2 port obligation, in the case of a parent (or
3 other obligor or obligee) who fails to re-
4 spond to notice to appear at a proceeding
5 for such purpose.

6 “(C) SUBPOENAS.—To subpoena any fi-
7 nancial or other information needed to estab-
8 lish, modify, or enforce a support order, and to
9 impose penalties for failure to respond to such
10 a subpoena.

11 “(D) ACCESS TO PERSONAL AND FINAN-
12 CIAL INFORMATION.—To obtain access, subject
13 to safeguards on privacy and information secu-
14 rity, to the records of all other State and local
15 government agencies (including law enforcement
16 and corrections records), including automated
17 access to records maintained in automated data
18 bases.

19 “(E) CHANGE IN PAYEE.—In cases where
20 support is subject to an assignment in order to
21 comply with a requirement imposed pursuant to
22 part A or section 1912, or to a requirement to
23 pay through the State disbursement unit estab-
24 lished pursuant to section 454B, upon provid-
25 ing notice to obligor and obligee, to direct the

1 obligor or other payor to change the payee to
2 the appropriate government entity.

3 “(F) INCOME WITHHOLDING.—To order
4 income withholding in accordance with sub-
5 sections (a)(1) and (b) of section 466.

6 “(G) SECURING ASSETS.—In cases in
7 which there is a support arrearage, to secure
8 assets to satisfy the arrearage by—

9 “(i) intercepting or seizing periodic or
10 lump sum payments from—

11 “(I) a State or local agency (in-
12 cluding unemployment compensation,
13 workers’ compensation, and other ben-
14 efits); and

15 “(II) judgments, settlements, and
16 lotteries;

17 “(ii) attaching and seizing assets of
18 the obligor held in financial institutions;
19 and

20 “(iii) attaching public and private re-
21 tirement funds.

22 “(H) INCREASE MONTHLY PAYMENTS.—
23 For the purpose of securing overdue support, to
24 increase the amount of monthly support pay-
25 ments to include amounts for arrearages (sub-

1 ject to such conditions or limitations as the
2 State may provide).

3 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

4 The expedited procedures required under subsection
5 (a)(2) shall include the following rules and author-
6 ity, applicable with respect to all proceedings to es-
7 tablish paternity or to establish, modify, or enforce
8 support orders:

9 “(A) LOCATOR INFORMATION; PRESUMP-
10 TIONS CONCERNING NOTICE.—Procedures
11 under which—

12 “(i) each party to any paternity or
13 child support proceeding is required (sub-
14 ject to privacy safeguards) to file with the
15 tribunal and the State case registry upon
16 entry of an order, and to update as appro-
17 priate, information on location and identity
18 of the party (including social security num-
19 ber, residential and mailing addresses, tele-
20 phone number, driver’s license number,
21 and name, address, and name and tele-
22 phone number of employer); and

23 “(ii) in any subsequent child support
24 enforcement action between the parties,
25 upon sufficient showing that diligent effort

1 has been made to ascertain the location of
2 such a party, the tribunal may deem State
3 due process requirements for notice and
4 service of process to be met with respect to
5 the party, upon delivery of written notice
6 to the most recent residential or employer
7 address filed with the tribunal pursuant to
8 clause (i).

9 “(B) STATEWIDE JURISDICTION.—Proce-
10 dures under which—

11 “(i) the State agency and any admin-
12 istrative or judicial tribunal with authority
13 to hear child support and paternity cases
14 exerts statewide jurisdiction over the par-
15 ties; and

16 “(ii) in a State in which orders are is-
17 sued by courts or administrative tribunals,
18 a case may be transferred between admin-
19 istrative areas in the State without need
20 for any additional filing by the petitioner,
21 or service of process upon the respondent,
22 to retain jurisdiction over the parties.”.

23 (b) EXCEPTIONS FROM STATE LAW REQUIRE-
24 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-
25 ed—

1 (1) by striking “(d) If” and inserting the fol-
2 lowing:

3 “(d) EXEMPTIONS FROM REQUIREMENTS.—

4 “(1) IN GENERAL.—Subject to paragraph (2),
5 if”; and

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

7 “(2) NON-EXEMPT REQUIREMENTS.—The Sec-
8 retary shall not grant an exemption from the re-
9 quirements of—

10 “(A) subsection (a)(5) (concerning proce-
11 dures for paternity establishment);

12 “(B) subsection (a)(10) (concerning modi-
13 fication of orders);

14 “(C) section 454A (concerning recording of
15 orders in the State case registry);

16 “(D) subsection (a)(13) (concerning re-
17 cording of social security numbers);

18 “(E) subsection (a)(14) (concerning inter-
19 state enforcement); or

20 “(F) subsection (c) (concerning expedited
21 procedures), other than paragraph (1)(A) there-
22 of (concerning establishment or modification of
23 support amount).”.

24 (c) AUTOMATION OF STATE AGENCY FUNCTIONS.—
25 Section 454A, as added by section 745(a)(2) of this Act

1 and as amended by sections 711 and 712(c) of this Act,
2 is amended by adding at the end the following:

3 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
4 The automated system required by this section shall be
5 used, to the maximum extent feasible, to implement the
6 expedited administrative procedures required by section
7 466(c).”.

8 **Subtitle D—Paternity**
9 **Establishment**

10 **SEC. 731. STATE LAWS CONCERNING PATERNITY ESTAB-**
11 **LISHMENT.**

12 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
13 U.S.C. 666(a)(5)) is amended to read as follows:

14 “(5) PROCEDURES CONCERNING PATERNITY ES-
15 TABLISHMENT.—

16 “(A) ESTABLISHMENT PROCESS AVAIL-
17 ABLE FROM BIRTH UNTIL AGE 18.—

18 “(i) Procedures which permit the es-
19 tablishment of the paternity of a child at
20 any time before the child attains 18 years
21 of age.

22 “(ii) As of August 16, 1984, clause (i)
23 shall also apply to a child for whom pater-
24 nity has not been established or for whom
25 a paternity action was brought but dis-

1 missed because a statute of limitations of
2 less than 18 years was then in effect in the
3 State.

4 “(B) PROCEDURES CONCERNING GENETIC
5 TESTING.—

6 “(i) GENETIC TESTING REQUIRED IN
7 CERTAIN CONTESTED CASES.—Procedures
8 under which the State is required, in a
9 contested paternity case, to require the
10 child and all other parties (other than indi-
11 viduals found under section 454(28) to
12 have good cause for refusing to cooperate)
13 to submit to genetic tests upon the request
14 of any such party if the request is sup-
15 ported by a sworn statement by the
16 party—

17 “(I) alleging paternity, and set-
18 ting forth facts establishing a reason-
19 able possibility of the requisite sexual
20 contact between the parties; or

21 “(II) denying paternity, and set-
22 ting forth facts establishing a reason-
23 able possibility of the nonexistence of
24 sexual contact between the parties.

1 “(ii) OTHER REQUIREMENTS.—Proce-
2 dures which require the State agency, in
3 any case in which the agency orders ge-
4 netic testing—

5 “(I) to pay costs of such tests,
6 subject to recoupment (where the
7 State so elects) from the alleged fa-
8 ther if paternity is established; and

9 “(II) to obtain additional testing
10 in any case where an original test re-
11 sult is contested, upon request and
12 advance payment by the contestant.

13 “(C) VOLUNTARY PATERNITY ACKNOWL-
14 EDGMENT.—

15 “(i) SIMPLE CIVIL PROCESS.—Proce-
16 dures for a simple civil process for volun-
17 tarily acknowledging paternity under which
18 the State must provide that, before a
19 mother and a putative father can sign an
20 acknowledgment of paternity, the mother
21 and the putative father must be given no-
22 tice, orally, in writing, and in a language
23 that each can understand, of the alter-
24 natives to, the legal consequences of, and
25 the rights (including, if 1 parent is a

1 minor, any rights afforded due to minority
2 status) and responsibilities that arise from,
3 signing the acknowledgment.

4 “(ii) HOSPITAL-BASED PROGRAM.—
5 Such procedures must include a hospital-
6 based program for the voluntary acknowl-
7 edgment of paternity focusing on the pe-
8 riod immediately before or after the birth
9 of a child.

10 “(iii) PATERNITY ESTABLISHMENT
11 SERVICES.—

12 “(I) STATE-OFFERED SERV-
13 ICES.—Such procedures must require
14 the State agency responsible for main-
15 taining birth records to offer vol-
16 untary paternity establishment serv-
17 ices.

18 “(II) REGULATIONS.—

19 “(aa) SERVICES OFFERED
20 BY HOSPITALS AND BIRTH
21 RECORD AGENCIES.—The Sec-
22 retary shall prescribe regulations
23 governing voluntary paternity es-
24 tablishment services offered by

1 hospitals and birth record agen-
2 cies.

3 “(bb) SERVICES OFFERED
4 BY OTHER ENTITIES.—The Sec-
5 retary shall prescribe regulations
6 specifying the types of other enti-
7 ties that may offer voluntary pa-
8 ternity establishment services,
9 and governing the provision of
10 such services, which shall include
11 a requirement that such an entity
12 must use the same notice provi-
13 sions used by, use the same ma-
14 terials used by, provide the per-
15 sonnel providing such services
16 with the same training provided
17 by, and evaluate the provision of
18 such services in the same manner
19 as the provision of such services
20 is evaluated by, voluntary pater-
21 nity establishment programs of
22 hospitals and birth record agen-
23 cies.

24 “(iv) USE OF FEDERAL PATERNITY
25 ACKNOWLEDGMENT AFFIDAVIT.—Such

1 procedures must require the State and
2 those required to establish paternity to use
3 only the affidavit developed under section
4 452(a)(7) for the voluntary acknowledg-
5 ment of paternity, and to give full faith
6 and credit to such an affidavit signed in
7 any other State.

8 “(D) STATUS OF SIGNED PATERNITY AC-
9 KNOWLEDGMENT.—

10 “(i) LEGAL FINDING OF PATER-
11 NITY.—Procedures under which a signed
12 acknowledgment of paternity is considered
13 a legal finding of paternity, subject to the
14 right of any signatory to rescind the ac-
15 knowledgment within 60 days.

16 “(ii) CONTEST.—Procedures under
17 which, after the 60-day period referred to
18 in clause (i), a signed acknowledgment of
19 paternity may be challenged in court only
20 on the basis of fraud, duress, or material
21 mistake of fact, with the burden of proof
22 upon the challenger, and under which the
23 legal responsibilities (including child sup-
24 port obligations) of any signatory arising
25 from the acknowledgment may not be sus-

1 pended during the challenge, except for
2 good cause shown.

3 “(iii) RESCISSION.—Procedures under
4 which, after the 60-day period referred to
5 in clause (i), a minor who has signed an
6 acknowledgment of paternity other than in
7 the presence of a parent or court-appointed
8 guardian ad litem may rescind the ac-
9 knowledgment in a judicial or administra-
10 tive proceeding, until the earlier of—

11 “(I) attaining the age of major-
12 ity; or

13 “(II) the date of the first judicial
14 or administrative proceeding brought
15 (after the signing) to establish a child
16 support obligation, visitation rights, or
17 custody rights with respect to the
18 child whose paternity is the subject of
19 the acknowledgment, and at which the
20 minor is represented by a parent or
21 guardian ad litem, or an attorney.

22 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
23 CATION PROCEEDINGS.—Procedures under
24 which judicial or administrative proceedings are

1 not required or permitted to ratify an unchal-
2 lenged acknowledgment of paternity.

3 “(F) ADMISSIBILITY OF GENETIC TESTING
4 RESULTS.—Procedures—

5 “(i) requiring the admission into evi-
6 dence, for purposes of establishing pater-
7 nity, of the results of any genetic test that
8 is—

9 “(I) of a type generally acknowl-
10 edged as reliable by accreditation bod-
11 ies designated by the Secretary; and

12 “(II) performed by a laboratory
13 approved by such an accreditation
14 body;

15 “(ii) requiring an objection to genetic
16 testing results to be made in writing not
17 later than a specified number of days be-
18 fore any hearing at which the results may
19 be introduced into evidence (or, at State
20 option, not later than a specified number
21 of days after receipt of the results); and

22 “(iii) making the test results admissi-
23 ble as evidence of paternity without the
24 need for foundation testimony or other

1 proof of authenticity or accuracy, unless
2 objection is made.

3 “(G) PRESUMPTION OF PATERNITY IN
4 CERTAIN CASES.—Procedures which create a re-
5 buttable or, at the option of the State, conclu-
6 sive presumption of paternity upon genetic test-
7 ing results indicating a threshold probability
8 that the alleged father is the father of the child.

9 “(H) DEFAULT ORDERS.—Procedures re-
10 quiring a default order to be entered in a pater-
11 nity case upon a showing of service of process
12 on the defendant and any additional showing
13 required by State law.

14 “(I) NO RIGHT TO JURY TRIAL.—Proce-
15 dures providing that the parties to an action to
16 establish paternity are not entitled to a trial by
17 jury.

18 “(J) TEMPORARY SUPPORT ORDER BASED
19 ON PROBABLE PATERNITY IN CONTESTED
20 CASES.—Procedures which require that a tem-
21 porary order be issued, upon motion by a party,
22 requiring the provision of child support pending
23 an administrative or judicial determination of
24 parentage, where there is clear and convincing

1 evidence of paternity (on the basis of genetic
2 tests or other evidence).

3 “(K) PROOF OF CERTAIN SUPPORT AND
4 PATERNITY ESTABLISHMENT COSTS.—Proce-
5 dures under which bills for pregnancy, child-
6 birth, and genetic testing are admissible as evi-
7 dence without requiring third-party foundation
8 testimony, and shall constitute prima facie evi-
9 dence of amounts incurred for such services or
10 for testing on behalf of the child.

11 “(L) STANDING OF PUTATIVE FATHERS.—
12 Procedures ensuring that the putative father
13 has a reasonable opportunity to initiate a pater-
14 nity action.

15 “(M) FILING OF ACKNOWLEDGMENTS AND
16 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
17 RECORDS.—Procedures under which voluntary
18 acknowledgments and adjudications of paternity
19 by judicial or administrative processes are filed
20 with the State registry of birth records for com-
21 parison with information in the State case reg-
22 istry.”.

23 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
24 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
25 amended by inserting “, and develop an affidavit to be

1 used for the voluntary acknowledgment of paternity which
2 shall include the social security number of each parent”
3 before the semicolon.

4 (c) TECHNICAL AMENDMENT.—Section 468 (42
5 U.S.C. 668) is amended by striking “a simple civil process
6 for voluntarily acknowledging paternity and”.

7 **SEC. 732. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
8 **LISHMENT.**

9 Section 454(23) (42 U.S.C. 654(23)) is amended by
10 inserting “and will publicize the availability and encourage
11 the use of procedures for voluntary establishment of pater-
12 nity and child support by means the State deems appro-
13 priate” before the semicolon.

14 **SEC. 733. COOPERATION BY APPLICANTS FOR AND RECIPI-**
15 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

16 Section 454 (42 U.S.C. 654), as amended by sections
17 703(a), 712(a), and 713(a) of this Act, is amended—

18 (1) by striking “and” at the end of paragraph
19 (26);

20 (2) by striking the period at the end of para-
21 graph (27) and inserting “; and”; and

22 (3) by inserting after paragraph (27) the fol-
23 lowing:

24 “(28) provide that the State agency responsible
25 for administering the State plan—

1 “(A) shall require each individual who has
2 applied for or is receiving assistance under the
3 State program funded under part A to cooper-
4 ate with the State in establishing the paternity
5 of, and in establishing, modifying, or enforcing
6 a support order for, any child of the individual
7 by providing the State agency with the name of,
8 and such other information as the State agency
9 may require with respect to, the father of the
10 child, subject to such good cause and other ex-
11 ceptions as the State may establish; and

12 “(B) may require the individual and the
13 child to submit to genetic tests.”.

14 **Subtitle E—Program**
15 **Administration and Funding**

16 **SEC. 741. FEDERAL MATCHING PAYMENTS.**

17 (a) **INCREASED BASE MATCHING RATE.**—Section
18 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
19 follows:

20 “(2) The percent specified in this paragraph for any
21 quarter is 66 percent.”.

22 (b) **MAINTENANCE OF EFFORT.**—Section 455 (42
23 U.S.C. 655) is amended—

1 (1) in subsection (a)(1), in the matter preced-
 2 ing subparagraph (A), by striking “From” and in-
 3 serting “Subject to subsection (c), from”; and

4 (2) by inserting after subsection (b) the follow-
 5 ing:

6 “(c) MAINTENANCE OF EFFORT.—Notwithstanding
 7 subsection (a), the total expenditures under the State plan
 8 approved under this part for fiscal year 1997 and each
 9 succeeding fiscal year, reduced by the percentage specified
 10 in paragraph (2) for the fiscal year shall not be less than
 11 such total expenditures for fiscal year 1996, reduced by
 12 66 percent.”.

13 **SEC. 742. PERFORMANCE-BASED INCENTIVES AND PEN-**
 14 **ALTIES.**

15 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
 16 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
 17 read as follows:

18 **“SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.**

19 “(a) INCENTIVE ADJUSTMENTS.—

20 “(1) IN GENERAL.—Beginning with fiscal year
 21 1999, the Secretary shall increase the percent speci-
 22 fied in section 455(a)(2) that applies to payments to
 23 a State under section 455(a)(1)(A) for each quarter
 24 in a fiscal year by a factor reflecting the sum of the
 25 applicable incentive adjustments (if any) determined

1 in accordance with regulations under this section
2 with respect to the paternity establishment percent-
3 age of the State for the immediately preceding fiscal
4 year and with respect to overall performance of the
5 State in child support enforcement during such pre-
6 ceding fiscal year.

7 “(2) STANDARDS.—

8 “(A) IN GENERAL.—The Secretary shall
9 specify in regulations—

10 “(i) the levels of accomplishment, and
11 rates of improvement as alternatives to
12 such levels, which a State must attain to
13 qualify for an incentive adjustment under
14 this section; and

15 “(ii) the amounts of incentive adjust-
16 ment that shall be awarded to a State that
17 achieves specified accomplishment or im-
18 provement levels, which amounts shall be
19 graduated, ranging up to—

20 “(I) 12 percentage points, in con-
21 nection with paternity establishment;
22 and

23 “(II) 12 percentage points, in
24 connection with overall performance in
25 child support enforcement.

1 “(B) LIMITATION.—In setting performance
2 standards pursuant to subparagraph (A)(i) and
3 adjustment amounts pursuant to subparagraph
4 (A)(ii), the Secretary shall ensure that the ag-
5 gregate number of percentage point increases as
6 incentive adjustments to all States do not ex-
7 ceed such aggregate increases as assumed by
8 the Secretary in estimates of the cost of this
9 section as of June 1994, unless the aggregate
10 performance of all States exceeds the projected
11 aggregate performance of all States in such cost
12 estimates.

13 “(3) DETERMINATION OF INCENTIVE ADJUST-
14 MENT.—The Secretary shall determine the amount
15 (if any) of the incentive adjustment due each State
16 on the basis of the data submitted by the State pur-
17 suant to section 454(15)(B) concerning the levels of
18 accomplishment (and rates of improvement) with re-
19 spect to performance indicators specified by the Sec-
20 retary pursuant to this section.

21 “(4) RECYCLING OF INCENTIVE ADJUST-
22 MENT.—A State to which funds are paid by the
23 Federal Government as a result of an incentive ad-
24 justment under this section shall expend the funds

1 in the State program under this part within 2 years
2 after the date of the payment.

3 “(b) DEFINITIONS.—As used in this section:

4 “(1) PATERNITY ESTABLISHMENT PERCENT-
5 AGE.—The term ‘paternity establishment percent-
6 age’ means, with respect to a State and a fiscal
7 year—

8 “(A) the total number of children in the
9 State who were born out of wedlock, who have
10 not attained 1 year of age and for whom pater-
11 nity is established or acknowledged during the
12 fiscal year; divided by

13 “(B) the total number of children born out
14 of wedlock in the State during the fiscal year.

15 “(2) OVERALL PERFORMANCE IN CHILD SUP-
16 PORT ENFORCEMENT.—The term ‘overall perform-
17 ance in child support enforcement’ means a measure
18 or measures of the effectiveness of the State agency
19 in a fiscal year which takes into account factors in-
20 cluding—

21 “(A) the percentage of cases requiring a
22 support order in which such an order was es-
23 tablished;

24 “(B) the percentage of cases in which child
25 support is being paid;

1 “(C) the ratio of child support collected to
2 child support due; and

3 “(D) the cost-effectiveness of the State
4 program, as determined in accordance with
5 standards established by the Secretary in regu-
6 lations (after consultation with the States).”.

7 (b) CONFORMING AMENDMENTS.—Section 454(22)
8 (42 U.S.C. 654(22)) is amended—

9 (1) by striking “incentive payments” the 1st
10 place such term appears and inserting “incentive ad-
11 justments”; and

12 (2) by striking “any such incentive payments
13 made to the State for such period” and inserting
14 “any increases in Federal payments to the State re-
15 sulting from such incentive adjustments”.

16 (c) CALCULATION OF IV-D PATERNITY ESTABLISH-
17 MENT PERCENTAGE.—

18 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
19 amended—

20 (A) in the matter preceding subparagraph
21 (A) by inserting “its overall performance in
22 child support enforcement is satisfactory (as de-
23 fined in section 458(b) and regulations of the
24 Secretary), and” after “1994,”; and

1 (B) in each of subparagraphs (A) and (B),
2 by striking “75” and inserting “90”.

3 (2) Section 452(g)(2)(A) (42 U.S.C.
4 652(g)(2)(A)) is amended in the matter preceding
5 clause (i)—

6 (A) by striking “paternity establishment
7 percentage” and inserting “IV-D paternity es-
8 tablishment percentage”; and

9 (B) by striking “(or all States, as the case
10 may be)”.

11 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
12 amended—

13 (A) by striking subparagraph (A) and re-
14 designating subparagraphs (B) and (C) as sub-
15 paragraphs (A) and (B), respectively;

16 (B) in subparagraph (A) (as so redesignig-
17 nated), by striking “the percentage of children
18 born out-of-wedlock in a State” and inserting
19 “the percentage of children in a State who are
20 born out of wedlock or for whom support has
21 not been established”; and

22 (C) in subparagraph (B) (as so redesignig-
23 nated)—

1 (i) by inserting “and overall perform-
2 ance in child support enforcement” after
3 “paternity establishment percentages”; and

4 (ii) by inserting “and securing sup-
5 port” before the period.

6 (d) EFFECTIVE DATES.—

7 (1) INCENTIVE ADJUSTMENTS.—(A) The
8 amendments made by subsections (a) and (b) shall
9 become effective on October 1, 1997, except to the
10 extent provided in subparagraph (B).

11 (B) Section 458 of the Social Security Act, as
12 in effect prior to the enactment of this section, shall
13 be effective for purposes of incentive payments to
14 States for fiscal years before fiscal year 1999.

15 (2) PENALTY REDUCTIONS.—The amendments
16 made by subsection (c) shall become effective with
17 respect to calendar quarters beginning on and after
18 the date of the enactment of this Act.

19 **SEC. 743. FEDERAL AND STATE REVIEWS AND AUDITS.**

20 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
21 U.S.C. 654) is amended—

22 (1) in paragraph (14), by striking “(14)” and
23 inserting “(14)(A)”;

24 (2) by redesignating paragraph (15) as sub-
25 paragraph (B) of paragraph (14); and

1 (3) by inserting after paragraph (14) the fol-
2 lowing:

3 “(15) provide for—

4 “(A) a process for annual reviews of and
5 reports to the Secretary on the State program
6 operated under the State plan approved under
7 this part, which shall include such information
8 as may be necessary to measure State compli-
9 ance with Federal requirements for expedited
10 procedures and timely case processing, using
11 such standards and procedures as are required
12 by the Secretary, under which the State agency
13 will determine the extent to which the program
14 is operated in compliance with this part; and

15 “(B) a process of extracting from the auto-
16 mated data processing system required by para-
17 graph (16) and transmitting to the Secretary
18 data and calculations concerning the levels of
19 accomplishment (and rates of improvement)
20 with respect to applicable performance indica-
21 tors (including IV-D paternity establishment
22 percentages and overall performance in child
23 support enforcement) to the extent necessary
24 for purposes of sections 452(g) and 458.”.

1 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
2 U.S.C. 652(a)(4)) is amended to read as follows:

3 “(4)(A) review data and calculations transmit-
4 ted by State agencies pursuant to section
5 454(15)(B) on State program accomplishments with
6 respect to performance indicators for purposes of
7 subsection (g) of this section and section 458;

8 “(B) review annual reports submitted pursuant
9 to section 454(15)(A) and, as appropriate, provide
10 to the State comments, recommendations for addi-
11 tional or alternative corrective actions, and technical
12 assistance; and

13 “(C) conduct audits, in accordance with the
14 government auditing standards of the Comptroller
15 General of the United States—

16 “(i) at least once every 3 years (or more
17 frequently, in the case of a State which fails to
18 meet the requirements of this part, concerning
19 performance standards and reliability of pro-
20 gram data) to assess the completeness, reliabil-
21 ity, and security of the data, and the accuracy
22 of the reporting systems, used in calculating
23 performance indicators under subsection (g) of
24 this section and section 458;

1 “(ii) of the adequacy of financial manage-
2 ment of the State program operated under the
3 State plan approved under this part, including
4 assessments of—

5 “(I) whether Federal and other funds
6 made available to carry out the State pro-
7 gram are being appropriately expended,
8 and are properly and fully accounted for;
9 and

10 “(II) whether collections and disburse-
11 ments of support payments are carried out
12 correctly and are fully accounted for; and

13 “(iii) for such other purposes as the Sec-
14 retary may find necessary;”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall be effective with respect to calendar
17 quarters beginning 12 months or more after the date of
18 the enactment of this section.

19 **SEC. 744. REQUIRED REPORTING PROCEDURES.**

20 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
21 652(a)(5)) is amended by inserting “, and establish proce-
22 dures to be followed by States for collecting and reporting
23 information required to be provided under this part, and
24 establish uniform definitions (including those necessary to
25 enable the measurement of State compliance with the re-

1 quirements of this part relating to expedited processes and
2 timely case processing) to be applied in following such pro-
3 cedures” before the semicolon.

4 (b) STATE PLAN REQUIREMENT.—Section 454 (42
5 U.S.C. 654), as amended by sections 703(a), 712(a),
6 713(a), and 733 of this Act, is amended—

7 (1) by striking “and” at the end of paragraph
8 (27);

9 (2) by striking the period at the end of para-
10 graph (28) and inserting “; and”; and

11 (3) by adding after paragraph (28) the follow-
12 ing:

13 “(29) provide that the State shall use the defi-
14 nitions established under section 452(a)(5) in col-
15 lecting and reporting information as required under
16 this part.”.

17 **SEC. 745. AUTOMATED DATA PROCESSING REQUIREMENTS.**

18 (a) REVISED REQUIREMENTS.—

19 (1) Section 454(16) (42 U.S.C. 654(16)) is
20 amended—

21 (A) by striking “, at the option of the
22 State,”;

23 (B) by inserting “and operation by the
24 State agency” after “for the establishment”;

1 (C) by inserting “meeting the requirements
2 of section 454A” after “information retrieval
3 system”;

4 (D) by striking “in the State and localities
5 thereof, so as (A)” and inserting “so as”;

6 (E) by striking “(i)”; and

7 (F) by striking “(including” and all that
8 follows and inserting a semicolon.

9 (2) Part D of title IV (42 U.S.C. 651-669) is
10 amended by inserting after section 454 the follow-
11 ing:

12 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

13 “(a) IN GENERAL.—In order for a State to meet the
14 requirements of this section, the State agency administer-
15 ing the State program under this part shall have in oper-
16 ation a single statewide automated data processing and
17 information retrieval system which has the capability to
18 perform the tasks specified in this section with the fre-
19 quency and in the manner required by or under this part.

20 “(b) PROGRAM MANAGEMENT.—The automated sys-
21 tem required by this section shall perform such functions
22 as the Secretary may specify relating to management of
23 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 and penalty adjustments required by sections
10 452(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 IV-D paternity es-
17 tablishment percentage and overall performance
18 in child support enforcement for the State for
19 each fiscal year; and

20 “(2) have in place systems controls to ensure
21 the completeness, and reliability of, and ready access
22 to, the data described in paragraph (1)(A), and the
23 accuracy of the calculations described in paragraph
24 (1)(B).

1 “(d) INFORMATION INTEGRITY AND SECURITY.—The
2 State agency shall have in effect safeguards on the integ-
3 rity, accuracy, and completeness of, access to, and use of
4 data in the automated system required by this section,
5 which shall include the following (in addition to such other
6 safeguards as the Secretary may specify in regulations):

7 “(1) POLICIES RESTRICTING ACCESS.—Written
8 policies concerning access to data by State agency
9 personnel, and sharing of data with other persons,
10 which—

11 “(A) permit access to and use of data only
12 to the extent necessary to carry out the State
13 program under this part; and

14 “(B) specify the data which may be used
15 for particular program purposes, and the per-
16 sonnel permitted access to such data.

17 “(2) SYSTEMS CONTROLS.—Systems controls
18 (such as passwords or blocking of fields) to ensure
19 strict adherence to the policies described in para-
20 graph (1).

21 “(3) MONITORING OF ACCESS.—Routine mon-
22 itoring of access to and use of the automated sys-
23 tem, through methods such as audit trails and feed-
24 back mechanisms, to guard against and promptly
25 identify unauthorized access or use.

1 “(4) TRAINING AND INFORMATION.—Proce-
2 dures to ensure that all personnel (including State
3 and local agency staff and contractors) who may
4 have access to or be required to use confidential pro-
5 gram data are informed of applicable requirements
6 and penalties (including those in section 6103 of the
7 Internal Revenue Code of 1986), and are adequately
8 trained in security procedures.

9 “(5) PENALTIES.—Administrative penalties (up
10 to and including dismissal from employment) for un-
11 authorized access to, or disclosure or use of, con-
12 fidential data.”.

13 (3) REGULATIONS.—The Secretary of Health
14 and Human Services shall prescribe final regulations
15 for implementation of section 454A of the Social Se-
16 curity Act not later than 2 years after the date of
17 the enactment of this Act.

18 (4) IMPLEMENTATION TIMETABLE.—Section
19 454(24) (42 U.S.C. 654(24)), as amended by sec-
20 tions 703(a)(2) and 712(a)(1) of this Act, is amend-
21 ed to read as follows:

22 “(24) provide that the State will have in effect
23 an automated data processing and information re-
24 trieval system—

1 “(A) by October 1, 1995, which meets all
2 requirements of this part which were enacted on
3 or before the date of enactment of the Family
4 Support Act of 1988; and

5 “(B) by October 1, 1999, which meets all
6 requirements of this part enacted on or before
7 the date of the enactment of the Personal Re-
8 sponsibility Act of 1995, except that such dead-
9 line shall be extended by 1 day for each day (if
10 any) by which the Secretary fails to meet the
11 deadline imposed by section 745(a)(3) of the
12 Personal Responsibility Act of 1995.”.

13 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
14 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

15 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
16 655(a)) is amended—

17 (A) in paragraph (1)(B)—

18 (i) by striking “90 percent” and in-
19 sserting “the percent specified in paragraph
20 (3)”;

21 (ii) by striking “so much of”; and

22 (iii) by striking “which the Secretary”
23 and all that follows and inserting “, and”;
24 and

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

1 “(3)(A) The Secretary shall pay to each State, for
2 each quarter in fiscal year 1996, 90 percent of so much
3 of the State expenditures described in paragraph (1)(B)
4 as the Secretary finds are for a system meeting the re-
5 quirements specified in section 454(16).

6 “(B)(i) The Secretary shall pay to each State, for
7 each quarter in fiscal years 1997 through 2001, the per-
8 centage specified in clause (ii) of so much of the State
9 expenditures described in paragraph (1)(B) as the Sec-
10 retary finds are for a system meeting the requirements
11 of sections 454(16) and 454A.

12 “(ii) The percentage specified in this clause is the
13 greater of—

14 “(I) 80 percent; or

15 “(II) the percentage otherwise applicable to
16 Federal payments to the State under subparagraph
17 (A) (as adjusted pursuant to section 458).”.

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 \$260,000,000 in the aggregate under sec-
23 tion 455(a)(3) of the Social Security Act for fis-
24 cal years 1996, 1997, 1998, 1999, and 2000.

1 (B) ALLOCATION OF LIMITATION AMONG
2 STATES.—The total amount payable to a State
3 under section 455(a)(3) of such Act for fiscal
4 years 1996, 1997, 1998, 1999, and 2000 shall
5 not exceed the limitation determined for the
6 State by the Secretary of Health and Human
7 Services in 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(c) of
21 the Family Support Act of 1988 (102 Stat. 2352; Public
22 Law 100-485) is repealed.

23 **SEC. 746. 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:

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
23 part.”.

24 (b) OPERATION OF FEDERAL PARENT LOCATOR
25 SERVICE.—Section 453 (42 U.S.C. 653), as amended by

1 section 716(e) of this Act, is amended by adding at the
2 end the following:

3 “(n) Out of any money in the Treasury of the United
4 States not otherwise appropriated, there is hereby appro-
5 priated to the Secretary for each fiscal year an amount
6 equal to 2 percent of the total amount paid to the Federal
7 Government pursuant to section 457(a) during the imme-
8 diately preceding fiscal year (as determined on the basis
9 of the most recent reliable data available to the Secretary
10 as of the end of the 3rd calendar quarter following the
11 end of such preceding fiscal year), to cover costs incurred
12 by the Secretary for operation of the Federal Parent Loca-
13 tor Service under this section, to the extent such costs are
14 not recovered through user fees.”.

15 **SEC. 747. REPORTS AND DATA COLLECTION BY THE SEC-**
16 **RETARY.**

17 (a) ANNUAL REPORT TO CONGRESS.—

18 (1) Section 452(a)(10)(A) (42 U.S.C.
19 652(a)(10)(A)) is amended—

20 (A) by striking “this part;” and inserting
21 “this part, including—”; and

22 (B) by adding at the end the following:

23 “(i) the total amount of child support
24 payments collected as a result of services

1 furnished during the fiscal year to individ-
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the
4 Federal Government of so furnishing the
5 services; and

6 “(iii) the number of cases involving
7 families—

8 “(I) who became ineligible for as-
9 sistance under State programs funded
10 under part A during a month in the
11 fiscal year; and

12 “(II) with respect to whom a
13 child support payment was received in
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.
16 652(a)(10)(C)) is amended—

17 (A) in the matter preceding clause (i)—

18 (i) by striking “with the data required
19 under each clause being separately stated
20 for cases” and inserting “separately stated
21 for (1) cases”;

22 (ii) by striking “cases where the child
23 was formerly receiving” and inserting “or
24 formerly received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all
4 other”;

5 (B) in each of clauses (i) and (ii), by strik-
6 ing “, and the total amount of such obliga-
7 tions”;

8 (C) in clause (iii), by striking “described
9 in” and all that follows and inserting “in which
10 support was collected during the fiscal year;”;

11 (D) by striking clause (iv);

12 (E) by redesignating clause (v) as clause
13 (vii), and inserting after clause (iii) the follow-
14 ing:

15 “(iv) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as current support;

18 “(v) the total amount of support col-
19 lected during such fiscal year and distrib-
20 uted as arrearages;

21 “(vi) the total amount of support due
22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.
24 652(a)(10)(G)) is amended by striking “on the use
25 of Federal courts and”.

1 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))
2 is amended by striking all that follows subparagraph
3 (I).

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) shall be effective with respect to fiscal year
6 1996 and succeeding fiscal years.

7 **Subtitle F—Establishment and** 8 **Modification of Support Orders**

9 **SEC. 751. 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.—Procedures under which the State shall
15 review and adjust each support order being enforced
16 under this part. Such procedures shall provide the
17 following:

18 “(A) The State shall review and, as appro-
19 priate, adjust the support order every 3 years,
20 taking into account the best interests of the
21 child involved.

22 “(B)(i) The State may elect to review and,
23 if appropriate, adjust an order pursuant to sub-
24 paragraph (A) by—

1 “(I) reviewing and, if appropriate, ad-
2 justing the order in accordance with the
3 guidelines established pursuant to section
4 467(a) if the amount of the child support
5 award under the order differs from the
6 amount that would be awarded in accord-
7 ance with the guidelines; or

8 “(II) applying a cost-of-living adjust-
9 ment to the order in accordance with a for-
10 mula developed by the State and permit ei-
11 ther party to contest the adjustment, with-
12 in 30 days after the date of the notice of
13 the adjustment, by making a request for
14 review and, if appropriate, adjustment of
15 the order in accordance with the child sup-
16 port guidelines established pursuant to sec-
17 tion 467(a).

18 “(ii) Any adjustment under clause (i) shall
19 be made without a requirement for proof or
20 showing of a change in circumstances.

21 “(C) The State may use automated meth-
22 ods (including automated comparisons with
23 wage or State income tax data) to identify or-
24 ders eligible for review, conduct the review,
25 identify orders eligible for adjustment, apply

1 the appropriate adjustment to the orders eligi-
2 ble for adjustment under the threshold estab-
3 lished by the State.

4 “(D) The State shall, at the request of ei-
5 ther parent subject to such an order or of any
6 State child support enforcement agency, review
7 and, if appropriate, adjust the order in accord-
8 ance with the guidelines established pursuant to
9 section 467(a) based upon a substantial change
10 in the circumstances of either parent.

11 “(E) The State shall provide notice to the
12 parents subject to such an order informing
13 them of their right to request the State to re-
14 view and, if appropriate, adjust the order pur-
15 suant to subparagraph (D). The notice may be
16 included in the order.”.

17 **SEC. 752. FURNISHING CONSUMER REPORTS FOR CERTAIN**
18 **PURPOSES RELATING TO CHILD SUPPORT.**

19 Section 604 of the Fair Credit Reporting Act (15
20 U.S.C. 1681b) is amended by adding at the end the follow-
21 ing:

22 “(4) In response to a request by the head of a
23 State or local child support enforcement agency (or
24 a State or local government official authorized by
25 the head of such an agency), if the person making

1 the request certifies to the consumer reporting agency that—
2

3 “(A) the consumer report is needed for the
4 purpose of establishing an individual’s capacity
5 to make child support payments or determining
6 the appropriate level of such payments;

7 “(B) the person has provided at least 10
8 days prior notice to the consumer whose report
9 is requested, by certified or registered mail to
10 the last known address of the consumer, that
11 the report will be requested, and

12 “(C) the consumer report will be kept con-
13 fidential, will be used solely for a purpose de-
14 scribed in subparagraph (A), and will not be
15 used in connection with any other civil, admin-
16 istrative, or criminal proceeding, or for any
17 other purpose.

18 “(5) To an agency administering a State plan
19 under section 454 of the Social Security Act (42
20 U.S.C. 654) for use to set an initial or modified
21 child support award.”.

1 **Subtitle G—Enforcement of**
2 **Support Orders**

3 **SEC. 761. FEDERAL INCOME TAX REFUND OFFSET.**

4 (a) CHANGED ORDER OF REFUND DISTRIBUTION
5 UNDER INTERNAL REVENUE CODE.—

6 (1) Subsection (c) of section 6402 of the Inter-
7 nal Revenue Code of 1986 is amended by striking
8 the third sentence and inserting the following new
9 sentences: “A reduction under this subsection shall
10 be after any other reduction allowed by subsection
11 (d) with respect to the Department of Health and
12 Human Services and the Department of Education
13 with respect to a student loan and before any other
14 reduction allowed by law and before such overpay-
15 ment is credited to the future liability for tax of
16 such person pursuant to subsection (b). A reduction
17 under this subsection shall be assigned to the State
18 with respect to past-due support owed to individuals
19 for periods such individuals were receiving assistance
20 under part A or B of title IV of the Social Security
21 Act only after satisfying all other past-due sup-
22 port.”.

23 (2) Paragraph (2) of section 6402(d) of such
24 Code is amended—

1 (A) by striking “Any overpayment” and in-
2 serting “Except in the case of past-due legally
3 enforceable debts owed to the Department of
4 Health and Human Services or to the Depart-
5 ment of Education with respect to a student
6 loan, any overpayment”; and

7 (B) by striking “with respect to past-due
8 support collected pursuant to an assignment
9 under section 402(a)(26) of the Social Security
10 Act”.

11 (b) ELIMINATION OF DISPARITIES IN TREATMENT
12 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

13 (1) Section 464(a) (42 U.S.C. 664(a)) is
14 amended—

15 (A) by striking “(a)” and inserting “(a)
16 OFFSET AUTHORIZED.—”;

17 (B) in paragraph (1)—

18 (i) in the 1st sentence, by striking
19 “which has been assigned to such State
20 pursuant to section 402(a)(26) or section
21 471(a)(17)”; and

22 (ii) in the 2nd sentence, by striking
23 “in accordance with section 457(b)(4) or
24 (d)(3)” and inserting “as provided in para-
25 graph (2)”;

1 (C) by striking paragraph (2) and insert-
2 ing the following:

3 “(2) The State agency shall distribute amounts paid
4 by the Secretary of the Treasury pursuant to paragraph
5 (1)—

6 “(A) in accordance with section 457(a), in the
7 case of past-due support assigned to a State pursu-
8 ant to requirements imposed pursuant to section
9 405(a)(8); and

10 “(B) to or on behalf of the child to whom the
11 support was owed, in the case of past-due support
12 not so assigned.”; and

13 (D) in paragraph (3)—

14 (i) by striking “or (2)” each place
15 such term appears; and

16 (ii) in subparagraph (B), by striking
17 “under paragraph (2)” and inserting “on
18 account of past-due support described in
19 paragraph (2)(B)”.

20 (2) Section 464(b) (42 U.S.C. 664(b)) is
21 amended—

22 (A) by striking “(b)(1)” and inserting the
23 following:

24 “(b) REGULATIONS.—”; and

25 (B) by striking paragraph (2).

1 (3) Section 464(c) (42 U.S.C. 664(c)) is
2 amended—

3 (A) by striking “(c)(1) Except as provided
4 in paragraph (2), as” and inserting the follow-
5 ing:

6 “(c) DEFINITION.—As”; and

7 (B) by striking paragraphs (2) and (3).

8 **SEC. 762. AUTHORITY TO COLLECT SUPPORT FROM FED-**
9 **ERAL EMPLOYEES.**

10 (a) CONSOLIDATION AND STREAMLINING OF AU-
11 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
12 read as follows:

13 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
14 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
15 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
16 **SUPPORT AND ALIMONY OBLIGATIONS.**

17 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
18 withstanding any other provision of law (including section
19 207 of this Act and section 5301 of title 38, United States
20 Code), effective January 1, 1975, moneys (the entitlement
21 to which is based upon remuneration for employment) due
22 from, or payable by, the United States or the District of
23 Columbia (including any agency, subdivision, or instru-
24 mentality thereof) to any individual, including members
25 of the Armed Forces of the United States, shall be subject,

1 in like manner and to the same extent as if the United
2 States or the District of Columbia were a private person,
3 to withholding in accordance with State law enacted pur-
4 suant to subsections (a)(1) and (b) of section 466 and reg-
5 ulations of the Secretary under such subsections, and to
6 any other legal process brought, by a State agency admin-
7 istering a program under a State plan approved under this
8 part or by an individual obligee, to enforce the legal obliga-
9 tion of the individual to provide child support or alimony.

10 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
11 PRIVATE PERSON.—With respect to notice to withhold in-
12 come pursuant to subsection (a)(1) or (b) of section 466,
13 or any other order or process to enforce support obliga-
14 tions against an individual (if the order or process con-
15 tains or is accompanied by sufficient data to permit
16 prompt identification of the individual and the moneys in-
17 volved), each governmental entity specified in subsection
18 (a) shall be subject to the same requirements as would
19 apply if the entity were a private person, except as other-
20 wise provided in this section.

21 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
22 OR PROCESS—

23 “(1) DESIGNATION OF AGENT.—The head of
24 each agency subject to this section shall—

1 “(A) designate an agent or agents to re-
2 ceive orders and accept service of process in
3 matters relating to child support or alimony;
4 and

5 “(B) annually publish in the Federal Reg-
6 ister the designation of the agent or agents,
7 identified by title or position, mailing address,
8 and telephone number.

9 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
10 agent designated pursuant to paragraph (1) of this
11 subsection receives notice pursuant to State proce-
12 dures in effect pursuant to subsection (a)(1) or (b)
13 of section 466, or is effectively served with any
14 order, process, or interrogatory, with respect to an
15 individual’s child support or alimony payment obli-
16 gations, the agent shall—

17 “(A) as soon as possible (but not later
18 than 15 days) thereafter, send written notice of
19 the notice or service (together with a copy of
20 the notice or service) to the individual at the
21 duty station or last-known home address of the
22 individual;

23 “(B) within 30 days (or such longer period
24 as may be prescribed by applicable State law)
25 after receipt of a notice pursuant to such State

1 procedures, comply with all applicable provi-
2 sions of section 466; and

3 “(C) within 30 days (or such longer period
4 as may be prescribed by applicable State law)
5 after effective service of any other such order,
6 process, or interrogatory, respond to the order,
7 process, or interrogatory.

8 “(d) PRIORITY OF CLAIMS.—If a governmental entity
9 specified in subsection (a) receives notice or is served with
10 process, as provided in this section, concerning amounts
11 owed by an individual to more than 1 person—

12 “(1) support collection under section 466(b)
13 must be given priority over any other process, as
14 provided in section 466(b)(7);

15 “(2) allocation of moneys due or payable to an
16 individual among claimants under section 466(b)
17 shall be governed by section 466(b) and the regula-
18 tions prescribed under such section; and

19 “(3) such moneys as remain after compliance
20 with subparagraphs (A) and (B) shall be available to
21 satisfy any other such processes on a first-come,
22 first-served basis, with any such process being satis-
23 fied out of such moneys as remain after the satisfac-
24 tion of all such processes which have been previously
25 served.

1 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
2 governmental entity that is affected by legal process
3 served for the enforcement of an individual’s child support
4 or alimony payment obligations shall not be required to
5 vary its normal pay and disbursement cycle in order to
6 comply with the legal process.

7 “(f) RELIEF FROM LIABILITY.—

8 “(1) Neither the United States, nor the govern-
9 ment of the District of Columbia, nor any disbursing
10 officer shall be liable with respect to any payment
11 made from moneys due or payable from the United
12 States to any individual pursuant to legal process
13 regular on its face, if the payment is made in ac-
14 cordance with this section and the regulations issued
15 to carry out this section.

16 “(2) No Federal employee whose duties include
17 taking actions necessary to comply with the require-
18 ments of subsection (a) with regard to any individ-
19 ual shall be subject under any law to any discipli-
20 nary action or civil or criminal liability or penalty
21 for, or on account of, any disclosure of information
22 made by the employee in connection with the carry-
23 ing out of such actions.

24 “(g) REGULATIONS.—Authority to promulgate regu-
25 lations for the implementation of this section shall, insofar

1 as this section applies to moneys due from (or payable
2 by)—

3 “(1) the United States (other than the legisla-
4 tive or judicial branches of the Federal Government)
5 or the government of the District of Columbia, be
6 vested in the President (or the designee of the Presi-
7 dent);

8 “(2) the legislative branch of the Federal Gov-
9 ernment, be vested jointly in the President pro tem-
10 pore of the Senate and the Speaker of the House of
11 Representatives (or their designees), and

12 “(3) the judicial branch of the Federal Govern-
13 ment, be vested in the Chief Justice of the United
14 States (or the designee of the Chief Justice).

15 “(h) MONEYS SUBJECT TO PROCESS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 moneys paid or payable to an individual which are
18 considered to be based upon remuneration for em-
19 ployment, for purposes of this section—

20 “(A) consist of—

21 “(i) compensation paid or payable for
22 personal services of the individual, whether
23 the compensation is denominated as wages,
24 salary, commission, bonus, pay, allowances,

1 or otherwise (including severance pay, sick
2 pay, and incentive pay);

3 “(ii) periodic benefits (including a
4 periodic benefit as defined in section
5 228(h)(3)) or other payments—

6 “(I) under the insurance system
7 established by title II;

8 “(II) under any other system or
9 fund established by the United States
10 which provides for the payment of
11 pensions, retirement or retired pay,
12 annuities, dependents’ or survivors’
13 benefits, or similar amounts payable
14 on account of personal services per-
15 formed by the individual or any other
16 individual;

17 “(III) as compensation for death
18 under any Federal program;

19 “(IV) under any Federal pro-
20 gram established to provide ‘black
21 lung’ benefits; or

22 “(V) by the Secretary of Veter-
23 ans Affairs as pension, or as com-
24 pensation for a service-connected dis-
25 ability or death (except any compensa-

1 tion paid by the Secretary to a mem-
2 ber of the Armed Forces who is in re-
3 ceipt of retired or retainer pay if the
4 member has waived a portion of the
5 retired pay of the member in order to
6 receive the compensation); and

7 “(iii) worker’s compensation benefits
8 paid under Federal or State law but

9 “(B) do not include any payment—

10 “(i) by way of reimbursement or oth-
11 erwise, to defray expenses incurred by the
12 individual in carrying out duties associated
13 with the employment of the individual; or

14 “(ii) as allowances for members of the
15 uniformed services payable pursuant to
16 chapter 7 of title 37, United States Code,
17 as prescribed by the Secretaries concerned
18 (defined by section 101(5) of such title) as
19 necessary for the efficient performance of
20 duty.

21 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
22 mining the amount of any moneys due from, or pay-
23 able by, the United States to any individual, there
24 shall be excluded amounts which—

1 “(A) are owed by the individual to the
2 United States;

3 “(B) are required by law to be, and are,
4 deducted from the remuneration or other pay-
5 ment involved, including Federal employment
6 taxes, and fines and forfeitures ordered by
7 court-martial;

8 “(C) are properly withheld for Federal,
9 State, or local income tax purposes, if the with-
10 holding of the amounts is authorized or re-
11 quired by law and if amounts withheld are not
12 greater than would be the case if the individual
13 claimed all dependents to which he was entitled
14 (the withholding of additional amounts pursu-
15 ant to section 3402(i) of the Internal Revenue
16 Code of 1986 may be permitted only when the
17 individual presents evidence of a tax obligation
18 which supports the additional withholding);

19 “(D) are deducted as health insurance pre-
20 miums;

21 “(E) are deducted as normal retirement
22 contributions (not including amounts deducted
23 for supplementary coverage); or

24 “(F) are deducted as normal life insurance
25 premiums from salary or other remuneration

1 for employment (not including amounts de-
2 ducted for supplementary coverage).

3 “(i) DEFINITIONS.—As used in this section:

4 “(1) UNITED STATES.—The term ‘United
5 States’ includes any department, agency, or instru-
6 mentality of the legislative, judicial, or executive
7 branch of the Federal Government, the United
8 States Postal Service, the Postal Rate Commission,
9 any Federal corporation created by an Act of Con-
10 gress that is wholly owned by the Federal Govern-
11 ment, and the governments of the territories and
12 possessions of the United States.

13 “(2) CHILD SUPPORT.—The term ‘child sup-
14 port’, when used in reference to the legal obligations
15 of an individual to provide such support, means peri-
16 odic payments of funds for the support and mainte-
17 nance of a child or children with respect to which
18 the individual has such an obligation, and (subject
19 to and in accordance with State law) includes pay-
20 ments to provide for health care, education, recre-
21 ation, clothing, or to meet other specific needs of
22 such a child or children, and includes attorney’s
23 fees, interest, and court costs, when and to the ex-
24 tent that the same are expressly made recoverable as
25 such pursuant to a decree, order, or judgment issued

1 in accordance with applicable State law by a court
2 of competent jurisdiction.

3 “(3) ALIMONY.—The term ‘alimony’, when used
4 in reference to the legal obligations of an individual
5 to provide the same, means periodic payments of
6 funds for the support and maintenance of the spouse
7 (or former spouse) of the individual, and (subject to
8 and in accordance with State law) includes separate
9 maintenance, alimony pendente lite, maintenance,
10 and spousal support, and includes attorney’s fees,
11 interest, and court costs when and to the extent that
12 the same are expressly made recoverable as such
13 pursuant to a decree, order, or judgment issued in
14 accordance with applicable State law by a court of
15 competent jurisdiction. Such term does not include
16 any payment or transfer of property or its value by
17 an individual to the spouse or a former spouse of the
18 individual in compliance with any community prop-
19 erty settlement, equitable distribution of property, or
20 other division of property between spouses or former
21 spouses.

22 “(4) PRIVATE PERSON.—The term ‘private per-
23 son’ means a person who does not have sovereign or
24 other special immunity or privilege which causes the
25 person not to be subject to legal process.

1 “(5) LEGAL PROCESS.—The term ‘legal proc-
2 ess’ means any writ, order, summons, or other simi-
3 lar process in the nature of garnishment—

4 “(A) which is issued by—

5 “(i) a court of competent jurisdiction
6 in any State, territory, or possession of the
7 United States;

8 “(ii) a court of competent jurisdiction
9 in any foreign country with which the
10 United States has entered into an agree-
11 ment which requires the United States to
12 honor the process; or

13 “(iii) an authorized official pursuant
14 to an order of such a court of competent
15 jurisdiction or pursuant to State or local
16 law; and

17 “(B) which is directed to, and the purpose
18 of which is to compel, a governmental entity
19 which holds moneys which are otherwise pay-
20 able to an individual to make a payment from
21 the moneys to another party in order to satisfy
22 a legal obligation of the individual to provide
23 child support or make alimony payments.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) TO PART D OF TITLE IV.—Sections 461 and
2 462 (42 U.S.C. 661 and 662) are repealed.

3 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
4 tion 5520a of title 5, United States Code, is amend-
5 ed, in subsections (h)(2) and (i), by striking “sec-
6 tions 459, 461, and 462 of the Social Security Act
7 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
8 tion 459 of the Social Security Act (42 U.S.C.
9 659)”.

10 (c) MILITARY RETIRED AND RETAINER PAY.—

11 (1) DEFINITION OF COURT.—Section
12 1408(a)(1) of title 10, United States Code, is
13 amended—

14 (A) by striking “and” at the end of sub-
15 paragraph (B);

16 (B) by striking the period at the end of
17 subparagraph (C) and inserting “; and”; and

18 (C) by adding after subparagraph (C) the
19 following:

20 “(D) any administrative or judicial tribu-
21 nal of a State competent to enter orders for
22 support or maintenance (including a State
23 agency administering a program under a State
24 plan approved under part D of title IV of the
25 Social Security Act), and, for purposes of this

1 subparagraph, the term 'State' includes the
2 District of Columbia, the Commonwealth of
3 Puerto Rico, the Virgin Islands, Guam, and
4 American Samoa.”.

5 (2) DEFINITION OF COURT ORDER.—Section
6 1408(a)(2) of such title is amended by inserting “or
7 a court order for the payment of child support not
8 included in or accompanied by such a decree or set-
9 tlement,” before “which—”.

10 (3) PUBLIC PAYEE.—Section 1408(d) of such
11 title is amended—

12 (A) in the heading, by inserting “(OR FOR
13 BENEFIT OF)” before “SPOUSE OR”; and

14 (B) in paragraph (1), in the first sentence,
15 by inserting “(or for the benefit of such spouse
16 or former spouse to a State disbursement unit
17 established pursuant to section 454B of the So-
18 cial Security Act or other public payee des-
19 ignated by a State, in accordance with part D
20 of title IV of the Social Security Act, as di-
21 rected by court order, or as otherwise directed
22 in accordance with such part D)” before “in an
23 amount sufficient”.

1 (4) RELATIONSHIP TO PART D OF TITLE IV.—

2 Section 1408 of such title is amended by adding at
3 the end the following:

4 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
5 involving an order providing for payment of child support
6 (as defined in section 459(i)(2) of the Social Security Act)
7 by a member who has never been married to the other
8 parent of the child, the provisions of this section shall not
9 apply, and the case shall be subject to the provisions of
10 section 459 of such Act.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall become effective 6 months after the date
13 of the enactment of this Act.

14 **SEC. 763. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
15 **TIONS OF MEMBERS OF THE ARMED FORCES.**

16 (a) AVAILABILITY OF LOCATOR INFORMATION.—

17 (1) MAINTENANCE OF ADDRESS INFORMA-
18 TION.—The Secretary of Defense shall establish a
19 centralized personnel locator service that includes
20 the address of each member of the Armed Forces
21 under the jurisdiction of the Secretary. Upon re-
22 quest of the Secretary of Transportation, addresses
23 for members of the Coast Guard shall be included in
24 the centralized personnel locator service.

25 (2) TYPE OF ADDRESS.—

1 (A) RESIDENTIAL ADDRESS.—Except as
2 provided in subparagraph (B), the address for
3 a member of the Armed Forces shown in the lo-
4 cator service shall be the residential address of
5 that member.

6 (B) DUTY ADDRESS.—The address for a
7 member of the Armed Forces shown in the loca-
8 tor service shall be the duty address of that
9 member in the case of a member—

10 (i) who is permanently assigned over-
11 seas, to a vessel, or to a routinely
12 deployable unit; or

13 (ii) with respect to whom the Sec-
14 retary concerned makes a determination
15 that the member's residential address
16 should not be disclosed due to national se-
17 curity or safety concerns.

18 (3) UPDATING OF LOCATOR INFORMATION.—
19 Within 30 days after a member listed in the locator
20 service establishes a new residential address (or a
21 new duty address, in the case of a member covered
22 by paragraph (2)(B)), the Secretary concerned shall
23 update the locator service to indicate the new ad-
24 dress of the member.

1 (4) AVAILABILITY OF INFORMATION.—The Sec-
2 retary of Defense shall make information regarding
3 the address of a member of the Armed Forces listed
4 in the locator service available, on request, to the
5 Federal Parent Locator Service established under
6 section 453 of the Social Security Act.

7 (b) FACILITATING GRANTING OF LEAVE FOR AT-
8 TENDANCE AT HEARINGS.—

9 (1) REGULATIONS.—The Secretary of each
10 military department, and the Secretary of Transpor-
11 tation with respect to the Coast Guard when it is
12 not operating as a service in the Navy, shall pre-
13 scribe regulations to facilitate the granting of leave
14 to a member of the Armed Forces under the juris-
15 diction of that Secretary in a case in which—

16 (A) the leave is needed for the member to
17 attend a hearing described in paragraph (2);

18 (B) the member is not serving in or with
19 a unit deployed in a contingency operation (as
20 defined in section 101 of title 10, United States
21 Code); and

22 (C) the exigencies of military service (as
23 determined by the Secretary concerned) do not
24 otherwise require that such leave not be grant-
25 ed.

1 (2) COVERED HEARINGS.—Paragraph (1) ap-
2 plies to a hearing that is conducted by a court or
3 pursuant to an administrative process established
4 under State law, in connection with a civil action—

5 (A) to determine whether a member of the
6 Armed Forces is a natural parent of a child; or

7 (B) to determine an obligation of a mem-
8 ber of the Armed Forces to provide child sup-
9 port.

10 (3) DEFINITIONS.—For purposes of this sub-
11 section:

12 (A) The term “court” has the meaning
13 given that term in section 1408(a) of title 10,
14 United States Code.

15 (B) The term “child support” has the
16 meaning given such term in section 459(i) of
17 the Social Security Act (42 U.S.C. 659(i)).

18 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
19 PLIANCE WITH CHILD SUPPORT ORDERS.—

20 (1) DATE OF CERTIFICATION OF COURT
21 ORDER.—Section 1408 of title 10, United States
22 Code, as amended by section 762(c)(4) of this Act,
23 is amended—

24 (A) by redesignating subsections (i) and (j)
25 as subsections (j) and (k), respectively; and

1 (B) by inserting after subsection (h) the
2 following:

3 “(i) CERTIFICATION DATE.—It is not necessary that
4 the date of a certification of the authenticity or complete-
5 ness of a copy of a court order for child support received
6 by the Secretary concerned for the purposes of this section
7 be recent in relation to the date of receipt by the Sec-
8 retary.”.

9 (2) PAYMENTS CONSISTENT WITH ASSIGN-
10 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
11 of such title is amended by inserting after the 1st
12 sentence the following: “In the case of a spouse or
13 former spouse who, pursuant to section 405(a)(8) of
14 the Social Security Act (42 U.S.C. 605(a)(8)), as-
15 signs to a State the rights of the spouse or former
16 spouse to receive support, the Secretary concerned
17 may make the child support payments referred to in
18 the preceding sentence to that State in amounts con-
19 sistent with that assignment of rights.”.

20 (3) ARREARAGES OWED BY MEMBERS OF THE
21 UNIFORMED SERVICES.—Section 1408(d) of such
22 title is amended by adding at the end the following:
23 “(6) In the case of a court order for which effective
24 service is made on the Secretary concerned on or after
25 the date of the enactment of this paragraph and which

1 provides for payments from the disposable retired pay of
2 a member to satisfy the amount of child support set forth
3 in the order, the authority provided in paragraph (1) to
4 make payments from the disposable retired pay of a mem-
5 ber to satisfy the amount of child support set forth in a
6 court order shall apply to payment of any amount of child
7 support arrearages set forth in that order as well as to
8 amounts of child support that currently become due.”.

9 (4) PAYROLL DEDUCTIONS.—The Secretary of
10 Defense shall begin payroll deductions within 30
11 days after receiving notice of withholding, or for the
12 first pay period that begins after such 30-day pe-
13 riod.

14 **SEC. 764. VOIDING OF FRAUDULENT TRANSFERS.**

15 Section 466 (42 U.S.C. 666), as amended by section
16 721 of this Act, is amended by adding at the end the
17 following:

18 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In
19 order to satisfy section 454(20)(A), each State must have
20 in effect—

21 “(1)(A) the Uniform Fraudulent Conveyance
22 Act of 1981;

23 “(B) the Uniform Fraudulent Transfer Act
24 of 1984; or

1 “(C) another law, specifying indicia of
2 fraud which create a prima facie case that a
3 debtor transferred income or property to avoid
4 payment to a child support creditor, which the
5 Secretary finds affords comparable rights to
6 child support creditors; and

7 “(2) procedures under which, in any case in
8 which the State knows of a transfer by a child sup-
9 port debtor with respect to which such a prima facie
10 case is established, the State must—

11 “(A) seek to void such transfer; or

12 “(B) obtain a settlement in the best inter-
13 ests of the child support creditor.”.

14 **SEC. 765. SENSE OF THE CONGRESS THAT STATES SHOULD**
15 **SUSPEND DRIVERS', BUSINESS, AND OCCUPA-**
16 **TIONAL LICENSES OF PERSONS OWING PAST-**
17 **DUE CHILD SUPPORT.**

18 It is the sense of the Congress that each State should
19 suspend any driver's license, business license, or occupa-
20 tional license issued to any person who owes past-due child
21 support.

22 **SEC. 766. WORK REQUIREMENT FOR PERSONS OWING**
23 **PAST-DUE CHILD SUPPORT.**

24 Section 466(a) of the Social Security Act (42 U.S.C.
25 666(a)), as amended by sections 701(a), 715, 717(a), and

1 723 of this Act, is amended by adding at the end the
2 following:

3 “(16) PROCEDURES TO ENSURE THAT PERSONS
4 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN
5 FOR PAYMENT OF SUCH SUPPORT.—

6 “(A) Procedures requiring the State, in
7 any case in which an individual owes past-due
8 support with respect to a child receiving assist-
9 ance under a State program funded under part
10 A, to seek a court order that requires the indi-
11 vidual to—

12 “(i) pay such support in accordance
13 with a plan approved by the court; or

14 “(ii) if the individual is subject to
15 such a plan and is not incapacitated, par-
16 ticipate in such work activities (as defined
17 in section 404(b)(1)) as the court deems
18 appropriate.

19 “(B) As used in subparagraph (A), the
20 term ‘past-due support’ means the amount of a
21 delinquency, determined under a court order, or
22 an order of an administrative process estab-
23 lished under State law, for support and mainte-
24 nance of a child, or of a child and the parent
25 with whom the child is living.”

1 **SEC. 767. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections
3 716 and 746(b) of this Act, is amended by adding at the
4 end the following:

5 “(o) SUPPORT ORDER DEFINED.—As used in this
6 part, the term ‘support order’ means an order issued by
7 a court or an administrative process established under
8 State law that requires support and maintenance of a child
9 or of a child and the parent with whom the child is liv-
10 ing.”.

11 **Subtitle H—Medical Support**

12 **SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION**
13 **OF MEDICAL CHILD SUPPORT ORDER.**

14 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
15 ployee Retirement Income Security Act of 1974 (29
16 U.S.C. 1169(a)(2)(B)) is amended—

17 (1) by striking “issued by a court of competent
18 jurisdiction”;

19 (2) by striking the period at the end of clause
20 (ii) and inserting a comma; and

21 (3) by adding, after and below clause (ii), the
22 following:

23 “if such judgment, decree, or order (I) is issued
24 by a court of competent jurisdiction or (II) is
25 issued by an administrative adjudicator and has

1 the force and effect of law under applicable
2 State law.”.

3 (b) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by
5 this section shall take effect on the date of the en-
6 actment of this Act.

7 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
8 JANUARY 1, 1996.—Any amendment to a plan re-
9 quired to be made by an amendment made by this
10 section shall not be required to be made before the
11 first plan year beginning on or after January 1,
12 1996, if—

13 (A) during the period after the date before
14 the date of the enactment of this Act and be-
15 fore such first plan year, the plan is operated
16 in accordance with the requirements of the
17 amendments made by this section; and

18 (B) such plan amendment applies retro-
19 actively to the period after the date before the
20 date of the enactment of this Act and before
21 such first plan year.

22 A plan shall not be treated as failing to be operated
23 in accordance with the provisions of the plan merely
24 because it operates in accordance with this para-
25 graph.

1 **Subtitle I—Enhancing Responsibil-**
2 **ity and Opportunity for Non-**
3 **residential Parents**

4 **SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION**
5 **PROGRAMS.**

6 Part D of title IV (42 U.S.C. 651–669) is amended
7 by adding at the end the following:

8 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
9 **TION PROGRAMS.**

10 “(a) **IN GENERAL.**—The Administration for Children
11 and Families shall make grants under this section to en-
12 able States to establish and administer programs to sup-
13 port and facilitate absent parents’ access to and visitation
14 of their children, by means of activities including medi-
15 ation (both voluntary and mandatory), counseling, edu-
16 cation, development of parenting plans, visitation enforce-
17 ment (including monitoring, supervision and neutral drop-
18 off and pickup), and development of guidelines for visita-
19 tion and alternative custody arrangements.

20 “(b) **AMOUNT OF GRANT.**—The amount of the grant
21 to be made to a State under this section for a fiscal year
22 shall be an amount equal to the lesser of—

23 “(1) 90 percent of State expenditures during
24 the fiscal year for activities described in subsection
25 (a); or

1 “(2) the allotment of the State under sub-
2 section (c) for the fiscal year.

3 “(c) ALLOTMENTS TO STATES.—

4 “(1) IN GENERAL.—The allotment of a State
5 for a fiscal year is the amount that bears the same
6 ratio to the amount appropriated for grants under
7 this section for the fiscal year as the number of chil-
8 dren in the State living with only 1 biological parent
9 bears to the total number of such children in all
10 States.

11 “(2) MINIMUM ALLOTMENT.—The Administra-
12 tion for Children and Families shall adjust allot-
13 ments to States under paragraph (1) as necessary to
14 ensure that no State is allotted less than—

15 “(A) \$50,000 for fiscal year 1996 or 1997;

16 or

17 “(B) \$100,000 for any succeeding fiscal
18 year.

19 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
20 FOR SIMILAR ACTIVITIES.—A State to which a grant is
21 made under this section may not use the grant to supplant
22 expenditures by the State for activities specified in sub-
23 section (a), but shall use the grant to supplement such
24 expenditures at a level at least equal to the level of such
25 expenditures for fiscal year 1995.

1 “(e) STATE ADMINISTRATION.—Each State to which
2 a grant is made under this section—

3 “(1) may administer State programs funded
4 with the grant, directly or through grants to or con-
5 tracts with courts, local public agencies, or non-prof-
6 it private entities;

7 “(2) shall not be required to operate such pro-
8 grams on a statewide basis; and

9 “(3) shall monitor, evaluate, and report on such
10 programs in accordance with regulations prescribed
11 by the Secretary.”.

12 **Subtitle J—Effect of Enactment**

13 **SEC. 791. EFFECTIVE DATES.**

14 (a) IN GENERAL.—Except as otherwise specifically
15 provided (but subject to subsections (b) and (c))—

16 (1) the provisions of this title requiring the en-
17 actment or amendment of State laws under section
18 466 of the Social Security Act, or revision of State
19 plans under section 454 of such Act, shall be effec-
20 tive with respect to periods beginning on and after
21 October 1, 1996; and

22 (2) all other provisions of this title shall become
23 effective upon enactment.

1 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
2 provisions of this title shall become effective with respect
3 to a State on the later of—

4 (1) the date specified in this title, or

5 (2) the effective date of laws enacted by the leg-
6 islature of such State implementing such provisions,
7 but in no event later than the first day of the first cal-
8 endar quarter beginning after the close of the first regular
9 session of the State legislature that begins after the date
10 of the enactment of this Act. For purposes of the previous
11 sentence, in the case of a State that has a 2-year legisla-
12 tive session, each year of such session shall be deemed to
13 be a separate regular session of the State legislature.

14 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
15 AMENDMENT.—A State shall not be found out of compli-
16 ance with any requirement enacted by this title if the State
17 is unable to so comply without amending the State con-
18 stitution until the earlier of—

19 (1) 1 year after the effective date of the nec-
20 essary State constitutional amendment; or

21 (2) 5 years after the date of the enactment of
22 this title.

1 **TITLE VIII—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 801. SCORING.**

4 (a) **IN GENERAL.**—None of the changes in direct
5 spending resulting from this Act shall be reflected in esti-
6 mates under section 252(d) of the Balanced Budget and
7 Emergency Deficit Control Act of 1985.

8 (b) **TECHNICAL AMENDMENT.**—Section 251(b)(2) of
9 the Balanced Budget and Emergency Deficit Control Act
10 of 1985 is amended by adding at the end the following
11 new subparagraph:

12 “(H) **SPECIAL ALLOWANCE FOR WELFARE RE-**
13 **FORM.**—For any fiscal year, the adjustments shall
14 be appropriations for discretionary programs result-
15 ing from the Personal Responsibility Act of 1995 (as
16 described in the joint explanatory statement accom-
17 panying a conference report on that Act) in discre-
18 tionary accounts and the outlays flowing in all years
19 from such appropriations (but not to exceed
20 amounts authorized for those programs by that Act
21 for that fiscal year) minus appropriations for com-
22 parable discretionary programs for fiscal year 1995
23 (as described in the joint explanatory statement ac-
24 companying a conference report on that Act.”.

1 SEC. 802. PROVISIONS TO ENCOURAGE ELECTRONIC BENE-
2 FIT TRANSFER SYSTEMS.

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

5 (1) by striking “(d) In the event” and inserting
6 “(d) APPLICABILITY TO SERVICE PROVIDERS
7 OTHER THAN CERTAIN FINANCIAL INSTITU-
8 TIONS.—

9 “(1) IN GENERAL.—In the event”; and

10 (2) by adding at the end the following new
11 paragraph:

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

14 “(A) EXEMPTION GENERALLY.—The dis-
15 closures, protections, responsibilities, and rem-
16 edies established under this title, and any regu-
17 lation prescribed or order issued by the Board
18 in accordance with this title, shall not apply to
19 any electronic benefit transfer program estab-
20 lished under State or local law or administered
21 by a State or local government.

22 “(B) EXCEPTION FOR DIRECT DEPOSIT
23 INTO RECIPIENT’S ACCOUNT.—Subparagraph
24 (A) shall not apply with respect to any elec-
25 tronic funds transfer under an electronic benefit
26 transfer program for deposits directly into a

1 consumer account held by the recipient of the
2 benefit.

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

5 “(i) affecting or altering the protec-
6 tions otherwise applicable with respect to
7 benefits established by Federal, State, or
8 local law; or

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

11 “(D) ELECTRONIC BENEFIT TRANSFER
12 PROGRAM DEFINED.—For purposes of this
13 paragraph, the term ‘electronic benefit transfer
14 program’—

15 “(i) means a program under which a
16 government agency distributes needs-tested
17 benefits by establishing accounts to be
18 accessed by recipients electronically, such
19 as through automated teller machines, or
20 point-of-sale terminals; and

21 “(ii) does not include employment-re-
22 lated payments, including salaries and pen-
23 sion, retirement, or unemployment benefits

1 established by Federal, State, or local gov-
2 ernments.”.

○

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HR 1214 IH—6

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HR 1214 IH—22

HR 1214 IH—23

104TH CONGRESS
1ST SESSION

H. R. 1250

To promote self-sufficiency and stability among families receiving aid to families with dependent children by increasing employment opportunities; to increase State flexibility in operating a Job Opportunities and Basic Skills Training Program; to improve the interstate enforcement of child support and parentage court orders; and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 1995

Mrs. MINK of Hawaii (for herself, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BECERRA, Mr. BEILENSON, Mr. BISHOP, Ms. BROWN of Florida, Mr. CLAY, Mrs. CLAYTON, Mr. CLYBURN, Mr. COLEMAN, Miss COLLINS of Michigan, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DE LA GARZA, Mr. DELLUMS, Mr. ENGEL, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FATTAH, Mr. FIELDS of Louisiana, Mr. FLAKE, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Ms. FURSE, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HILLIARD, Mr. HINCHEY, Ms. JACKSON-LEE, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSTON of Florida, Mr. LEWIS of Georgia, Mr. MARTINEZ, Mr. MCDERMOTT, Ms. MCKINNEY, Mrs. MEEK of Florida, Mr. MFUME, Mr. MILLER of California, Mr. MINETA, Ms. NORTON, Mr. OLVER, Mr. OWENS, Mr. PASTOR, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. REYNOLDS, Mr. RICHARDSON, Mr. ROMERO-BARCELÓ, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SANDERS, Mrs. SCHROEDER, Mr. SCOTT, Mr. SERRANO, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. THOMPSON, Mr. TORRES, Mr. TOWNS, Mr. TUCKER, Mr. UNDERWOOD, Ms. VELÁZQUEZ, Mr. VENTO, Ms. WATERS, Mr. WATT of North Carolina, Mr. WAXMAN, Mr. WILLIAMS, Ms. WOOLSEY, Mr. WYNN, and Mr. YATES) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Economic and Educational Opportunities, Agriculture, Commerce, the Judiciary, National Security, and Government Reform and Oversight, 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

A BILL

To promote self-sufficiency and stability among families receiving aid to families with dependent children by increasing employment opportunities; to increase State flexibility in operating a Job Opportunities and Basic Skills Training Program; to improve the interstate enforcement of child support and parentage court orders; and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Family Stability and
 5 Work Act of 1995".

6 **SEC. 2. REFERENCE TO SOCIAL SECURITY ACT.**

7 Except as otherwise specifically provided, wherever in
 8 this Act an amendment is expressed in terms of an amend-
 9 ment to or repeal of a section or other provision, the ref-
 10 erence shall be considered to be made to that section or
 11 other provision of the Social Security Act.

12 **SEC. 3. TABLE OF CONTENTS.**

13 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Reference to Social Security Act.
- Sec. 3. Table of contents.

TITLE I—IMPROVING AID TO FAMILIES WITH DEPENDENT
CHILDREN

- Sec. 101. Increase in standard earned income disregard.
- Sec. 102. Increase in State flexibility regarding recipient participation in jobs program.
- Sec. 103. Elimination of different treatment of 2-parent families.
- Sec. 104. Extension of transitional child care guarantee.

- Sec. 105. Increase in Federal matching rates for child care.
- Sec. 106. Increase in jobs program funding.
- Sec. 107. Requirement with respect to jobs program participation rate.
- Sec. 108. Increase in matching rates for States whose recipients leave AFDC for paid employment.
- Sec. 109. Increase in at-risk child care funding.
- Sec. 110. Improvements in jobs program self-sufficiency planning and case management.
- Sec. 111. Change in mandatory services and activities under the jobs program.
- Sec. 112. Jobs creation and work experience program.
- Sec. 113. Provisions generally applicable to the jobs program.

TITLE II—MAKING WORK PAY

- Sec. 201. Transitional medicaid benefits.
- Sec. 202. Temporary exclusion of earned income for purposes of determining rent paid for units in federally assisted housing.
- Sec. 203. Continuation of food stamp benefits.

TITLE III—IMPROVING CHILD SUPPORT ENFORCEMENT

Subtitle A—Eligibility and Other Matters Concerning Title IV-D Program Clients

- Sec. 301. State obligation to provide paternity establishment and child support enforcement services.
- Sec. 302. Distribution of payments.
- Sec. 303. Due process rights.
- Sec. 304. Privacy safeguards.

Subtitle B—Program Administration and Funding

- Sec. 311. Federal matching payments.
- Sec. 312. Performance-based incentives and penalties.
- Sec. 313. Federal and State reviews and audits.
- Sec. 314. Required reporting procedures.
- Sec. 315. Automated data processing requirements.
- Sec. 316. Director of CSE program; staffing study.
- Sec. 317. Funding for secretarial assistance to State programs.
- Sec. 318. Reports and data collection by the Secretary.

Subtitle C—Locate and Case Tracking

- Sec. 321. Central State and case registry.
- Sec. 322. Centralized collection and disbursement of support payments.
- Sec. 323. Amendments concerning income withholding.
- Sec. 324. Locator information from interstate networks.
- Sec. 325. Expanded Federal Parent Locator Service.
- Sec. 326. Use of social security numbers.

Subtitle D—Streamlining and Uniformity of Procedures

- Sec. 331. Adoption of uniform State laws
- Sec. 332. Improvements to full faith and credit for child support orders.
- Sec. 333. State laws providing expedited procedures

Subtitle E—Paternity Establishment

- Sec. 341. State laws concerning paternity establishment.
- Sec. 342. Outreach for voluntary paternity establishment.

Subtitle F—Establishment and Modification of Support Orders

- Sec. 351. National Child Support Guidelines Commission.
- Sec. 352. Simplified process for review and adjustment of child support orders.

Subtitle G—Enforcement of Support Orders

- Sec. 361. Federal income tax refund offset.
- Sec. 362. Internal revenue service collection of arrears.
- Sec. 363. Authority to collect support from Federal employees.
- Sec. 364. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 365. Motor vehicle liens.
- Sec. 366. Voiding of fraudulent transfers.
- Sec. 367. State law authorizing suspension of licenses.
- Sec. 368. Reporting arrearages to credit bureaus.
- Sec. 369. Extended statute of limitation for collection of arrearages.
- Sec. 370. Charges for arrearages.
- Sec. 371. Denial of passports for nonpayment of child support.
- Sec. 372. International child support enforcement.

Subtitle H—Medical Support

- Sec. 381. Technical correction to ERISA definition of medical child support order.

Subtitle I—Effect of Enactment

- Sec. 391. Effective dates.
- Sec. 392. Severability.

TITLE IV—REAUTHORIZATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT

- Sec. 431. Reauthorization of child care and development block grant.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

- Sec. 501. Increase in top marginal rate under section 11.

TITLE VI—EFFECTIVE DATE

- Sec. 601. Effective date.

1 **TITLE I—IMPROVING AID TO**
2 **FAMILIES WITH DEPENDENT**
3 **CHILDREN**

4 **SEC. 101. INCREASE IN STANDARD EARNED INCOME DIS-**
5 **REGARD.**

6 Clause (ii) of section 402(a)(8)(A) (42 U.S.C.
7 602(a)(8)(A)(ii)) is amended by striking “\$90” and in-
8 serting “\$170”.

9 **SEC. 102. INCREASE IN STATE FLEXIBILITY REGARDING RE-**
10 **CIPIENT PARTICIPATION IN JOBS PROGRAM.**

11 (a) **CHANGES IN STATE PLAN REQUIREMENTS.—**
12 Paragraph (19) of section 402(a) (42 U.S.C. 602(a)(19))
13 is amended to read as follows:

14 “(19) provide—

15 “(A) that the State has in effect and oper-
16 ation a job opportunities and basic skills train-
17 ing program which meets the requirements of
18 part F;

19 “(B) that, not later than 30 days after ap-
20 proving the application of a family for aid
21 under the State plan approved under this part,
22 the State shall—

23 “(i) conduct an initial assessment of
24 the self-sufficiency needs of the family that
25 includes an assessment of the family cir-

1 cumstances, the educational, child care,
2 and other supportive services needs, and
3 the skills, prior work experience, and em-
4 ployability of each recipient;

5 “(ii) determine whether it would be
6 appropriate to require or permit any mem-
7 ber of the family to participate in the pro-
8 gram of the State under part F; and

9 “(iii) advise the family of the avail-
10 ability of child care assistance under sec-
11 tion 402(g) for participation in education,
12 training, and employment;

13 “(C) that—

14 “(i) the costs of attendance by a re-
15 cipient at an institution of higher edu-
16 cation (as defined in section 481(a) of the
17 Higher Education Act of 1965), or a
18 school or course of vocational or technical
19 training, shall not constitute federally re-
20 imburseable expenses for purposes of sec-
21 tion 403; and

22 “(ii) the costs of day care, transpor-
23 tation, and other services which are nec-
24 essary (as determined by the State agency)
25 for such attendance in accordance with

1 section 402(g) are eligible for Federal re-
2 imbursement so long as the recipient is
3 making satisfactory progress in such insti-
4 tution, school, or course and such attend-
5 ance is consistent with the employment
6 goals in the recipient's self-sufficiency plan
7 developed under part F;

8 "(D) that—

9 "(i) if an individual who is required
10 by the State to participate in the program
11 of the State under part F fails without
12 good cause to participate or refuses with-
13 out good cause to accept employment in
14 which such individual is able to engage
15 which is offered through the public employ-
16 ment offices of the State, or is otherwise
17 offered by an employer if the offer of such
18 employer is determined to be a bona fide
19 offer of employment—

20 "(I) the family of the individual
21 shall cease to be eligible for aid under
22 this part; unless

23 "(II) such individual is a member
24 of a family in which both parents are
25 living at home, and his or her spouse

1 has not failed to comply under this
2 clause, in which case the needs of
3 such individual shall not be taken into
4 account in making the determination
5 with respect to his or her family
6 under paragraph (7) of this sub-
7 section;

8 “(ii) any sanction described in clause
9 (i) shall continue until the failure to com-
10 ply ceases;

11 “(iii) no sanction shall be imposed
12 under this subparagraph—

13 “(I) on the basis of the refusal of
14 an individual to accept any employ-
15 ment (including any employment of-
16 fered under the program), if the em-
17 ployment does not pay at least the
18 Federal minimum wage under section
19 6(a) of the Fair Labor Standards Act
20 of 1938; or

21 “(II) on the basis of the refusal
22 of an individual to participate in the
23 program or accept employment (in-
24 cluding any employment offered under
25 the program), if child care (or day

1 care for any incapacitated individual
2 living in the same home as a depend-
3 ent child) is necessary for an individ-
4 ual to participate in the program or
5 accept employment, such care is not
6 available, and the State agency fails
7 to provide such care; and

8 “(H) the State agency may require a par-
9 ticipant in the program to accept a job only if
10 such agency assures that the family of such
11 participant will experience no net loss of cash
12 income resulting from acceptance of the job;
13 and any costs incurred by the State agency as
14 a result of this subparagraph shall be treated as
15 expenditures with respect to which section
16 403(a)(1) or 403(a)(2) applies;”.

17 (b) CHANGE IN PAYMENT TO STATES.—Section
18 403(l) (42 U.S.C. 603(l)) is amended by striking para-
19 graph (2).

20 **SEC. 103. ELIMINATION OF DIFFERENT TREATMENT OF 2-**
21 **PARENT FAMILIES.**

22 (a) IN GENERAL.—Section 402(a) (42 U.S.C.
23 602(a)) is amended by striking paragraph (41).

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 402(a)(38)(B) (42 U.S.C.
2 602(a)(38)(B)) is amended by striking “or in section
3 407(a)”.

4 (2) Section 402(a) (42 U.S.C. 602(a)) is
5 amended by striking paragraph (42).

6 (3) Section 402(g)(1)(A)(ii) (42 U.S.C.
7 602(g)(1)(A)(ii)) is amended by striking “hours of,
8 or increased income from,” and inserting “income
9 from”.

10 (4) Section 406(a)(1) (42 U.S.C. 606(a)(1)) is
11 amended by striking “who has been deprived” and
12 all that follows through “incapacity of a parent”.

13 (5) Section 406(b)(1) (42 U.S.C. 606(b)(1)) is
14 amended by striking “and if such relative” and all
15 that follows through “section 407”.

16 (6) Section 407 (42 U.S.C. 607) is hereby re-
17 pealed.

18 (7) Section 472(a) (42 U.S.C. 672(a)) is
19 amended by striking “or of section 407”.

20 (8) Section 473(a)(2)(A)(i) (42 U.S.C.
21 672(a)(2)(A)(i)) is amended by striking “or section
22 407”.

23 (9) Section 1115(b) (42 U.S.C. 1315(b)) is
24 amended by striking paragraph (5).

1 (10) Section 1115 (42 U.S.C. 1315) is amended
2 by striking subsection (d).

3 (11) Section 1902(a)(10)(A)(i) (42 U.S.C.
4 1396a(a)(10)(A)(i)) is amended by striking
5 subclause (V) and by redesignating subclauses (VI)
6 and (VII) as subclauses (V) and (VI), respectively.

7 (12) Section 1905 (42 U.S.C. 1396d) is amend-
8 ed by striking subsection (m).

9 (13) Section 1905(n)(1) (42 U.S.C.
10 1396d(n)(1)) is amended—

11 (A) in subparagraph (A)—

12 (i) by striking “(or” and all that fol-
13 lows through “407)”; and

14 (ii) by adding “or” at the end; and

15 (B) by striking subparagraph (B).

16 (14) Section 1925(a) (42 U.S.C. 1396r-6(a)) is
17 amended by striking “hours of, or income from,”
18 and inserting “income from”.

19 (15) Section 204(b)(2) of the Family Support
20 Act of 1988 (42 U.S.C. 681 note) is amended by
21 striking the semicolon and all that follows through
22 “1998”.

1 **SEC. 104. EXTENSION OF TRANSITIONAL CHILD CARE**
2 **GUARANTEE.**

3 Clause (iii) of section 402(g)(1)(A) (42 U.S.C.
4 602(g)(1)(A)(iii)) is amended to read as follows:

5 “(iii) A family shall only be eligible for child care pro-
6 vided under clause (ii)—

7 “(I) for a period of 24 months after the last
8 month for which the family received aid to families
9 with dependent children under this part; or

10 “(II) until the income of the family exceeds by
11 more than 200 percent the income official poverty
12 line (as defined by the Office of Management and
13 Budget, and revised annually in accordance with sec-
14 tion 673(2) of the Omnibus Budget Reconciliation
15 Act of 1981) applicable to a family of the size in-
16 volved;
17 whichever occurs first.”.

18 **SEC. 105. INCREASE IN FEDERAL MATCHING RATES FOR**
19 **CHILD CARE.**

20 (a) AFDC AND TRANSITIONAL CHILD CARE.—

21 (1) INCREASE IN RATES FOR SEVERAL STATES
22 AND DISTRICT OF COLUMBIA.—Clause (i) of section
23 402(g)(3)(A) (42 U.S.C. 602(g)(3)(A)(i)) is amend-
24 ed by striking “1905(b).” and inserting “1905(b),
25 increased by 10 percentage points.”.

1 (2) INCREASE IN RATES FOR OTHER STATES.—
2 Clause (ii) of section 402(g)(3)(A) (42 U.S.C.
3 602(g)(3)(A)(ii)) is amended by striking “1118).”
4 and inserting “1118), increased by 10 percentage
5 points.”.

6 (b) AT-RISK CHILD CARE.—Subparagraph (A) of
7 section 403(n)(1) (42 U.S.C. 603(n)(1)(A)) is amended
8 by inserting “increased by 10 percentage points” before
9 “of the expenditures”.

10 **SEC. 106. INCREASE IN JOBS PROGRAM FUNDING.**

11 Paragraph (3) of section 403(k) (42 U.S.C.
12 603(k)(3)) is amended—

13 (1) in subparagraph (E), by striking “and” at
14 the end;

15 (2) in subparagraph (F), by striking “and each
16 succeeding fiscal year,” and inserting a comma at
17 the end; and

18 (3) by inserting after subparagraph (F) the fol-
19 lowing:

20 “(G) \$1,500,000,000 in the case of fiscal year
21 1997,

22 “(H) \$1,900,000,000 in the case of fiscal year
23 1998,

24 “(I) \$2,800,000,000 in the case of fiscal year
25 1999,

1 “(J) \$3,700,000,000 in the case of fiscal year
2 2000, and

3 “(K) \$5,000,000,000 in the case of fiscal year
4 2001.”.

5 **SEC. 107. REQUIREMENT WITH RESPECT TO JOBS PRO-**
6 **GRAM PARTICIPATION RATE.**

7 (a) REQUIREMENT.—Section 402 (42 U.S.C. 602) is
8 amended by inserting after subsection (c) the following:

9 “(d)(1) With respect to the program established by
10 a State under part F, the State shall achieve a participa-
11 tion rate for the following fiscal years of not less than the
12 following percentage:

“Fiscal year:	Percentage:
1997	15
1998	20
1999	25
2000	30
2001	35
2002	40
2003 or later	50.

13 “(2) As used in this subsection, the term ‘participa-
14 tion rate’ means, with respect to a State and a fiscal year,
15 an amount equal to—

16 “(A) the average monthly number of individuals
17 who, during the fiscal year, participate in the State
18 program established under part F; divided by

19 “(B) the average monthly number of individuals
20 who, during the fiscal year, are adult recipients of
21 aid under the State plan approved under part A or

1 participate in the State program established under
2 part F.

3 “(3) Each State that operates a program under part
4 F for a fiscal year shall submit to the Secretary a report
5 on the participation rate of the State for the fiscal year.

6 “(4)(A) If a State reports that the State has failed
7 to achieve the participation rate required by paragraph (1)
8 for the fiscal year, the Secretary may make recommenda-
9 tions for changes in the State program established under
10 part F. The State may elect to follow such recommenda-
11 tions, and shall demonstrate to the Secretary how the
12 State will achieve the required participation rates.

13 “(B) Notwithstanding subparagraph (A), if a State
14 fails to achieve the participation rate required by para-
15 graph (1) for 2 consecutive fiscal years, the Secretary may
16 require the State to make changes in the State program
17 established under part F.”.

18 (b) CHANGE IN PAYMENT TO STATES.—Section
19 403(l) (42 U.S.C. 603(l)) is amended by striking para-
20 graphs (3) and (4).

1 SEC. 108. INCREASE IN MATCHING RATES FOR STATES
2 WHOSE RECIPIENTS LEAVE AFDC FOR PAID
3 EMPLOYMENT.

4 (a) INCREASE IN JOBS MATCHING RATE.—Section
5 403(l) (42 U.S.C. 603(l)), as amended by section 102(b),
6 is amended by inserting after paragraph (1) the following:

7 “(2)(A) Notwithstanding paragraph (1), the Sec-
8 retary shall pay to a State, with respect to expenditures
9 made by the State that are described in paragraph
10 (1)(A)(ii)(II), an amount equal to the greater of 70 per-
11 cent or the Federal medical assistance percentage (as de-
12 fined in section 1118 in the case of any State to which
13 section 1108 applies, or as defined in section 1905(b) in
14 the case of any other State) increased by 10 percent if
15 the number of qualified families with respect to the State
16 for a fiscal year equals or exceeds the proportion specified
17 in subparagraph (B) for such year of the total number
18 of individuals participating in the State program estab-
19 lished under part F during such year.

20 “(B) The proportion specified in this subparagraph
21 is—

22 “(i) $\frac{1}{4}$ for fiscal year 1998;

23 “(ii) $\frac{1}{3}$ for fiscal year 1999;

24 “(iii) $\frac{1}{2}$ for fiscal year 2000, and for each fiscal
25 year thereafter.

1 “(C) For purposes of subparagraph (A), the term
2 ‘qualified family’ means, with respect to a State for a fis-
3 cal year, a family—

4 “(i) that was receiving aid from the State under
5 this part during such year;

6 “(ii) a member of which ceased to participate in
7 the State program established under part F during
8 such year as the result of the employment of such
9 member in a job (other than a job provided under
10 the job creation and work experience program under
11 section 482(e)); and

12 “(iii) ceased to receive such aid as a result of
13 such employment.”

14 (b) INCREASE IN TRANSITIONAL CHILD CARE
15 RATE.—Paragraph (3) of section 402(g) (42 U.S.C.
16 602(g)(3)) is amended by adding at the end the following:

17 “(C) Notwithstanding subparagraph (A), in the case
18 of amounts expended for child care pursuant to paragraph
19 (1)(A)(ii) by any State that satisfies the requirement in
20 section 403(l)(2)(A), the applicable rate for purposes of
21 section 403(a) shall be the percentage specified in sub-
22 paragraph (A) for such amounts, increased by 10 percent-
23 age points.”.

1 **SEC. 109. INCREASE IN AT-RISK CHILD CARE FUNDING.**

2 Subparagraph (B) of section 403(n)(2) (42 U.S.C.
3 603(n)(2)(B)) of the Social Security Act is amended—

4 (1) in clause (iv), by striking “and” at the end;

5 (2) in clause (v), by striking “1995, and for
6 each fiscal year thereafter.” and inserting “1995;”;

7 and

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

9 “(vi) \$300,000,000 for fiscal year 1996;

10 “(vii) \$800,000,000 for fiscal year 1997;

11 “(viii) \$1,300,000,000 for fiscal year 1998;

12 “(ix) \$1,800,000,000 for fiscal year 1999;

13 “(x) \$2,300,000,000 for fiscal year 2000; and

14 “(xi) \$2,800,000,000 for fiscal year 2001.”.

15 **SEC. 110. IMPROVEMENTS IN JOBS PROGRAM SELF-SUFFI-**
16 **CIENCY PLANNING AND CASE MANAGEMENT.**

17 Section 482(b) (42 U.S.C. 682(b)) is amended—

18 (1) by amending the subsection heading to read
19 as follows:

20 “(b) SELF-SUFFICIENCY PLAN.—”;

21 (2) by striking paragraph (1)(A), redesignating
22 paragraph (1)(B) as paragraph (1)(A), and adjust-
23 ing the placement and margins of paragraph (1)(A)
24 (as so redesignated) accordingly;

25 (3) in paragraph (1)(A) (as redesignated by
26 paragraph (2))—

1 (A) by striking “such assessment,” and in-
2 sserting “the initial assessment of self-suffi-
3 ciency under section 402(a)(19)(B),”; and

4 (B) by striking “employability plan” each
5 place such term appears and inserting “self-suf-
6 ficiency plan”;

7 (4) in paragraph (2)—

8 (A) by striking “initial assessment and re-
9 view and the development of the employability
10 plan” and inserting “initial assessment of self-
11 sufficiency and the development of the self-suf-
12 ficiency plan”;

13 (B) by striking “the State agency may re-
14 quire” and inserting “the State agency shall re-
15 quire”; and

16 (C) by striking “If the State agency exer-
17 cises the option under the preceding sentence,
18 the State agency must” and inserting “The
19 State agency must”; and

20 (5) in paragraph (3)—

21 (A) by striking “may assign” and inserting
22 “shall assign”; and

23 (B) by adding at the end the following:

24 “Case management services under this paragraph shall
25 continue for a period of not fewer than 90 days after a

1 participant becomes employed, and, at the option of the
2 State, the State may extend such period to not more than
3 365 days.”.

4 **SEC. 111. CHANGE IN MANDATORY SERVICES AND ACTIVI-**
5 **TIES UNDER THE JOBS PROGRAM.**

6 (a) MANDATORY AND PERMISSIBLE SERVICES AND
7 ACTIVITIES.—Subparagraph (A) of section 482(d)(1) (42
8 U.S.C. 682(d)(1)(A)) is amended to read as follows:

9 “(d) SERVICES AND ACTIVITIES UNDER THE PRO-
10 GRAM.—(1)(A) In carrying out the program, each State
11 shall make available a broad range of services and activi-
12 ties to aid in carrying out the purpose of this part. Such
13 services and activities—

14 “(i) shall include—

15 “(I) educational activities (as appropriate),
16 including high school or equivalent education
17 (combined with training as needed), basic and
18 remedial education to achieve a basic literacy
19 level, and education for individuals with limited
20 English proficiency;

21 “(II) job skills training;

22 “(III) job readiness activities to help pre-
23 pare participants for work;

24 “(IV) job development and job placement;

1 “(V) a job creation and work experience
2 program as described in subsection (e); and

3 “(VI) group and individual job search as
4 described in subsection (f); and

5 “(ii) may include—

6 “(I) on-the-job training; and

7 “(II) any other work experience program
8 approved by the Secretary.”.

9 (b) ELIMINATION OF REQUIREMENT WITH RESPECT
10 TO CERTAIN EDUCATIONAL ACTIVITIES.—Section 482(d)
11 (42 U.S.C. 682(d)) is amended—

12 (1) by striking paragraph (2); and

13 (2) by redesignating paragraph (3) as para-
14 graph (2).

15 **SEC. 112. JOBS CREATION AND WORK EXPERIENCE PRO-**
16 **GRAM.**

17 Section 482 (42 U.S.C. 682) is amended—

18 (1) by striking subsections (e) and (f);

19 (2) by redesignating subsections (g), (h), and (i) as
20 subsections (f), (g), and (h); and

21 (3) by inserting after subsection (d) the follow-
22 ing:

23 “(e) JOBS CREATION AND WORK EXPERIENCE PRO-
24 GRAM.—

1 “(1) IN GENERAL.—In carrying out the pro-
2 gram, each State shall establish a jobs creation and
3 work experience program in accordance with this
4 subsection.

5 “(2) GENERAL REQUIREMENTS.—A jobs cre-
6 ation and work experience program is a program
7 that provides employment in the public sector or in
8 the private sector in accordance with the following
9 requirements:

10 “(A) PARTICIPATION.—A State shall re-
11 quire an individual to participate in the jobs
12 creation and work experience program if the in-
13 dividual—

14 “(i) is eligible to receive aid under the
15 State plan approved under part A;

16 “(ii) is prepared to commence employ-
17 ment, as determined under the self-suffi-
18 ciency plan developed for the individual
19 under subsection (b)(1)(A); and

20 “(iii) has demonstrated that the indi-
21 vidual is not otherwise able to obtain em-
22 ployment in the public or private sectors.

23 “(B) PERIODIC JOB SEARCH REQUIRED.—
24 As a continuing condition of eligibility to par-
25 ticipate in the jobs creation and work experi-

1 ence program, each participant in the program
2 shall periodically engage in job search.

3 “(C) ENTRY-LEVEL POSITIONS.—

4 “(i) IN GENERAL.—Subject to clause
5 (ii), the jobs creation and work experience
6 program shall provide entry-level positions,
7 to the extent practicable.

8 “(ii) NO INFRINGEMENT ON PRO-
9 MOTIONAL OPPORTUNITIES.—A job shall
10 not be created in a promotional line that
11 will infringe in any way upon the pro-
12 motional opportunities of persons employed
13 in jobs not subsidized under this sub-
14 section.

15 “(D) MAXIMUM PERIOD OF SUBSIDIZED
16 EMPLOYMENT AT SAME POSITION.—The jobs
17 creation and work experience program shall not
18 permit an individual to remain in the program
19 for more than 24 months.

20 “(E) MINIMUM WAGE REQUIREMENT.—An
21 individual participating in the jobs creation and
22 work experience program may not be required
23 to accept any employment if the wage rate for
24 such employment does not equal or exceed the

1 minimum wage rate then in effect under section
2 6 of the Fair Labor Standards Act of 1938.

3 “(3) WAGES TREATED AS EARNED INCOME.—
4 Wages paid under a program established under this
5 subsection shall be considered to be earned income
6 for purposes of any provision of law.

7 “(4) PRESERVATION OF ELIGIBILITY FOR
8 CHILD CARE ASSISTANCE AND MEDICAID BENE-
9 FITS.—Any individual who becomes ineligible to re-
10 ceive aid under a State plan approved under part A
11 by reason of income from employment provided
12 under a program established under this subsection
13 to the caretaker relative of the family of which the
14 individual is a member shall for purposes of eligi-
15 bility for child care benefits under section
16 402(g)(1)(A)(i) and for purposes of eligibility for
17 medical assistance under the State plan approved
18 under title XIX, be considered to be receiving such
19 aid for so long as the subsidized employment pro-
20 vided to the individual under this subsection contin-
21 ues.”.

22 **SEC. 113. PROVISIONS GENERALLY APPLICABLE TO THE**
23 **JOBS PROGRAM.**

24 Section 484 (42 U.S.C. 684) is amended by striking
25 subsections (b), (c), and (d) and inserting the following:

1 “(b)(1)(A) Funds provided for a program established
2 under section 482 may be used only for programs that
3 do not duplicate any employment activity otherwise avail-
4 able in the locality of the program.

5 “(B) Funds provided for a program established under
6 section 482 shall not be paid to a private entity to conduct
7 activities that are the same or substantially equivalent to
8 activities provided by a State in which the entity is located
9 or by an agency of local government with jurisdiction over
10 the locality in which the entity is located, unless the re-
11 quirements of paragraph (2) are met.

12 “(2)(A) An employer shall not displace an employee
13 or position, including partial displacement such as reduc-
14 tion in hours, wages, or employment benefits, as a result
15 of the use by the employer of a participant in a program
16 established under section 482.

17 “(B) No work assignment under a program estab-
18 lished under section 482 shall result in any infringement
19 of the promotional opportunities of any employed individ-
20 ual.

21 “(C)(i) A participant in a program established under
22 section 482(e) shall not perform any services or duties or
23 engage in activities that would otherwise be performed by
24 an employee as part of the assigned duties of the em-
25 ployee.

1 “(ii) A participant in a program established under
2 section 482 shall not perform any services or duties or
3 engage in activities that—

4 “(I) will supplant the hiring of employed work-
5 ers; or

6 “(II) are services, duties or activities with re-
7 spect to which an individual has recall rights pursu-
8 ant to a collective bargaining agreement or applica-
9 ble personnel procedures.

10 “(iii) A participant in a program established under
11 section 482 shall not perform services or duties that have
12 been performed by or were assigned to any—

13 “(I) presently employed worker if the partici-
14 pant is in a program established under section
15 482(e);

16 “(II) employee who recently resigned or was
17 discharged;

18 “(III) employee who—

19 “(aa) is the subject of a reduction in force;

20 or

21 “(bb) has recall rights pursuant to a col-
22 lective bargaining agreement or applicable per-
23 sonnel procedures;

24 “(IV) employee who is on leave (terminal, tem-
25 porary, vacation, emergency, or sick); or

1 “(V) employee who is on strike or is being
2 locked out.

3 “(c)(1) Sections 142(a), 143(a)(4), 143(a)(5), and
4 143(c)(2) of the Job Training Partnership Act shall apply
5 to employment provided through any program established
6 under section 482 of this Act.

7 “(2) Sections 130(f) and 176(f) of the National and
8 Community Service Act of 1990 shall apply to employment
9 provided through any program established under section
10 482 of this Act.

11 “(d)(1) A participant in a program established under
12 subsection (e) of section 482 may not be assigned to fill
13 any established unfilled position vacancy.

14 “(2)(A) A program established under section 482
15 may not be used to assist, promote, or deter union orga-
16 nizing.

17 “(B) A program established under section 482 may
18 not be used to impair existing contracts for services or
19 collective bargaining agreements.”.

20 **TITLE II—MAKING WORK PAY**

21 **SEC. 201. TRANSITIONAL MEDICAID BENEFITS.**

22 (a) EXTENSION OF MEDICAID ENROLLMENT FOR
23 FORMER AFDC RECIPIENTS FOR 1 ADDITIONAL YEAR.—

24 (1) IN GENERAL.—Section 1925(b)(1) (42
25 U.S.C. 1396r-6(b)(1)) is amended by striking the

1 period at the end and inserting the following: “, and
2 that the State shall offer to each such family the op-
3 tion of extending coverage under this subsection for
4 any of the first 2 succeeding 6-month periods, in the
5 same manner and under the same conditions as the
6 option of extending coverage under this subsection
7 for the first succeeding 6-month period.”.

8 (2) CONFORMING AMENDMENTS.—Section
9 1925(b) (42 U.S.C. 1396r-6(b)) is amended—

10 (A) in the heading, by striking “EXTEN-
11 SION” and inserting “EXTENSIONS”;

12 (B) in the heading of paragraph (1), by
13 striking “REQUIREMENT” and inserting “IN
14 GENERAL”;

15 (C) in paragraph (2)(B)(ii)—

16 (i) in the heading, by striking “PE-
17 RIOD” and inserting “PERIODS”, and

18 (ii) by striking “in the period” and in-
19 serting “in each of the 6-month periods”;

20 (D) in paragraph (3)(A), by striking “the
21 6-month period” and inserting “any 6-month
22 period”;

23 (E) in paragraph (4)(A), by striking “the
24 extension period” and inserting “any extension
25 period”; and

1 (F) in paragraph (5)(D)(i), by striking “is
2 a 3-month period” and all that follows and in-
3 serting the following: “is, with respect to a par-
4 ticular 6-month additional extension period pro-
5 vided under this subsection, a 3-month period
6 beginning with the first or fourth month of
7 such extension period.”.

8 (b) IMPOSITION OF PREMIUM PERMITTED ONLY
9 DURING ADDITIONAL EXTENSION PERIODS.—

10 (1) IN GENERAL.—Section 1925(b)(5)(A) of
11 such Act (42 U.S.C. 1396r-6(b)(5)(A)) is amended
12 by striking “(D)(i),” and inserting “(D)(i) occur-
13 ring during the second or third additional extension
14 period provided under this subsection,”.

15 (2) CONFORMING AMENDMENT.—Section
16 1925(b)(1) of such Act (42 U.S.C. 1396r-6(b)(1)),
17 as amended by subsection (a)(1), is amended by in-
18 serting after “same conditions” the following: “(ex-
19 cept as provided in paragraph (5)(A))”.

20 (c) EXTENSION OF COVERAGE FOR LOW-INCOME
21 CHILDREN.—Section 1925(b) of such Act (42 U.S.C.
22 1396r-6(b)) is amended by adding at the end the follow-
23 ing new paragraph:

24 “(6) EXTENSION OF COVERAGE FOR LOW-IN-
25 COME CHILDREN.—

1 “(A) IN GENERAL.—Notwithstanding any
2 other provision of this title, each State plan ap-
3 proved under this title shall provide that the
4 State shall offer (in the last month of the third
5 additional extension period provided under
6 paragraph (1)) to each eligible low-income child
7 who has received assistance pursuant to this
8 section during each of the 6-month periods de-
9 scribed in subsection (a) and paragraph (1) the
10 option of coverage under the State plan, in the
11 same manner and under the same conditions as
12 the option of extending coverage under para-
13 graph (1) for the second and third additional
14 extension periods provided under such para-
15 graph.

16 “(B) ELIGIBLE LOW-INCOME CHILD DE-
17 FINED.—In subparagraph (A), the term ‘eligi-
18 ble low-income child’ means an individual who
19 has not attained 18 years of age and whose
20 family income does not exceed 200 percent of
21 the official poverty line (as defined by the Of-
22 fice of Management and Budget, and revised
23 annually in accordance with section 673(2) of
24 the Omnibus Budget Reconciliation Act of

1 1981) applicable to a family of the size in-
2 volved.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to calendar quarters beginning on
5 or after October 1, 1996, without regard to whether or
6 not final regulations to carry out such amendments have
7 been promulgated by such date.

8 **SEC. 202. TEMPORARY EXCLUSION OF EARNED INCOME**
9 **FOR PURPOSES OF DETERMINING RENT PAID**
10 **FOR UNITS IN FEDERALLY ASSISTED**
11 **HOUSING.**

12 (a) IN GENERAL.—Notwithstanding any other
13 provision of law, the amount of rent payable by a qualified
14 family for a qualified dwelling unit may not be increased
15 because of the increased income due to the employment
16 referred to in subsection (b)(2)(A) for the period that be-
17 gins upon the commencement of such employment and
18 ends—

19 (A) 24 months thereafter, or

20 (B) upon the first date after the commencement
21 of such employment that the income of the family
22 exceeds 200 percent of the official poverty line (as
23 defined by the Office of Management and Budget
24 and revised periodically in accordance with section

1 673(2) of the Omnibus Budget Reconciliation Act of
2 1981) applicable to a family of the size involved,
3 whichever occurs first.

4 (b) DEFINITIONS.—For purposes of this section, the
5 following definitions shall apply:

6 (1) QUALIFIED DWELLING UNIT.—The term
7 “qualified dwelling unit” means a dwelling unit—

8 (A) for which assistance is provided by the
9 Secretary of Housing and Urban Development
10 in the form of any grant, contract, loan, loan
11 guarantee, cooperative agreement, rental assist-
12 ance payment, interest subsidy, insurance, or
13 direct appropriation, or that is located in a
14 project for which such assistance is provided;
15 and

16 (B) for which the amount of rent paid by
17 the occupying family is limited, restricted, or
18 determined under law or regulation based on
19 the income of the family.

20 (2) QUALIFIED FAMILY.—The term “qualified
21 family” means a family—

22 (A) whose income increases as a result of
23 employment of a member of the family who was
24 previously unemployed; and

1 (B) who was receiving aid to families with
2 dependent children under a State plan approved
3 under part A of title IV of the Social Security
4 Act immediately before such employment.

5 **SEC. 203. CONTINUATION OF FOOD STAMP BENEFITS.**

6 (a) AMENDMENT.—Section 5(c) of the Food Stamp
7 Act of 1977 (7 U.S.C. 2014(c)) is amended by adding at
8 the end the following:

9 “Notwithstanding any other provision of this subsection,
10 in the case of a household that receives benefits under part
11 A of title IV of the Social Security Act and whose income
12 increases because a member of such household obtains em-
13 ployment, the earned income from such employment shall
14 be excluded during a 2-year period for purposes of deter-
15 mining eligibility under such standards unless the aggre-
16 gate income of such household exceeds the poverty line by
17 more than 200 percent.”.

18 (b) APPLICATION OF AMENDMENT.—The amendment
19 made by subsection (a) shall not apply with respect to cer-
20 tification periods beginning before the date of the enact-
21 ment of this Act.

1 **TITLE III—IMPROVING CHILD**
2 **SUPPORT ENFORCEMENT**
3 **Subtitle A—Eligibility and Other**
4 **Matters Concerning Title IV-D**
5 **Program Clients**

6 **SEC. 301. STATE OBLIGATION TO PROVIDE PATERNITY ES-**
7 **TABLISHMENT AND CHILD SUPPORT EN-**
8 **FORCEMENT SERVICES.**

9 (a) **STATE LAW REQUIREMENTS.**—Section 466(a)
10 (42 U.S.C. 666(a)) is amended by adding at the end the
11 following new paragraph:

12 “(12) **USE OF CENTRAL CASE REGISTRY AND**
13 **CENTRALIZED COLLECTIONS UNIT.**—Procedures
14 under which—

15 “(A) every child support order established
16 or modified in the State on or after October 1,
17 1998, is recorded in the central case registry
18 established in accordance with section 454A(e);
19 and

20 “(B) child support payments are collected
21 through the centralized collections unit estab-
22 lished in accordance with section 454B—

23 “(i) on and after October 1, 1998,
24 under each order subject to wage withhold-
25 ing under section 466(b); and

1 “(ii) on and after October 1, 1999,
2 under each other order required to be re-
3 corded in such central case registry under
4 this paragraph or section 454A(e), except
5 as provided in subparagraph (C); and

6 “(C)(i) parties subject to a child support
7 order described in subparagraph (B)(ii) may
8 opt out of the procedure for payment of support
9 through the centralized collections unit (but not
10 the procedure for inclusion in the central case
11 registry) by filing with State agency a written
12 agreement, signed by both parties, to an alter-
13 native payment procedure; and

14 “(ii) an agreement described in clause (i)
15 becomes void whenever either party advises the
16 State agency of an intent to vacate the agree-
17 ment.”.

18 (b) STATE PLAN REQUIREMENTS.—Section 454 (42
19 U.S.C. 654) is amended—

20 (1) by striking paragraph (4) and inserting the
21 following:

22 “(4) provide that such State will undertake—

23 “(A) to provide appropriate services under
24 this part to—

1 “(i) each child with respect to whom
2 an assignment is effective under section
3 402(a)(26), 471(a)(17), or 1912 (except in
4 cases where the State agency determines,
5 in accordance with paragraph (25), that it
6 is against the best interests of the child to
7 do so); and

8 “(ii) each child not described in clause
9 (i)—

10 “(I) with respect to whom an in-
11 dividual applies for such services; and

12 “(II) (on and after October 1,
13 1998) each child with respect to
14 whom a support order is recorded in
15 the central State case registry estab-
16 lished under section 454A, regardless
17 of whether application is made for
18 services under this part; and

19 “(B) to enforce the support obligation es-
20 tablished with respect to the custodial parent of
21 a child described in subparagraph (A) unless
22 the parties to the order which establishes the
23 support obligation have opted, in accordance
24 with section 466(a)(12)(C), for an alternative
25 payment procedure.”; and

1 (2) in paragraph (6)—

2 (A) by striking subparagraph (A) and in-
3 sserting the following:

4 “(A) services under the State plan shall be
5 made available to nonresidents on the same
6 terms as to residents;”;

7 (B) in subparagraph (B)—

8 (i) by inserting “on individuals not re-
9 ceiving assistance under part A” after
10 “such services shall be imposed”; and

11 (ii) by inserting “but no fees or costs
12 shall be imposed on any absent or custo-
13 dial parent or other individual for inclusion
14 in the central State registry maintained
15 pursuant to section 454A(e)”; and

16 (C) in each of subparagraphs (B), (C), and
17 (D)—

18 (i) by indenting such subparagraph
19 and aligning its left margin with the left
20 margin of subparagraph (A); and

21 (ii) by striking the final comma and
22 inserting a semicolon.

23 (c) CONFORMING AMENDMENTS.—

1 (1) Section 452(g)(2)(A) (42 U.S.C.
2 652(g)(2)(A)) is amended by striking “454(6)” each
3 place it appears and inserting “454(4)(A)(ii)”.

4 (2) Section 454(23) (42 U.S.C. 654(23)) is
5 amended, effective October 1, 1998, by striking “in-
6 formation as to any application fees for such services
7 and”.

8 (3) Section 466(a)(3)(B) (42 U.S.C.
9 666(a)(3)(B)) is amended by striking “in the case of
10 overdue support which a State has agreed to collect
11 under section 454(6)” and inserting “in any other
12 case”.

13 (4) Section 466(e) (42 U.S.C. 666(e)) is
14 amended by striking “or (6)”.

15 **SEC. 302. DISTRIBUTION OF PAYMENTS.**

16 (a) DISTRIBUTIONS THROUGH STATE CHILD SUP-
17 PORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE
18 RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is
19 amended—

20 (1) in subparagraph (A)—

21 (A) by inserting “except as otherwise spe-
22 cifically provided in section 464 or 466(a)(3),”
23 after “is effective,”; and

24 (B) by striking “except that” and all that
25 follows through the semicolon; and

1 (2) in subparagraph (B), by striking “, except”
2 and all that follows through “medical assistance”.

3 (b) DISTRIBUTION TO A FAMILY CURRENTLY RE-
4 RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amend-
5 ed—

6 (1) by striking subsection (a) and redesignating
7 subsection (b) as subsection (a);

8 (2) in subsection (a), as redesignated—

9 (A) in the matter preceding paragraph (2),
10 to read as follows:

11 “(a) IN THE CASE OF A FAMILY RECEIVING
12 AFDC.—Amounts collected under this part during any
13 month as support of a child who is receiving assistance
14 under part A (or a parent or caretaker relative of such
15 a child) shall (except in the case of a State exercising the
16 option under subsection (b)) be distributed as follows:

17 “(1) an amount equal to the amount that will
18 be disregarded pursuant to section 402(a)(8)(A)(vi)
19 shall be taken from each of—

20 “(A) amounts received in a month which
21 represent payments for that month; and

22 “(B) amounts received in a month which
23 represent payments for a prior month which
24 were made by the absent parent in the month
25 when due;

1 and shall be paid to the family without affecting its
2 eligibility for assistance or decreasing any amount
3 otherwise payable as assistance to such family dur-
4 ing such month;”;

5 (B) in paragraph (4), by striking “or (B)”
6 and all that follows and inserting “; then (B)”
7 from any remainder, amounts equal to arrear-
8 ages of such support obligations assigned, pur-
9 suant to part A, to any other State or States
10 shall be paid to such other State or States and
11 used to any such arrearages (with appropriate
12 reimbursement of the Federal Government to
13 the extent of its participation in the financing);
14 and then (C) any remainder shall be paid to the
15 family.”.

16 (3) by inserting after subsection (a), as redesign-
17 nated, the following new subsection:

18 “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-
19 ILY RECEIVING AFDC.—In the case of a State electing
20 the option under this subsection, amounts collected as de-
21 scribed in subsection (a) shall be distributed as follows:

22 “(1) an amount equal to the amount that will
23 be disregarded pursuant to section 402(a)(8)(A)(vi)
24 shall be taken from each of—

1 “(A) amounts received in a month which
2 represent payments for that month; and

3 “(B) amounts received in a month which
4 represent payments for a prior month which
5 were made by the absent parent in the month
6 when due;

7 and shall be paid to the family without affecting its
8 eligibility for assistance or decreasing any amount
9 otherwise payable as assistance to such family dur-
10 ing such month;

11 “(2) second, from any remainder, amounts
12 equal to the balance of support owed for the current
13 month shall be paid to the family;

14 “(3) third, from any remainder, amounts equal
15 to arrearages of such support obligations assigned,
16 pursuant to part A, to the State making the collec-
17 tion shall be retained and used by such State to pay
18 any such arrearages (with appropriate reimburse-
19 ment of the Federal Government to the extent of its
20 participation in the financing);

21 “(4) fourth, from any remainder, amounts
22 equal to arrearages of such support obligations as-
23 signed, pursuant to part A, to any other State or
24 States shall be paid to such other State or States
25 and used to pay any such arrearages (with appro-

1 appropriate reimbursement of the Federal Government to
2 the extent of its participation in the financing); and

3 “(5) fifth, any remainder shall be paid to the
4 family.”.

5 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING
6 AFDC.—

7 (1) IN GENERAL.—Section 457(c) (42 U.S.C.
8 657(c)) is amended to read as follows:

9 “(c) IN CASE OF FAMILY NOT RECEIVING AFDC.—
10 Amounts collected by a State agency under this part dur-
11 ing any month as support of a child who is not receiving
12 assistance under part A (or of a parent or caretaker rel-
13 ative of such a child) shall (subject to the remaining provi-
14 sions of this section) be distributed as follows:

15 “(1) first, amounts equal to the total of such
16 support owed for such month shall be paid to the
17 family;

18 “(2) second, from any remainder, amounts
19 equal to arrearages of such support obligations for
20 months during which such child did not receive as-
21 sistance under part A shall be paid to the family;

22 “(3) third, from any remainder, amounts equal
23 to arrearages of such support obligations assigned to
24 the State making the collection pursuant to part A
25 shall be retained and used by such State to pay any

1 such arrearages (with appropriate reimbursement of
2 the Federal Government to the extent of its partici-
3 pation in the financing);

4 “(4) fourth, from any remainder, amounts
5 equal to arrearages of such support obligations as-
6 signed to any other State pursuant to part A shall
7 be paid to such other State or States, and used to
8 pay such arrearages, in the order in which such ar-
9 rearages accrued (with appropriate reimbursement
10 of the Federal Government to the extent of its par-
11 ticipation in the financing).”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by paragraph (1) shall take effect on October 1,
14 1999.

15 (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-
16 ANCE UNDER TITLE IV-E.—Section 457(d) (42 U.S.C.
17 657(d)) is amended, in the matter preceding paragraph
18 (1), by striking “Notwithstanding the preceding provisions
19 of this section, amounts” and inserting the following:

20 “(d) IN CASE OF A CHILD RECEIVING ASSISTANCE
21 UNDER TITLE IV-E.—Amounts”.

22 (e) REGULATIONS.—The Secretary of Health and
23 Human Services shall promulgate regulations—

24 (1) under part D of title IV of the Social Secu-
25 rity Act, establishing a uniform nationwide standard

1 for allocation of child support collections from an ob-
2 ligor owing support to more than one family; and

3 (2) under part A of such title, establishing
4 standards applicable to States electing the alter-
5 native formula under section 457(b) of such Act for
6 distribution of collections on behalf of families re-
7 ceiving Aid to Families with Dependent Children,
8 designed to minimize irregular monthly payments to
9 such families.

10 (f) CLERICAL AMENDMENT.—Section 454 (42 U.S.C.
11 654) is amended—

12 (1) in paragraph (11), by striking “(11)” and
13 inserting “(11)(A)”; and

14 (2) by redesignating paragraph (12) as sub-
15 paragraph (B) of paragraph (11).

16 (g) MANDATORY CHILD SUPPORT PASS-THROUGH.—

17 (1) IN GENERAL.—Section 402(a)(8)(A)(vi) (42
18 U.S.C. 602(a)(8)(A)(vi)) is amended—

19 (A) by striking “\$50” each place such
20 term appears and inserting “\$50, or, if greater,
21 \$50 adjusted by the CPI (as prescribed in sec-
22 tion 406(i));”; and

23 (B) by striking the semicolon at the end
24 and inserting “or, in lieu of each dollar amount
25 specified in this clause, such greater amount as

1 the State may choose (and provide for in its
2 State plan);”.

3 (2) CPI ADJUSTMENT.—Section 406 (42
4 U.S.C. 606) is amended by adding at the end the
5 following:

6 “(i) For purposes of this part, an amount is ‘adjusted
7 by the CPI’ for any month in a calendar year by multiply-
8 ing the amount involved by the ratio of—

9 “(1) the Consumer Price Index (as prepared by
10 the Department of Labor) for the third quarter of
11 the preceding calendar year, to

12 “(2) such Consumer Price Index for the third
13 quarter of calendar year 1996,

14 and rounding the product, if not a multiple of \$10, to the
15 nearer multiple of \$10.”.

16 **SEC. 303. DUE PROCESS RIGHTS.**

17 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
18 amended by section 102(f) of this Act, is amended by in-
19 serting after paragraph (11) the following new paragraph:

20 “(12) provide for procedures to ensure that—

21 “(A) individuals who are applying for or
22 receiving services under this part, or are parties
23 to cases in which services are being provided
24 under this part—

1 “(i) receive notice of all proceedings in
2 which support obligations might be estab-
3 lished or modified; and

4 “(ii) receive a copy of any order estab-
5 lishing or modifying a child support obliga-
6 tion, or (in the case of a petition for modi-
7 fication) a notice of determination that
8 there should be no change in the amount
9 of the child support award, within 14 days
10 after issuance of such order or determina-
11 tion;

12 “(B) individuals applying for or receiving
13 services under this part have access to a fair
14 hearing that meets standards established by the
15 Secretary and ensures prompt consideration
16 and resolution of complaints (but the resort to
17 such procedure shall not stay the enforcement
18 of any support order); and

19 “(C)(i) individuals adversely affected by
20 the establishment or modification of (or, in the
21 case of a petition for modification, the deter-
22 mination that there should be no change in) a
23 child support order shall be afforded not less
24 than 30 days after the receipt of the order or

1 determination to initiate proceedings to chal-
2 lenge such order or determination; and

3 “(ii) the State may not provide to any
4 noncustodial parent of a child representation re-
5 lating to the establishment or modification of
6 an order for the payment of child support with
7 respect to that child, unless the State makes
8 provision for such representation outside the
9 State agency;”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall become effective on October 1, 1997.

12 **SEC. 304. PRIVACY SAFEGUARDS.**

13 (a) STATE PLAN REQUIREMENT.—Section 454 (42
14 U.S.C. 454) is amended—

15 (1) by striking “and” at the end of paragraph
16 (23);

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

19 (3) by adding after paragraph (24) the follow-
20 ing:

21 “(25) will have in effect safeguards applicable
22 to all sensitive and confidential information handled
23 by the State agency designed to protect the privacy
24 rights of the parties, including—

1 “(A) safeguards against unauthorized use
2 or disclosure of information relating to proceed-
3 ings or actions to establish paternity, or to es-
4 tablish or enforce support;

5 “(B) prohibitions on the release of infor-
6 mation on the whereabouts of one party to an-
7 other party against whom a protective order
8 with respect to the former party has been en-
9 tered; and

10 “(C) prohibitions on the release of infor-
11 mation on the whereabouts of one party to an-
12 other party if the State has reason to believe
13 that the release of the information may result
14 in physical or emotional harm to the former
15 party.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall become effective on October 1, 1997.

18 **Subtitle B—Program**
19 **Administration and Funding**

20 **SEC. 311. FEDERAL MATCHING PAYMENTS.**

21 (a) INCREASED BASE MATCHING RATE.—Section
22 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
23 follows:

24 “(2) The applicable percent for a quarter for
25 purposes of paragraph (1)(A) is—

1 payments to States for fiscal years prior to fis-
2 cal year 1999.

3 (2) PENALTY REDUCTIONS.—

4 (A) The amendments made by subsection
5 (d) shall become effective with respect to cal-
6 endar quarters beginning on and after the date
7 of enactment of this Act.

8 (B) The amendments made by subsection
9 (e) shall become effective with respect to cal-
10 endar quarters beginning on and after the date
11 one year after the date of enactment of this
12 Act.

13 **SEC. 313. FEDERAL AND STATE REVIEWS AND AUDITS.**

14 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
15 U.S.C. 654) is amended—

16 (1) in paragraph (14), by striking “(14)” and
17 insert “(14)(A)”;

18 (2) by redesignating paragraph (15) as sub-
19 paragraph (B) of paragraph (14); and

20 (3) by inserting after paragraph (14) the fol-
21 lowing new paragraph:

22 “(15) provide for—

23 “(A) a process for annual reviews of and
24 reports to the Secretary on the State program
25 under this part, which shall include such infor-

1 mation as may be necessary to measure State
2 compliance with Federal requirements for expedited
3 procedures and timely case processing,
4 using such standards and procedures as are required
5 by the Secretary, under which the State
6 agency will determine the extent to which such
7 program is in conformity with applicable requirements
8 with respect to the operation of State programs
9 under this part (including the status of complaints
10 filed under the procedure required under paragraph
11 (12)(B)); and

12 “(B) a process of extracting from the
13 State automated data processing system and transmitting
14 to the Secretary data and calculations concerning the
15 levels of accomplishment (and rates of improvement)
16 with respect to applicable performance indicators
17 (including IV-D paternity establishment percentages
18 and overall performance in child support enforcement)
19 to the extent necessary for purposes of sections
20 452(g) and 458.”.

22 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
23 U.S.C. 652(a)(4)) is amended to read as follows:

24 “(4)(A) review data and calculations transmitted
25 by State agencies pursuant to section

1 454(15)(B) on State program accomplishments with
2 respect to performance indicators for purposes of
3 section 452(g) and 458, and determine the amount
4 (if any) of penalty reductions pursuant to section
5 455(c) to be applied to the State;

6 “(B) review annual reports by State agencies
7 pursuant to section 454(15)(A) on State program
8 conformity with Federal requirements; evaluate any
9 elements of a State program in which significant de-
10 ficiencies are indicated by such report on the status
11 of complaints under the State procedure under sec-
12 tion 454(12)(B); and, as appropriate, provide to the
13 State agency comments, recommendations for addi-
14 tional or alternative corrective actions, and technical
15 assistance; and

16 “(C) conduct audits, in accordance with the
17 government auditing standards of the United States
18 Comptroller General—

19 “(i) at least once every 3 years (or more
20 frequently, in the case of a State which fails to
21 meet requirements of this part, or of regula-
22 tions implementing such requirements, concern-
23 ing performance standards and reliability of
24 program data) to assess the completeness, reli-
25 ability, and security of the data, and the accu-

1 racy of the reporting systems, used for the cal-
2 culations of performance indicators specified in
3 subsection (g) and section 458;

4 “(ii) of the adequacy of financial manage-
5 ment of the State program, including assess-
6 ments of—

7 “(I) whether Federal and other funds
8 made available to carry out the State pro-
9 gram under this part are being appro-
10 priately expended, and are properly and
11 fully accounted for; and

12 “(II) whether collections and disburse-
13 ments of support payments and program
14 income are carried out correctly and are
15 properly and fully accounted for; and

16 “(iii) for such other purposes as the Sec-
17 retary may find necessary;”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall be effective with respect to calendar
20 quarters beginning on or after the date one year after en-
21 actment of this section.

22 **SEC. 314. REQUIRED REPORTING PROCEDURES.**

23 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
24 652(a)(5)) is amended by inserting “, and establish proce-
25 dures to be followed by States for collecting and reporting

1 information required to be provided under this part, and
2 establish uniform definitions (including those necessary to
3 enable the measurement of State compliance with the re-
4 quirements of this part relating to expedited processes and
5 timely case processing) to be applied in following such pro-
6 cedures” before the semicolon.

7 (b) STATE PLAN REQUIREMENT.—Section 454 (42
8 U.S.C. 654), as amended by section 104(a) of this Act,
9 is amended—

10 (1) by striking “and” at the end of paragraph
11 (24);

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

14 (3) by adding after paragraph (25) the follow-
15 ing:

16 “(26) provide that the State shall use the defi-
17 nitions established under section 452(a)(5) in col-
18 lecting and reporting information as required under
19 this part.”.

20 **SEC. 315. AUTOMATED DATA PROCESSING REQUIREMENTS.**

21 (a) REVISED REQUIREMENTS.—

22 (1) Section 454(16) (42 U.S.C. 654(16)) is
23 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 (2) Part D of title IV (42 U.S.C. 651–669) is
12 amended by inserting after section 454 the following
13 new section:

14 “AUTOMATED DATA PROCESSING

15 “SEC. 454A. (a) IN GENERAL.—In order to meet the
16 requirements of this section, for purposes of the require-
17 ment of section 454(16), a State agency shall have in op-
18 eration a single statewide automated data processing and
19 information retrieval system which has the capability to
20 perform the tasks specified in this section, and perform
21 such tasks with the frequency and in the manner specified
22 in this part or in regulations or guidelines of the Sec-
23 retary.

24 “(b) PROGRAM MANAGEMENT.—The automated sys-
25 tem required under this section shall perform such func-

1 tions as the Secretary may specify relating to management
2 of the program under this part, including—

3 “(1) controlling and accounting for use of Fed-
4 eral, State, and local funds to carry out such pro-
5 gram; and

6 “(2) maintaining the data necessary to meet
7 Federal reporting requirements on a timely basis.

8 “(c) CALCULATION OF PERFORMANCE INDICA-
9 TORS.—In order to enable the Secretary to determine the
10 incentive and penalty adjustments required by sections
11 452(g) and 458, the State agency shall—

12 “(1) use the automated system—

13 “(A) to maintain the requisite data on
14 State performance with report to paternity es-
15 tablishment and child support enforcement in
16 the State; and

17 “(B) to calculate the IV-D paternity es-
18 tablishment percentage and overall performance
19 in child support enforcement for the State for
20 each fiscal year; and

21 “(2) have in place systems controls to ensure
22 the completeness, and reliability of, and ready access
23 to, the data described in paragraph (1)(A), and the
24 accuracy of the calculations described in paragraph
25 (1)(B).

1 “(d) INFORMATION INTEGRITY AND SECURITY.—The
2 State agency shall have in effect safeguards on the integ-
3 rity, accuracy, and completeness of, access to, and use of
4 data in the automated system required under this section,
5 which shall include the following (in addition to such other
6 safeguards as the Secretary specifies in regulations):

7 “(1) POLICIES RESTRICTING ACCESS.—Written
8 policies concerning access to data by State agency
9 personnel, and sharing of data with other persons,
10 which—

11 “(A) permit access to and use of data only
12 to the extent necessary to carry out program re-
13 sponsibilities;

14 “(B) specify the data which may be used
15 for particular program purposes, and the per-
16 sonnel permitted access to such data; and

17 “(C) ensure that data obtained or disclosed
18 for a limited program purpose is not used or
19 redisclosed for another, impermissible purpose.

20 “(2) SYSTEMS CONTROLS.—Systems controls
21 (such as passwords or blocking of fields) to ensure
22 strict adherence to the policies specified under para-
23 graph (1).

24 “(3) MONITORING OF ACCESS.—Routine mon-
25 itoring of access to and use of the automated sys-

1 tem, through methods such as audit trails and feed-
2 back mechanism, to guard against and promptly
3 identify unauthorized access or use.

4 “(4) TRAINING AND INFORMATION.—The State
5 agency shall have in effect procedures to ensure that
6 all personnel (including State and local agency staff
7 and contractors) who may have access to or be re-
8 quired to use sensitive or confidential program data
9 are fully informed of applicable requirements and
10 penalties, and are adequately trained in security pro-
11 cedures.

12 “(5) PENALTIES.—The State agency shall have
13 in effect administrative penalties (up to and includ-
14 ing dismissal from employment) for unauthorized ac-
15 cess to, or disclosure or use of, confidential data.”.

16 (3) REGULATIONS.—Section 452 (42 U.S.C.
17 652) is amended by adding at the end the following:

18 “(j) The Secretary shall prescribe final regulations
19 for implementation of the requirements of section 454A
20 not later than 2 years after the date of enactment of this
21 subsection.”.

22 (4) IMPLEMENTATION TIMETABLE.—Section
23 454(24) (42 U.S.C. 654(24)), as amended by sec-
24 tions 304(a)(2) and 314(b)(1) of this Act, is amend-
25 ed to read as follows:

1 “(24) provide that the State will have in effect
2 an automated data processing and information re-
3 trieval system—

4 “(A) by October 1, 1995, meeting all re-
5 quirements of this part which were enacted on
6 or before the date of enactment of the Family
7 Support Act of 1988; and

8 “(B) by October 1, 1999, meeting all re-
9 quirements of this part enacted on or before the
10 date of enactment of this Act.

11 (but this provision shall not be construed to alter
12 earlier deadlines specified for elements of such sys-
13 tem), except that such deadline shall be extended by
14 1 day for each day (if any) by which the Secretary
15 fails to meet the deadline imposed by section
16 452(j);”.

17 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
18 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section
19 455(a) (42 U.S.C. 655(a)) is amended—

20 (1) in paragraph (1)(B)—

21 (A) by striking “90 percent” and inserting
22 “the percent specified in paragraph (3)”;

23 (B) by striking “so much of”; and

24 (C) by striking “which the Secretary” and
25 all that follows and inserting “, and”; and

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

3 “(3)(A) The Secretary shall pay to each State, for
4 each quarter in fiscal year 1996, 90 percent of so much
5 of State expenditures described in subparagraph (1)(B) as
6 the Secretary finds are for a system meeting the require-
7 ments specified in section 454(16), or meeting such re-
8 quirements without regard to clause (D) thereof.

9 “(B)(i) The Secretary shall pay to each State, for
10 each quarter in fiscal years 1997 through 2001, the per-
11 centage specified in clause (ii) of so much of State expend-
12 itures described in subparagraph (1)(B) as the Secretary
13 finds are for a system meeting the requirements specified
14 in section 454(16) and 454A, subject to clause (iii).

15 “(ii) The percentage specified in this clause, for pur-
16 poses of clause (i), is the higher of—

17 “(I) 80 percent, or

18 “(II) the percentage otherwise applicable to
19 Federal payments to the State under subparagraph
20 (A) (as adjusted pursuant to section 458).”.

21 (c) CONFORMING AMENDMENT.—Section 123(c) of
22 the Family Support Act of 1988 (102 Stat. 2352; Public
23 Law 100-485) is repealed.

24 (d) ADDITIONAL PROVISIONS.—For additional provi-
25 sions of section 454A, as added by subsection (a) of this

1 section, see the amendments made by sections 21, 322(c),
2 and 333(d) of this Act.

3 **SEC. 316. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.**

4 (a) REPORTING TO SECRETARY.—Section 452(a) (42
5 U.S.C. 652(a)) is amended in the matter preceding para-
6 graph (1) by striking “directly”.

7 (b) STAFFING STUDIES.—

8 (1) SCOPE.—The Secretary of Health and
9 Human Services shall, directly or by contract, con-
10 duct studies of the staffing of each State child sup-
11 port enforcement program under part D of title IV
12 of the Social Security Act. Such studies shall include
13 a review of the staffing needs created by require-
14 ments for automated data processing, maintenance
15 of a central case registry and centralized collections
16 of child support, and of changes in these needs re-
17 sulting from changes in such requirements. Such
18 studies shall examine and report on effective staffing
19 practices used by the States and on recommended
20 staffing procedures.

21 (2) FREQUENCY OF STUDIES.—The Secretary
22 shall complete the first staffing study required under
23 paragraph (1) by October 1, 1997, and may conduct
24 additional studies subsequently at appropriate inter-
25 vals.

1 (3) REPORT TO THE CONGRESS.—The Sec-
2 retary shall submit a report to the Congress stating
3 the findings and conclusions of each study conducted
4 under this subsection.

5 **SEC. 317. FUNDING FOR SECRETARIAL ASSISTANCE TO**
6 **STATE PROGRAMS.**

7 Section 452 (42 U.S.C. 652), as amended by section
8 115(a)(3) of this Act, is amended by adding at the end
9 the following new subsection:

10 “(k) FUNDING FOR FEDERAL ACTIVITIES ASSISTING
11 STATE PROGRAMS.—(1) There shall be available to the
12 Secretary, from amounts appropriated for fiscal year 1996
13 and each succeeding fiscal year for payments to States
14 under this part, the amount specified in paragraph (2) for
15 the costs to the Secretary for—

16 “(A) information dissemination and technical
17 assistance to States, training of State and Federal
18 staff, staffing studies, and related activities needed
19 to improve programs (including technical assistance
20 concerning State automated systems);

21 “(B) research, demonstration, and special
22 projects of regional or national significance relating
23 to the operation of State programs under this part;
24 and

1 “(C) operation of the Federal Parent Locator
2 Service under section 453, to the extent such costs
3 are not recovered through user fees.

4 “(2) The amount specified in the paragraph for a fis-
5 cal year is the amount equal to a percentage of the reduc-
6 tion in Federal payments to States under part A on ac-
7 count of child support (including arrearages) collected in
8 the preceding fiscal year on behalf of children receiving
9 aid under such part A in such preceding fiscal year (as
10 determined on the basis of the most recent reliable data
11 available to the Secretary as of the end of the third cal-
12 endar quarter following the end of such preceding fiscal
13 year), equal to—

14 “(A) 1 percent, for the activities specified in
15 subparagraphs (A) and (B) of paragraph (1); and

16 “(B) 2 percent, for the activities specified in
17 subparagraph (C) of paragraph (1).”.

18 **SEC. 318. REPORTS AND DATA COLLECTION BY THE SEC-**
19 **RETARY.**

20 (a) ANNUAL REPORT TO CONGRESS.—(1) Section
21 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

22 (A) by striking “this part;” and inserting “this
23 part, including—”; and

24 (B) by adding at the end the following indented
25 clauses:

1 “(i) the total amount of child support
2 payments collected as a result of services
3 furnished during such fiscal year to indi-
4 viduals receiving services under this part;

5 “(ii) the cost to the States and to the
6 Federal Government of furnishing such
7 services to those individuals; and

8 “(iii) the number of cases involving
9 families—

10 “(I) who became ineligible for aid
11 under part A during a month in such
12 fiscal year; and

13 “(II) with respect to whom a
14 child support payment was received in
15 the same month;”.

16 (2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C))
17 is amended—

18 (A) in the matter preceding clause (i)—

19 (i) by striking “with the data required
20 under each clause being separately stated for
21 cases” and inserting “separately stated for (1)
22 cases”;

23 (ii) by striking “cases where the child was
24 formerly receiving” and inserting “or formerly
25 received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all other”;
4 (B) in each of clauses (i) and (ii), by striking
5 “, and the total amount of such obligations”;

6 (C) in clause (iii), by striking “described in”
7 and all that follows and inserting “in which support
8 was collected during the fiscal year;”;

9 (D) by striking clause (iv); and

10 (E) by redesignating clause (v) as clause (vii),
11 and inserting after clause (iii) the following new
12 clauses:

13 “(iv) the total amount of support col-
14 lected during such fiscal year and distrib-
15 uted as current support;

16 “(v) the total amount of support col-
17 lected during such fiscal year and distrib-
18 uted as arrearages;

19 “(vi) the total amount of support due
20 and unpaid for all fiscal years; and”.

21 (3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G))
22 is amended by striking “on the use of Federal courts
23 and”.

24 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is
25 amended by striking all that follows subparagraph (I).

1 (b) DATA COLLECTION AND REPORTING.—Section
2 469 (42 U.S.C. 669) is amended—

3 (1) by striking subsections (a) and (b) and in-
4 serting the following:

5 “(a) The Secretary shall collect and maintain, on a
6 fiscal year basis, up-to-date statistics, by State, with re-
7 spect to services to establish paternity and services to es-
8 tablish child support obligations, the data specified in sub-
9 section (b), separately stated, in the case of each such
10 service, with respect to—

11 “(1) families (or dependent children) receiving
12 aid under plans approved under part A (or E); and

13 “(2) families not receiving such aid.

14 “(b) The data referred to in subsection (a) are—

15 “(1) the number of cases in the caseload of the
16 State agency administering the plan under this part
17 in which such service is needed; and

18 “(2) the number of such cases in which the
19 service has been provided.”; and

20 (2) in subsection (c), by striking “(a)(2)” and
21 inserting “(b)(2)”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall be effective with respect to fiscal year
24 1996 and succeeding fiscal years.

1 **Subtitle C—Locate and Case**
2 **Tracking**

3 **SEC. 321. CENTRAL STATE AND CASE REGISTRY.**

4 Section 454A, as added by section 315(a)(2) of this
5 Act, is amended by adding at the end the following:

6 “(e) CENTRAL CASE REGISTRY.—

7 “(1) IN GENERAL.—The automated system re-
8 quired under this section shall perform the func-
9 tions, in accordance with the provisions of this sub-
10 section, of a single central registry containing
11 records with respect to each case in which services
12 are being provided by the State agency (including,
13 on and after October 1, 1998, each order specified
14 in section 466(a)(12)), using such standardized data
15 elements (such as names, social security numbers or
16 other uniform identification numbers, dates of birth,
17 and case identification numbers), and containing
18 such other information (such as information on case
19 status) as the Secretary may require.

20 “(2) PAYMENT RECORDS.—Each case record in
21 the central registry shall include a record of—

22 “(A) the amount of monthly (or other peri-
23 odic) support owed under the support order,
24 and other amounts due or overdue (including

1 arrears, interest or late payment penalties, and
2 fees);

3 “(B) the date on which or circumstances
4 under which the support obligation will termi-
5 nate under such order;

6 “(C) all child support and related amounts
7 collected (including such amounts as fees, late
8 payment penalties, and interest on arrearages);

9 “(D) the distribution of such amounts col-
10 lected; and

11 “(E) the birth date of the child for whom
12 the child support order is entered.

13 “(3) UPDATING AND MONITORING.—The State
14 agency shall promptly establish and maintain, and
15 regularly monitor, case records in the registry re-
16 quired by this subsection, on the basis of—

17 “(A) information on administrative actions
18 and administrative and judicial proceedings and
19 orders relating to paternity and support;

20 “(B) information obtained from matches
21 with Federal, State, or local data sources;

22 “(C) information on support collections
23 and distributions; and

24 “(D) any other relevant information.

1 “(f) DATA MATCHES AND OTHER DISCLOSURES OF
2 INFORMATION.—The automated system required under
3 this section shall have the capacity, and be used by the
4 State agency, to extract data at such times, and in such
5 standardized format or formats, as may be required by
6 the Secretary, and to share and match data with, and re-
7 ceive data from, other data bases and data matching serv-
8 ices, in order to obtain (or provide) information necessary
9 to enable the State agency (or Secretary or other State
10 or Federal agencies) to carry out responsibilities under
11 this part. Data matching activities of the State agency
12 shall include at least the following:

13 “(1) DATA BANK OF CHILD SUPPORT OR-
14 DERS.—Furnish to the Data Bank of Child Support
15 Orders established under section 453(h) (and update
16 as necessary, with information including notice of
17 expiration of orders) minimal information (to be
18 specified by the Secretary) on each child support
19 case in the central case registry.

20 “(2) FEDERAL PARENT LOCATOR SERVICE.—
21 Exchange data with the Federal Parent Locator
22 Service for the purposes specified in section 453.

23 “(3) AFDC AND MEDICAID AGENCIES.—Ex-
24 change data with State agencies (of the State and
25 of other States) administering the programs under

1 part A and title XIX, as necessary for the perform-
 2 ance of State agency responsibilities under this part
 3 and under such programs.

4 “(4) INTRA- AND INTERSTATE DATA
 5 MATCHES.—Exchange data with other agencies of
 6 the State, agencies of other States, and interstate
 7 information networks, as necessary and appropriate
 8 to carry out (or assist other States to carry out) the
 9 purposes of this part.”.

10 **SEC. 322. CENTRALIZED COLLECTION AND DISBURSEMENT**
 11 **OF SUPPORT PAYMENTS.**

12 (a) STATE PLAN REQUIREMENT.—Section 454 (42
 13 U.S.C. 654), as amended by sections 304(a) and 314(b)
 14 of this Act, is amended—

15 (1) by striking “and” at the end of paragraph
 16 (25);

17 (2) by striking the period at the end of para-
 18 graph (26) and inserting “; and”; and

19 (3) by adding after paragraph (26) the follow-
 20 ing new paragraph:

21 “(27) provide that the State agency, on and
 22 after October 1, 1998—

23 “(A) will operate a centralized, automated
 24 unit for the collection and disbursement of child

1 support under orders being enforced under this
2 part, in accordance with section 454B; and

3 “(B) will have sufficient State staff (con-
4 sisting of State employees), and (at State op-
5 tion) contractors reporting directly to the State
6 agency to monitor and enforce support collec-
7 tions through such centralized unit, including
8 carrying out the automated data processing re-
9 sponsibilities specified in section 454A(g) and
10 to impose, as appropriate in particular cases,
11 the administrative enforcement remedies speci-
12 fied in section 466(c)(1).”

13 (b) ESTABLISHMENT OF CENTRALIZED COLLECTION
14 UNIT.—Part D of title IV (42 U.S.C. 651–669) is amend-
15 ed by adding after section 454A the following new section:

16 “CENTRALIZED COLLECTION AND DISBURSEMENT OF
17 SUPPORT PAYMENTS

18 “SEC. 454B. (a) IN GENERAL.—In order to meet the
19 requirement of section 454(27), the State agency must op-
20 erate a single centralized, automated unit for the collection
21 and disbursement of support payments, coordinated with
22 the automated data system required under section 454A,
23 in accordance with the provisions of this section, which
24 shall be—

25 “(1) operated directly by the State agency (or
26 by two or more State agencies under a regional co-

1 operative agreement), or by a single contractor re-
2 sponsible directly to the State agency; and

3 “(2) used for the collection and disbursement
4 (including interstate collection and disbursement) of
5 payments under support orders in all cases being en-
6 forced by the State pursuant to section 454(4).

7 “(b) REQUIRED PROCEDURES.—The centralized col-
8 lections unit shall use automated procedures, electronic
9 processes, and computer-driven technology to the maxi-
10 mum extent feasible, efficient, and economical, for the col-
11 lection and disbursement of support payments, including
12 procedures—

13 “(1) for receipt of payments from parents, em-
14 ployers, and other States, and for disbursements to
15 custodial parents and other obligees, the State agen-
16 cy, and the State agencies of other States;

17 “(2) for accurate identification of payments;

18 “(3) to ensure prompt disbursement of the cus-
19 todial parent’s share of any payment; and

20 “(4) to furnish to either parent, upon request,
21 timely information on the current status of support
22 payments.”.

23 “(c) USE OF AUTOMATED SYSTEM.—Section 454A, as
24 added by section 315(a)(2) of this Act and as amended

1 by section 321 of this Act, is amended by adding at the
2 end the following new subsection:

3 “(g) CENTRALIZED COLLECTION AND DISTRIBUTION
4 OF SUPPORT PAYMENTS.—The automated system re-
5 quired under this section shall be used, to the maximum
6 extent feasible, to assist and facilitate collections and dis-
7 bursement of support payments through the centralized
8 collections unit operated pursuant to section 454B,
9 through the performance of functions including at a mini-
10 mum—

11 “(1) generation of orders and notices to em-
12 ployers (and other debtors) for the withholding of
13 wages (and other income)—

14 “(A) within two working days after receipt
15 (from the directory of New Hires established
16 under section 453(i) or any other source) of no-
17 tice of and the income source subject to such
18 withholding; and

19 “(B) using uniform formats directed by
20 the Secretary;

21 “(2) ongoing monitoring to promptly identify
22 failures to make timely payment; and

23 “(3) automatic use of enforcement mechanisms
24 (including mechanisms authorized pursuant to sec-
25 tion 466(c)) where payments are not timely made.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall become effective on October 1, 1998.

3 **SEC. 323. AMENDMENTS CONCERNING INCOME WITHHOLD-**
4 **ING.**

5 (a) MANDATORY INCOME WITHHOLDING.—(1) Sec-
6 tion 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read
7 as follows:

8 “(1) INCOME WITHHOLDING.—

9 (A) UNDER ORDERS ENFORCED UNDER
10 THE STATE PLAN.—Procedures described in
11 subsection (b) for the withholding from income
12 of amounts payable as support in cases subject
13 to enforcement under the State plan.

14 “(B) UNDER CERTAIN ORDERS PREDATING
15 CHANGE IN REQUIREMENT.—Procedures under
16 which all child support orders issued (or modi-
17 fied) before October 1, 1996, and which are not
18 otherwise subject to withholding under sub-
19 section (b), shall become subject to withholding
20 from wages as provided in subsection (b) if ar-
21 rearages occur, without the need for a judicial
22 or administrative hearing.”

23 (2) Section 466(a)(8) (42 U.S.C. 666(a)(8)) is re-
24 pealed.

25 (3) Section 466(b) (42 U.S.C. 666(b)) is amended—

1 (A) in the matter preceding paragraph (1), by
2 striking “subsection (a)(1)” and inserting “sub-
3 section (a)(1)(A)”;

4 (B) in paragraph (5), by striking all that fol-
5 lows “administered by” and inserting “the State
6 through the centralized collections unit established
7 pursuant to section 454B, in accordance with the re-
8 quirements of such section 454B.”;

9 (C) in paragraph (6)(A)(i)—

10 (i) in inserting “, in accordance with time-
11 tables established by the Secretary,” after
12 “must be required”; and

13 (ii) by striking “to the appropriate agency”
14 and all that follows and inserting “to the State
15 centralized collections unit within 5 working
16 days after the date such amount would (but for
17 this subsection) have been paid or credited to
18 the employee, for distribution in accordance
19 with this part.”;

20 (D) in paragraph (6)(A)(ii), by inserting “be in
21 a standard format prescribed by the Secretary, and”
22 after “shall”; and

23 (E) in paragraph (6)(D)—

24 (i) by striking “employer who discharges”
25 and inserting “employer who—(A) discharges”;

1 (ii) by relocating subparagraph (A), as des-
2 gnated, as an indented subparagraph after and
3 below the introductory matter;

4 (iii) by striking the period at the end; and

5 (iv) by adding after and below subpara-
6 graph (A) the following new subparagraph:

7 “(B) fails to withhold support from wages,
8 or to pay such amounts to the State centralized
9 collections unit in accordance with this sub-
10 section.”.

11 (b) CONFORMING AMENDMENT.—Section 466(c) (42
12 U.S.C. 666(c)) is repealed.

13 (c) DEFINITION OF TERMS.—The Secretary shall
14 promulgate regulations providing definitions, for purposes
15 of part D of title IV of the Social Security Act, for the
16 term “income” and for such other terms relating to in-
17 come withholding under section 466(b) of such Act as the
18 Secretary may find it necessary or advisable to define.

19 **SEC. 324. LOCATOR INFORMATION FROM INTERSTATE**
20 **NETWORKS.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by
22 section 323(a)(2) of this Act, is amended by inserting
23 after paragraph (7) the following new paragraph:

24 “(8) LOCATOR INFORMATION FROM INTER-
25 STATE NETWORKS.—Procedures ensuring that the

1 State will neither provide funding for, nor use for
2 any purpose (including any purpose unrelated to the
3 purposes of this part), any automated interstate net-
4 work or system used to locate individuals—

5 “(A) for purposes relating to the use of
6 motor vehicles; or

7 “(B) providing information for law en-
8 forcement purposes (where child support en-
9 forcement agencies are otherwise allowed access
10 by State and Federal law),

11 unless all Federal and State agencies administering
12 programs under this part (including the entities es-
13 tablished under section 453) have access to informa-
14 tion in such system or network to the same extent
15 as any other user of such system or network.”.

16 **SEC. 325. EXPANDED FEDERAL PARENT LOCATOR SERVICE.**

17 (a) **EXPANDED AUTHORITY TO LOCATE INDIVID-**
18 **UALS AND ASSETS.**—Section 453 (42 U.S.C. 653) is
19 amended—

20 (1) in subsection (a), by striking all that follows

21 “subsection (c))” and inserting the following:

22 “, for the purpose of establishing parentage, establishing,
23 setting the amount of, modifying, or enforcing child sup-
24 port obligations—

1 “(1) information on, or facilitating the discov-
2 ery of, the location of any individual—

3 “(A) who is under an obligation to pay
4 child support;

5 “(B) against whom such an obligation is
6 sought; or

7 “(C) to whom such an obligation is owed,
8 including such individual’s social security num-
9 ber (or numbers), most recent residential ad-
10 dress, and the name, address, and employer
11 identification number of such individual’s em-
12 ployer; and

13 “(2) information on the individual’s wages (or
14 other income) from, and benefits of, employment (in-
15 cluding rights to or enrollment in group health care
16 coverage); and

17 “(3) information on the type, status, location,
18 and amount of any assets of, or debts owed by or
19 to, any such individual.”; and

20 (2) in subsection (b)—

21 (A) in the matter preceding paragraph (1),
22 by striking “social security” and all that follows
23 through “absent parent” and inserting “infor-
24 mation specified in subsection (a)”;

1 (B) in paragraph (2), by inserting before
2 the period “, or from any consumer reporting
3 agency (as defined in section 603(f) of the Fair
4 Credit Reporting Act (15 U.S.C. 1681a(f))”;

5 (3) in subsection (e)(1), by inserting before the
6 period “, or by consumer reporting agencies”.

7 (b) REIMBURSEMENT FOR DATA FROM FEDERAL
8 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is
9 amended in the fourth sentence by inserting before the
10 period “in an amount which the Secretary determines to
11 be reasonable payment for the data exchange (which
12 amount shall not include payment for the costs of obtain-
13 ing, compiling, or maintaining the data)”.

14 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR
15 CREDIT REPORTING ACT.—

16 (1) Section 608 of the Fair Credit Reporting
17 Act (15 U.S.C. 1681f) is amended—

18 (A) by striking “, limited to” and inserting
19 “to a governmental agency (including the entire
20 consumer report, in the case of a Federal,
21 State, or local agency administering a program
22 under part D of title IV of the Social Security
23 Act, and limited to”;

1 (B) by striking “employment, to a govern-
2 mental agency” and inserting “employment, in
3 the case of any other governmental agency)”.

4 (2) REIMBURSEMENT FOR REPORTS BY STATE
5 AGENCIES AND CREDIT BUREAUS.—Section 453 (42
6 U.S.C. 653) is amended by adding at the end the
7 following new subsection:

8 “(g) The Secretary is authorized to reimburse costs
9 to State agencies and consumer credit reporting agencies
10 the costs incurred by such entities in furnishing informa-
11 tion requested by the Secretary pursuant to this section
12 in an amount which the Secretary determines to be rea-
13 sonable payment for the data exchange (which amount
14 shall not include payment for the costs of obtaining, com-
15 piling, or maintaining the data).”.

16 (d) DISCLOSURE OF TAX RETURN INFORMATION.—
17 (1) Section 6103(1)(6)(A)(ii) of the Internal Revenue
18 Code of 1986 is amended by striking “, but only if” and
19 all that follows and inserting a period.

20 (2) Section 6103(1)(8)(A) of the Internal Revenue
21 Code of 1986 is amended by inserting “Federal,” before
22 “State or local”.

23 (e) TECHNICAL AMENDMENTS.—

24 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
25 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),

1 663(a), and 663(e)) are each amended by inserting
2 “Federal” before “Parent” each place it appears.

3 (2) Section 453 (42 U.S.C. 653) is amended in
4 the heading by adding “FEDERAL” before “PAR-
5 ENT”.

6 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
7 653), as amended by subsection (c)(2) of this section, is
8 amended by adding at the end the following:

9 “(h) DATA BANK OF CHILD SUPPORT ORDERS.—

10 “(1) IN GENERAL.—Not later than October 1,
11 1998, In order to assist States in administering
12 their State plans under this part and parts A, F,
13 and G, and for the other purposes specified in this
14 section, the Secretary shall establish and maintain in
15 the Federal Parent Locator Service an automated
16 registry to be known as the Data Bank of Child
17 Support Orders, which shall contain abstracts of
18 child support orders and other information described
19 in paragraph (2) on each case in each State central
20 case registry maintained pursuant to section
21 454A(e), as furnished (and regularly updated), pur-
22 suant to section 454A(f), by State agencies admin-
23 istering programs under this part.

24 “(2) CASE INFORMATION.—The information re-
25 ferred to in paragraph (1), as specified by the Sec-

1 retary, shall include sufficient information (including
2 names, social security numbers or other uniform
3 identification numbers, and State case identification
4 numbers) to identify the individuals who owe or are
5 owed support (or with respect to or on behalf of
6 whom support obligations are sought to be estab-
7 lished), and the State or States which have estab-
8 lished or modified, or are enforcing or seeking to es-
9 tablish, such an order.

10 “(i) DIRECTORY OF NEW HIRES.—

11 “(1) IN GENERAL.—Not later than October 1,
12 1998, In order to assist States in administering
13 their State plans under this part and parts A, F,
14 and G, and for the other purposes specified in this
15 section, the Secretary shall establish and maintain in
16 the Federal Parent Locator Service an automated
17 directory to be known as the directory of New Hires,
18 containing—

19 “(A) information supplied by employers on
20 each newly hired individual, in accordance with
21 paragraph (2); and

22 “(B) information supplied by State agen-
23 cies administering State unemployment com-
24 pensation laws, in accordance with paragraph
25 (3).

1 “(2) EMPLOYER INFORMATION.—

2 “(A) INFORMATION REQUIRED.—Subject
3 to subparagraph (D), each employer shall fur-
4 nish to the Secretary, for inclusion in the direc-
5 tory established under this subsection, not later
6 than 10 days after the date (on or after Octo-
7 ber 1, 1998) on which the employer hires a new
8 employee (as defined in subparagraph (C)), a
9 report containing the name, date of birth, and
10 social security number of such employee, and
11 the employer identification number of the em-
12 ployer.

13 “(B) REPORTING METHOD AND FOR-
14 MAT.—The Secretary shall provide for trans-
15 mission of the reports required under subpara-
16 graph (A) using formats and methods which
17 minimize the burden on employers, which shall
18 include—

19 “(i) automated or electronic trans-
20 mission of such reports;

21 “(ii) transmission by regular mail;
22 and

23 “(iii) transmission of a copy of the
24 form required for purposes of compliance

1 with section 3402 of the Internal Revenue
2 Code of 1986.

3 “(C) EMPLOYEE DEFINED.—For purposes
4 of this paragraph, the term ‘employee’ means
5 any individual subject to the requirement of
6 section 3402(f)(2) of the Internal Revenue Code
7 of 1986.

8 “(D) PAPERWORK REDUCTION REQUIRE-
9 MENT.—As required by the information re-
10 sources management policies published by the
11 Director of the Office of Management and
12 Budget pursuant to section 3504(b)(1) of title
13 44, United States Code, the Secretary, in order
14 to minimize the cost and reporting burden on
15 employers, shall not require reporting pursuant
16 to this paragraph if an alternative reporting
17 mechanism can be developed that either relies
18 on existing Federal or State reporting or en-
19 ables the Secretary to collect the needed infor-
20 mation in a more cost-effective and equally ex-
21 peditious manner, taking into account the re-
22 porting costs on employers.

23 “(E) CIVIL MONEY PENALTY ON NON-COM-
24 PLYING EMPLOYERS.—(i) Any employer that
25 fails to make a timely report in accordance with

1 this paragraph with respect to an individual
2 shall be subject to a civil money penalty, for
3 each calendar year in which the failure occurs,
4 of the lesser of \$500 or 1 percent of the wages
5 or other compensation paid by such employer to
6 such individual during such calendar year.

7 “(ii) Subject to clause (iii), the provisions
8 of section 1128A (other than subsections (a)
9 and (b) thereof) shall apply to a civil money
10 penalty under clause (i) in the same manner as
11 they apply to a civil money penalty or proceed-
12 ing under section 1128A(a).

13 “(iii) Any employer with respect to whom
14 a penalty under this subparagraph is upheld
15 after an administrative hearing shall be liable to
16 pay all costs of the Secretary with respect to
17 such hearing.

18 “(3) EMPLOYMENT SECURITY INFORMATION.—

19 “(A) REPORTING REQUIREMENT.—Each
20 State agency administering a State unemploy-
21 ment compensation law approved by the Sec-
22 retary of Labor under the Federal Unemploy-
23 ment Tax Act shall furnish to the Secretary of
24 Health and Human Services extracts of the re-
25 ports to the Secretary of Labor concerning the

1 wages and unemployment compensation paid to
2 individuals required under section 303(a)(6), in
3 accordance with subparagraph (B).

4 “(B) MANNER OF COMPLIANCE.—The ex-
5 tracts required under subparagraph (A) shall be
6 furnished to the Secretary of Health and
7 Human Services on a quarterly basis, with re-
8 spect to calendar quarters beginning on and
9 after October 1, 1996, by such dates, in such
10 format, and containing such information as re-
11 quired by that Secretary in regulations.

12 “(j) DATA MATCHES AND OTHER DISCLOSURES.—

13 “(1) VERIFICATION BY SOCIAL SECURITY AD-
14 MINISTRATION.—(A) The Secretary shall transmit
15 data on individuals and employers maintained under
16 this section to the Social Security Administration to
17 the extent necessary for verification in accordance
18 with subparagraph (B).

19 “(B) The Social Security Administration shall
20 verify the accuracy of, correct or supply to the ex-
21 tent necessary and feasible, and report to the Sec-
22 retary, the following information in data supplied by
23 the Secretary pursuant to subparagraph (A):

24 “(i) the name, social security number, and
25 birth date of each individual; and

1 “(ii) the employer identification number of
2 each employer.

3 “(2) CHILD SUPPORT LOCATOR MATCHES.—For
4 the purpose of locating individuals for purposes of
5 paternity establishment and establishment and en-
6 forcement of child support, the Secretary shall—

7 “(A) match data in the directory of New
8 Hires against the child support order abstracts
9 in the Data Bank of Child Support Orders not
10 less often than every 2 working days; and

11 “(B) report information obtained from
12 such a match to concerned State agencies oper-
13 ating programs under this part not later than
14 2 working days after such match.

15 “(3) DATA MATCHES AND DISCLOSURES OF
16 DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM
17 PURPOSES.—The Secretary shall—

18 “(A) perform matches of data in each com-
19 ponent of the Federal Parent Locator Service
20 maintained under this section against data in
21 each other such component (other than the
22 matches required pursuant to paragraph (1)),
23 and report information resulting from such
24 matches to State agencies operating programs
25 under this part and parts A, F, and G; and

1 “(B) disclose data in such registries to
2 such State agencies,
3 to the extent, and with the frequency, that the Sec-
4 retary determines to be effective in assisting such
5 States to carry out their responsibilities under such
6 programs.

7 “(k) FEES.—

8 “(1) FOR SSA VERIFICATION.—The Secretary
9 shall reimburse the Commissioner of Social Security,
10 at a rate negotiated between the Secretary and the
11 Commissioner, the costs incurred by the Commis-
12 sioner in performing the verification services speci-
13 fied in subsection (j).

14 “(2) FOR INFORMATION FROM SESAS.—The
15 Secretary shall reimburse costs incurred by State
16 employment security agencies in furnishing data as
17 required by subsection (j)(3), at rates which the Sec-
18 retary determines to be reasonable (which rates shall
19 not include payment for the costs of obtaining, com-
20 piling, or maintaining such data).

21 “(3) FOR INFORMATION FURNISHED TO STATE
22 AND FEDERAL AGENCIES.—State and Federal agen-
23 cies receiving data or information from the Secretary
24 pursuant to this section shall reimburse the costs in-
25 curred by the Secretary in furnishing such data or

1 information, at rates which the Secretary determines
2 to be reasonable (which rates shall include payment
3 for the costs of obtaining, verifying, maintaining,
4 and matching such data or information).

5 “(l) RESTRICTION ON DISCLOSURE AND USE.—Data
6 in the Federal Parent Locator Service, and information
7 resulting from matches using such data, shall not be used
8 or disclosed except as specifically provided in this section.

9 “(m) RETENTION OF DATA.—Data in the Federal
10 Parent Locator Service, and data resulting from matches
11 performed pursuant to this section, shall be retained for
12 such period (determined by the Secretary) as appropriate
13 for the data uses specified in this section.

14 “(n) INFORMATION INTEGRITY AND SECURITY.—The
15 Secretary shall establish and implement safeguards with
16 respect to the entities established under this section de-
17 signed 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 “(o) LIMIT ON LIABILITY.—The Secretary shall not
2 be liable to either a State or an individual for inaccurate
3 information provided to a component of the Federal Par-
4 ent Locator Service section and disclosed by the Secretary
5 in accordance with this section.”.

6 (g) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
8 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
9 654(8)(B)) is amended to read as follows:

10 “(B) the Federal Parent Locator Service
11 established under section 453;”.

12 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
13 Section 3304(16) of the Internal Revenue Code of
14 1986 is amended—

15 (A) by striking “Secretary of Health, Edu-
16 cation, and Welfare” each place such term ap-
17 pears and inserting “Secretary of Health and
18 Human Services”;

19 (B) in subparagraph (B), by striking
20 “such information” and all that follows and in-
21 serting “information furnished under subpara-
22 graph (A) or (B) is used only for the purposes
23 authorized under such subparagraph;”;

24 (C) by striking “and” at the end of sub-
25 paragraph (A);

1 (D) by redesignating subparagraph (B) as
2 subparagraph (C); and

3 (E) by inserting after subparagraph (A)
4 the following new subparagraph:

5 “(B) wage and unemployment compensa-
6 tion information contained in the records of
7 such agency shall be furnished to the Secretary
8 of Health and Human Services (in accordance
9 with regulations promulgated by such Sec-
10 retary) as necessary for the purposes of the di-
11 rectory of New Hires established under section
12 453(i) of the Social Security Act, and”.

13 (3) TO STATE GRANT PROGRAM UNDER TITLE
14 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
15 (42 U.S.C. 503(a)) is amended—

16 (A) by striking “and” at the end of para-
17 graph (8);

18 (B) by striking the period at the end of
19 paragraph (9) and inserting “; and”; and

20 (C) by adding after paragraph (9) the fol-
21 lowing new paragraph:

22 “(10) The making of quarterly electronic re-
23 ports, at such dates, in such format, and containing
24 such information, as required by the Secretary of
25 Health and Human Services under section 453(i)(3),

1 and compliance with such provisions as such Sec-
2 retary may find necessary to ensure the correctness
3 and verification of such reports.”.

4 **SEC. 326. USE OF SOCIAL SECURITY NUMBERS.**

5 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
6 U.S.C. 666(a)), as amended by section 301(a) of this Act,
7 is amended by adding at the end the following new para-
8 graph:

9 “(13) SOCIAL SECURITY NUMBERS RE-
10 QUIRED.—Procedures requiring the recording of so-
11 cial security numbers—

12 “(A) of both parties on marriage licenses
13 and divorce decrees; and

14 “(B) of both parents, on birth records and
15 child support and paternity orders.”.

16 (b) CLARIFICATION OF FEDERAL POLICY.—Section
17 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended
18 by striking the third sentence and inserting “This clause
19 shall not be considered to authorize disclosure of such
20 numbers except as provided in the preceding sentence.”.

1 **Subtitle D—Streamlining and**
2 **Uniformity of Procedures**

3 **SEC. 331. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466(a) (42 U.S.C. 666(a)), as amended by
5 sections 301(a) and 328(a) of this Act, is amended by add-
6 ing at the end the following new paragraph:

7 “(14) INTERSTATE ENFORCEMENT.—

8 “(A) ADOPTION OF UIFSA.—Procedures
9 under which the State adopts in its entirety
10 (with the modifications and additions specified
11 in this paragraph) not later than January 1,
12 1997, and uses on and after such date, the Uni-
13 form Interstate Family Support Act, as ap-
14 proved by the National Conference of Commis-
15 sioners on Uniform State Laws in August,
16 1992.

17 “(B) EXPANDED APPLICATION OF
18 UIFSA.—The State law adopted pursuant to
19 subparagraph (A) shall be applied to any
20 case—

21 “(i) involving an order established or
22 modified in one State and for which a sub-
23 sequent modification is sought in another
24 State; or

1 “(ii) in which interstate activity is re-
2 quired to enforce an order.

3 “(C) JURISDICTION TO MODIFY ORDERS.—

4 The State law adopted pursuant to subpara-
5 graph (A) of this paragraph shall contain the
6 following provision in lieu of section 611(a)(1)
7 of the Uniform Interstate Family Support Act
8 described in such subparagraph (A):

9 “(1) the following requirements are met:

10 “(i) the child, the individual obligee, and
11 the obligor—

12 “(I) do not reside in the issuing
13 State; and

14 “(II) either reside in this State or
15 are subject to the jurisdiction of this State
16 pursuant to section 201; and

17 “(ii) (in any case where another State is
18 exercising or seeks to exercise jurisdiction to
19 modify the order) the conditions of section 204
20 are met to the same extent as required for pro-
21 ceedings to establish orders; or’.

22 “(D) SERVICE OF PROCESS.—The State
23 law adopted pursuant to subparagraph (A) shall
24 recognize as valid, for purposes of any proceed-
25 ing subject to such State law, service of process

1 upon persons in the State (and proof of such
2 service) by any means acceptable in another
3 State which is the initiating or responding
4 State in such proceeding.

5 “(E) COOPERATION BY EMPLOYERS.—The
6 State law adopted pursuant to subparagraph
7 (A) shall provide for the use of procedures (in-
8 cluding sanctions for noncompliance) under
9 which all entities in the State (including for-
10 profit, nonprofit, and governmental employers)
11 are required to provide promptly, in response to
12 a request by the State agency of that or any
13 other State administering a program under this
14 part, information on the employment, com-
15 pensation, and benefits of any individual em-
16 ployed by such entity as an employee or con-
17 tractor.”.

18 **SEC. 332. IMPROVEMENTS TO FULL FAITH AND CREDIT**
19 **FOR CHILD SUPPORT ORDERS.**

20 Section 1738B of title 28, United States Code, is
21 amended—

22 (1) in subsection (a)(2), by striking “subsection
23 (e)” and inserting “subsections (e), (f), and (i)”;

24 (2) in subsection (b), by inserting after the 2nd
25 undesignated paragraph the following:

1 “‘child’s home State’ means the State in which
2 a child lived with a parent or a person acting as par-
3 ent for at least six consecutive months immediately
4 preceding the time of filing of a petition or com-
5 parable pleading for support and, if a child is less
6 than six months old, the State in which the child
7 lived from birth with any of them. A period of tem-
8 porary absence of any of them is counted as part of
9 the six-month period.”;

10 (3) in subsection (c), by inserting “by a court
11 of a State” before “is made”;

12 (4) in subsection (c)(1), by inserting “and sub-
13 sections (e), (f), and (g)” after “located”;

14 (5) in subsection (d)—

15 (A) by inserting “individual” before “con-
16 testant”; and

17 (B) by striking “subsection (e)” and in-
18 serting “subsections (e) and (f)”;

19 (6) in subsection (e), by striking “make a modi-
20 fication of a child support order with respect to a
21 child that is made” and inserting “modify a child
22 support order issued”;

23 (7) in subsection (e)(1), by inserting “pursuant
24 to subsection (i)” before the semicolon;

25 (8) in subsection (e)(2)—

1 (A) by inserting “individual” before “con-
2 testant” each place such term appears; and

3 (B) by striking “to that court’s making the
4 modification and assuming” and inserting “with
5 the State of continuing, exclusive jurisdiction
6 for a court of another State to modify the order
7 and assume”;

8 (9) by redesignating subsections (f) and (g) as
9 subsections (g) and (h), respectively;

10 (10) by inserting after subsection (e) the follow-
11 ing:

12 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—
13 If one or more child support orders have been issued in
14 this or another State with regard to an obligor and a child,
15 a court shall apply the following rules in determining
16 which order to recognize for purposes of continuing, exclu-
17 sive jurisdiction and enforcement:

18 “(1) If only one court has issued a child sup-
19 port order, the order of that court must be recog-
20 nized.

21 “(2) If two or more courts have issued child
22 support orders for the same obligor and child, and
23 only one of the courts would have continuing, exclu-
24 sive jurisdiction under this section, the order of that
25 court must be recognized.

1 “(3) If two or more courts have issued child
2 support orders for the same obligor and child, and
3 only one of the courts would have continuing, exclu-
4 sive jurisdiction under this section, an order issued
5 by a court in the current home State of the child
6 must be recognized, but if an order has not been is-
7 sued in the current home State of the child, the
8 order most recently issued must be recognized.

9 “(4) If two or more courts have issued child
10 support orders for the same obligor and child, and
11 none of the courts would have continuing, exclusive
12 jurisdiction under this section, a court may issue a
13 child support order, which must be recognized.

14 “(5) The court that has issued an order recog-
15 nized under this subsection is the court having con-
16 tinuing, exclusive jurisdiction.”;

17 (11) in subsection (g) (as so redesignated)—

18 (A) by striking “PRIOR” and inserting
19 “MODIFIED”; and

20 (B) by striking “subsection (e)” and in-
21 serting “subsections (e) and (f)”;

22 (12) in subsection (h) (as so redesignated)—

23 (A) in paragraph (2), by inserting “includ-
24 ing the duration of current payments and other
25 obligations of support” before the comma; and

1 (B) in paragraph (3), by inserting “arrears
2 under” after “enforce”; and

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

4 “(i) REGISTRATION FOR MODIFICATION.—If there is
5 no individual contestant or child residing in the issuing
6 State, the party or support enforcement agency seeking
7 to modify, or to modify and enforce, a child support order
8 issued in another State shall register that order in a State
9 with jurisdiction over the nonmovant for the purpose of
10 modification.”.

11 **SEC. 333. STATE LAWS PROVIDING EXPEDITED PROCE-**
12 **DURES.**

13 (a) STATE LAW REQUIREMENTS.—Section 466 (42
14 U.S.C. 666) is amended—

15 (1) in subsection (a)(2), in the first sentence, to
16 read as follows: “Expedited administrative and judi-
17 cial procedures (including the procedures specified in
18 subsection (c)) for establishing paternity and for es-
19 tablishing, modifying, and enforcing support obliga-
20 tions.”; and

21 (2) by adding after subsection (b) the following
22 new subsection:

23 “(c) EXPEDITED PROCEDURES.—The procedures
24 specified in this subsection are the following:

1 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
2 CY.—Procedures which give the State agency the au-
3 thority (and recognize and enforce the authority of
4 State agencies of other States), without the necessity
5 of obtaining an order from any other judicial or ad-
6 ministrative tribunal (but subject to due process
7 safeguards, including (as appropriate) requirements
8 for notice, opportunity to contest the action, and op-
9 portunity for an appeal on the record to an inde-
10 pendent administrative or judicial tribunal), to take
11 the following actions relating to establishment or en-
12 forcement of orders:

13 “(A) GENETIC TESTING.—To order genetic
14 testing for the purpose of paternity establish-
15 ment as provided in section 466(a)(5).

16 “(B) DEFAULT ORDERS.—To enter a de-
17 fault order, upon a showing of service of proc-
18 ess and any additional showing required by
19 State law—

20 “(i) establishing paternity, in the case
21 of any putative father who refuses to sub-
22 mit to genetic testing; and

23 “(ii) establishing or modifying a sup-
24 port obligation, in the case of a parent (or
25 other obligor or obligee) who fails to re-

1 spond to notice to appear at a proceeding
2 for such purpose.

3 “(C) SUBPOENAS.—To subpoena any fi-
4 nancial or other information needed to estab-
5 lish, modify, or enforce an order, and to sanc-
6 tion failure to respond to any such subpoena.

7 “(D) ACCESS TO PERSONAL AND FINAN-
8 CIAL INFORMATION.—To obtain access, subject
9 to safeguards on privacy and information secu-
10 rity, to the following records (including auto-
11 mated access, in the case of records maintained
12 in automated data bases):

13 “(i) records of other State and local
14 government agencies, including—

15 “(I) vital statistics (including
16 records of marriage, birth, and di-
17 vorce);

18 “(II) State and local tax and rev-
19 enue records (including information
20 on residence address, employer, in-
21 come and assets);

22 “(III) records concerning real
23 and titled personal property;

24 “(IV) records of occupational and
25 professional licenses, and records con-

1 cerning the ownership and control of
2 corporations, partnerships, and other
3 business entities;

4 “(V) employment security
5 records;

6 “(VI) records of agencies admin-
7 istering public assistance programs;

8 “(VII) records of the motor vehi-
9 cle department; and

10 “(VIII) corrections records; and

11 “(ii) certain records held by private
12 entities, including—

13 “(I) customer records of public
14 utilities and cable television compa-
15 nies; and

16 “(II) information (including in-
17 formation on assets and liabilities) on
18 individuals who owe or are owed sup-
19 port (or against or with respect to
20 whom a support obligation is sought)
21 held by financial institutions (subject
22 to limitations on liability of such enti-
23 ties arising from affording such ac-
24 cess).

1 “(E) INCOME WITHHOLDING.—To order
2 income withholding in accordance with sub-
3 section (a)(1) and (b) of section 466.

4 “(F) CHANGE IN PAYEE.—(In cases where
5 support is subject to an assignment under sec-
6 tion 402(a)(26), 471(a)(17), or 1912, or to a
7 requirement to pay through the centralized col-
8 lections unit under section 454B) upon provid-
9 ing notice to obligor and obligee, to direct the
10 obligor or other payor to change the payee to
11 the appropriate government entity.

12 “(G) SECURE ASSETS TO SATISFY ARREAR-
13 AGES.—For the purpose of securing overdue
14 support—

15 “(i) to intercept and seize any peri-
16 odic or lump-sum payment to the obligor
17 by or through a State or local government
18 agency, including—

19 “(I) unemployment compensa-
20 tion, workers’ compensation, and
21 other benefits;

22 “(II) judgments and settlements
23 in cases under the jurisdiction of the
24 State or local government; and

25 “(III) lottery winnings;

1 “(ii) to attach and seize assets of the
2 obligor held by financial institutions;

3 “(iii) to attach public and private re-
4 tirement funds in appropriate cases, as de-
5 termined by the Secretary; and

6 “(iv) to impose liens in accordance
7 with paragraph (a)(4) and, in appropriate
8 cases, to force sale of property and dis-
9 tribution of proceeds.

10 “(H) INCREASE MONTHLY PAYMENTS.—
11 For the purpose of securing overdue support, to
12 increase the amount of monthly support pay-
13 ments to include amounts for arrearages (sub-
14 ject to such conditions or restrictions as the
15 State may provide).

16 “(I) SUSPENSION OF DRIVERS’ LI-
17 CENSES.—To suspend drivers’ licenses of indi-
18 viduals owing past-due support, in accordance
19 with subsection (a)(16).

20 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—
21 The expedited procedures required under subsection
22 (a)(2) shall include the following rules and author-
23 ity, applicable with respect to all proceedings to es-
24 tablish paternity or to establish, modify, or enforce
25 support orders:

1 “(A) LOCATOR INFORMATION; PRESUMP-
2 TIONS CONCERNING NOTICE.—Procedures
3 under which—

4 “(i) the parties to any paternity or
5 child support proceedings are required
6 (subject to privacy safeguards) to file with
7 the tribunal before entry of an order, and
8 to update as appropriate, information on
9 location and identity (including Social Se-
10 curity number, residential and mailing ad-
11 dresses, telephone number, driver’s license
12 number, and name, address, and telephone
13 number of employer); and

14 “(ii) in any subsequent child support
15 enforcement action between the same par-
16 ties, the tribunal shall be authorized, upon
17 sufficient showing that diligent effort has
18 been made to ascertain such party’s cur-
19 rent location, to deem due process require-
20 ments for notice and service of process to
21 be met, with respect to such party, by de-
22 livery to the most recent residential or em-
23 ployer address so filed pursuant to clause
24 (i).

1 “(B) STATEWIDE JURISDICTION.—Proce-
2 dures under which—

3 “(i) the State agency and any admin-
4 istrative or judicial tribunal with authority
5 to hear child support and paternity cases
6 exerts statewide jurisdiction over the par-
7 ties, and orders issued in such cases have
8 statewide effect; and

9 “(ii) (in the case of a State in which
10 orders in such cases are issued by local ju-
11 risdictions) a case may be transferred be-
12 tween jurisdictions in the State without
13 need for any additional filing by the peti-
14 tioner, or service of process upon the re-
15 spondent, to retain jurisdiction over the
16 parties.”.

17 (c) EXCEPTIONS FROM STATE LAW REQUIRE-
18 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is
19 amended—

20 (1) by striking “(d) If” and inserting the fol-
21 lowing:

22 “(d) EXEMPTIONS FROM REQUIREMENTS.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 if”; and

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

3 “(2) NONEXEMPT REQUIREMENTS.—The Sec-
4 retary shall not grant an exemption from the re-
5 quirements of—

6 “(A) subsection (a)(5) (concerning proce-
7 dures for paternity establishment);

8 “(B) subsection (a)(10) (concerning modi-
9 fication of orders);

10 “(C) subsection (a)(12) (concerning re-
11 cording of orders in the central State case reg-
12 istry);

13 “(D) subsection (a)(13) (concerning re-
14 cording of Social Security numbers);

15 “(E) subsection (a)(14) (concerning inter-
16 state enforcement); or

17 “(F) subsection (c) (concerning expedited
18 procedures), other than paragraph (1)(A) there-
19 of (concerning establishment or modification of
20 support amount).”.

21 (d) AUTOMATION OF STATE AGENCY FUNCTIONS.—
22 Section 454A, as added by section 115(a)(2) of this Act
23 and as amended by sections 121 and 122(c) of this Act,
24 is amended by adding at the end the following new sub-
25 section:

1 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
2 The automated system required under this section shall
3 be used, to the maximum extent feasible, to implement any
4 expedited administrative procedures required under sec-
5 tion 466(c).”.

6 **Subtitle E—Paternity**
7 **Establishment**

8 **SEC. 341. STATE LAWS CONCERNING PATERNITY ESTAB-**
9 **LISHMENT.**

10 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
11 U.S.C. 666(a)(5)) is amended—

12 (1) by striking “(5)” and inserting the follow-
13 ing:

14 “(5) PROCEDURES CONCERNING PATERNITY ES-
15 TABLISHMENT.—”;

16 (2) in subparagraph (A)—

17 (A) by striking “(A)(i)” and inserting the
18 following:

19 “(A) ESTABLISHMENT PROCESS AVAIL-
20 ABLE FROM BIRTH UNTIL AGE EIGHTEEN.—
21 (i)”;

22 (B) by indenting clauses (i) and (ii) so
23 that the left margin of such clauses is 2 ems to
24 the right of the left margin of paragraph (4);

25 (3) in subparagraph (B)—

1 (A) by striking “(B)” and inserting the
2 following:

3 “(B) PROCEDURES CONCERNING GENETIC
4 TESTING.—(i)”;

5 (B) in clause (i), as redesignated, by in-
6 serting before the period “, where such request
7 is supported by a sworn statement (I) by such
8 party alleging paternity setting forth facts es-
9 tablishing a reasonable possibility of the req-
10 uisite sexual contact of the parties, or (II) by
11 such party denying paternity setting forth facts
12 establishing a reasonable possibility of the
13 nonexistence of sexual contact of the parties;”;

14 (C) by inserting after and below clause (i)
15 (as redesignated) the following new clause:

16 “(ii) Procedures which require the State
17 agency, in any case in which such agency orders
18 genetic testing—

19 “(I) to pay costs of such tests, subject
20 to recoupment (where the State so elects)
21 from the punitive father if paternity is es-
22 tablished; and

23 “(II) to obtain additional testing in
24 any case where an original test result is

1 disputed, upon request and advance pay-
2 ment by the disputing party.”;

3 (4) by striking subparagraphs (C) and (D) and
4 inserting the following:

5 “(C) PATERNITY ACKNOWLEDGMENT.—(i)

6 Procedures for a simple civil process for volun-
7 tarily acknowledging paternity under which the
8 State must provide that, before a mother and a
9 putative father can sign an acknowledgment of
10 paternity, the putative father and the mother
11 must be given notice, orally, in writing, and in
12 a language that each can understand, of the al-
13 ternatives to, the legal consequences of, and the
14 rights (including, if 1 parent is a minor, any
15 rights afforded due to minority status) and re-
16 sponsibilities that arise from, signing the ac-
17 knowledgment.

18 “(ii) Such procedures must include a hos-
19 pital-based program for the voluntary acknowl-
20 edgment of paternity focusing on the period im-
21 mediately before or after the birth of a child.

22 “(iii) Such procedures must require the
23 State agency responsible for maintaining birth
24 records to offer voluntary paternity establish-
25 ment services.

1 “(iv) The Secretary shall prescribe regula-
2 tions governing voluntary paternity establish-
3 ment services offered by hospitals and birth
4 record agencies. The Secretary shall prescribe
5 regulations specifying the types of other entities
6 that may offer voluntary paternity establish-
7 ment services, and governing the provision of
8 such services, which shall include a requirement
9 that such an entity must use the same notice
10 provisions used by, the same materials used by,
11 provide the personnel providing such services
12 with the same training provided by, and evalu-
13 ate the provision of such services in the same
14 manner as, voluntary paternity establishment
15 programs of hospitals and birth record agen-
16 cies.

17 “(v) Such procedures must require the
18 State and those required to establish paternity
19 to use only the affidavit developed under section
20 452(a)(7) for the voluntary acknowledgment of
21 paternity, and to give full faith and credit to
22 such an affidavit signed in any other State.

23 “(D) STATUS OF SIGNED PATERNITY
24 KNOWLEDGMENT.—(i) Procedures under which
25 a signed acknowledgment of paternity is consid-

1 ered a legal finding of paternity, subject to the
2 right of any signatory to rescind the acknowl-
3 edgment within 60 days.

4 “(ii)(I) Procedures under which, after the
5 60-day period referred to in clause (i), a signed
6 acknowledgment of paternity may be challenged
7 in court only on the basis of fraud, duress, or
8 material mistake of fact, with the burden of
9 proof upon the challenger, and under which the
10 legal responsibilities (including child support
11 obligations) of any signatory arising from the
12 acknowledgment may not be suspended during
13 the challenge, except for good cause shown.

14 “(II) Procedures under which, after the
15 60-day period referred to in clause (i), a minor
16 who signs an acknowledgment of paternity
17 other than in the presence of a parent or court-
18 appointed guardian ad litem may rescind the
19 acknowledgment in a judicial or administrative
20 proceeding, until the earlier of—

21 “(aa) attaining the age of majority; or

22 “(bb) the date of the first judicial or
23 administrative proceeding brought (after
24 the signing) to establish a child support
25 obligation, visitation rights, or custody

1 rights with respect to the child whose pa-
2 ternity is the subject of the acknowledg-
3 ment, and at which the minor is rep-
4 resented by a parent, guardian ad litem, or
5 attorney.”;

6 (5) by striking subparagraph (E) and inserting
7 the following:

8 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
9 CATION PROCEEDINGS.—Procedures under
10 which no judicial or administrative proceedings
11 are required or permitted to ratify an unchal-
12 lenged acknowledgment of paternity.”;

13 (6) by striking subparagraph (F) and inserting
14 the following:

15 “(F) ADMISSIBILITY OF GENETIC TESTING
16 RESULTS.—Procedures—

17 “(i) requiring that the State admit
18 into evidence, for purposes of establishing
19 paternity, results of any genetic test that
20 is—

21 “(I) of a type generally acknowl-
22 edged, by accreditation bodies des-
23 ignated by the Secretary, as reliable
24 evidence of paternity; and

1 “(II) performed by a laboratory
2 approved by such an accreditation
3 body;

4 “(ii) that any objection to genetic
5 testing results must be made in writing not
6 later than a specified number of days be-
7 fore any hearing at which such results may
8 be introduced into evidence (or, at State
9 option, not later than a specified number
10 of days after receipt of such results); and

11 “(iii) that, if no objection is made, the
12 test results are admissible as evidence of
13 paternity without the need for foundation
14 testimony or other proof of authenticity or
15 accuracy.”; and

16 (7) by adding after subparagraph (H) the fol-
17 lowing new subparagraphs:

18 “(I) NO RIGHT TO JURY TRIAL.—Proce-
19 dures providing that the parties to an action to
20 establish paternity are not entitled to jury trial.

21 “(J) TEMPORARY SUPPORT ORDER BASED
22 ON PROBABLE PATERNITY IN CONTESTED
23 CASES.—Procedures which require that a tem-
24 porary order be issued, upon motion by a party,
25 requiring the provision of child support pending

1 an administrative or judicial determination of
2 parentage, where there is clear and convincing
3 evidence of paternity (on the basis of genetic
4 tests or other evidence).

5 “(K) PROOF OF CERTAIN SUPPORT AND
6 PATERNITY ESTABLISHMENT COSTS.—Proce-
7 dures under which bills for pregnancy, child-
8 birth, and genetic testing are admissible as evi-
9 dence without requiring third-party foundation
10 testimony, and shall constitute prima facie evi-
11 dence of amounts incurred for such services and
12 testing on behalf of the child.

13 “(L) WAIVER OF STATE DEBTS FOR CO-
14 OPERATION.—At the option of the State, proce-
15 dures under which the tribunal establishing pa-
16 ternity and support has discretion to waive
17 rights to all or part of amounts owed to the
18 State (but not to the mother) for costs related
19 to pregnancy, childbirth, and genetic testing
20 and for public assistance paid to the family
21 where the father cooperates or acknowledges
22 paternity before or after genetic testing.

23 “(M) STANDING OF PUTATIVE FATHERS.—
24 Procedures ensuring that the putative father

1 has a reasonable opportunity to initiate a pater-
2 nity action.”.

3 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
4 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
5 amended by inserting “, and develop an affidavit to be
6 used for the voluntary acknowledgment of paternity which
7 shall include the social security account number of each
8 parent” before the semicolon.

9 (c) TECHNICAL AMENDMENT.—Section 468 (42
10 U.S.C. 668) is amended by striking “a simple civil process
11 for voluntarily acknowledging paternity and”.

12 **SEC. 342. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
13 **LISHMENT.**

14 (a) STATE PLAN REQUIREMENT.—Section 454(23)
15 (42 U.S.C. 654(23)) is amended by adding at the end the
16 following new subparagraph:

17 “(C) publicize the availability and encour-
18 age the use of procedures for voluntary estab-
19 lishment of paternity and child support through
20 a variety of means, which—

21 “(i) include distribution of written
22 materials as health care facilities (includ-
23 ing hospitals and clinics), and other loca-
24 tions such as schools;

1 “(ii) may include pre-natal programs
2 to educate expectant couples on individual
3 and joint rights and responsibilities with
4 respect to paternity (and may require all
5 expectant recipients of assistance under
6 part A to participate in such pre-natal pro-
7 grams, as an element of cooperation with
8 efforts to establish paternity and child sup-
9 port);

10 “(iii) include, with respect to each
11 child discharged from a hospital after birth
12 for whom paternity or child support has
13 not been established, reasonable follow-up
14 efforts (including at least one contact of
15 each parent whose whereabouts are known,
16 except where there is reason to believe
17 such follow-up efforts would put mother or
18 child at risk), providing—

19 “(I) in the case of a child for
20 whom paternity has not been estab-
21 lished, information on the benefits of
22 and procedures for establishing pater-
23 nity; and

24 “(II) in the case of a child for
25 whom paternity has been established

1 but child support has not been estab-
2 lished, information on the benefits of
3 and procedures for establishing a
4 child support order, and an applica-
5 tion for child support services;”.

6 (b) ENHANCED FEDERAL MATCHING.—Section
7 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

8 (1) by inserting “(i)” before “laboratory costs”,
9 and

10 (2) by inserting before the semicolon “, and (ii)
11 costs of outreach programs designed to encourage
12 voluntary acknowledgment of paternity”.

13 (c) EFFECTIVE DATES.—(1) The amendments made
14 by subsection (a) shall become effective October 1, 1997.

15 (2) The amendments made by subsection (b) shall be
16 effective with respect to calendar quarters beginning on
17 and after October 1, 1996.

18 **Subtitle F—Establishment and** 19 **Modification of Support Orders**

20 **SEC. 351. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-** 21 **SION.**

22 (a) ESTABLISHMENT.—There is hereby established a
23 commission to be known as the “National Child Support
24 Guidelines Commission” (in this section referred to as the
25 “Commission”).

1 (b) GENERAL DUTIES.—The Commission shall de-
2 velop a national child support guideline for consideration
3 by the Congress that is based on a study of various guide-
4 line models, the benefits and deficiencies of such models,
5 and any needed improvements.

6 (c) MEMBERSHIP.—

7 (1) NUMBER; APPOINTMENT.—

8 (A) IN GENERAL.—The Commission shall
9 be composed of 12 individuals appointed jointly
10 by the Secretary of Health and Human Services
11 and the Congress, not later than January 15,
12 1997, of which—

13 (i) 2 shall be appointed by the Chair-
14 man of the Committee on Finance of the
15 Senate, and 1 shall be appointed by the
16 ranking minority member of the Commit-
17 tee;

18 (ii) 2 shall be appointed by the Chair-
19 man of the Committee on Ways and Means
20 of the House of Representatives, and 1
21 shall be appointed by the ranking minority
22 member of the Committee; and

23 (iii) 6 shall be appointed by the Sec-
24 retary of Health and Human Services.

1 (B) QUALIFICATIONS OF MEMBERS.—

2 Members of the Commission shall have exper-
3 tise and experience in the evaluation and devel-
4 opment of child support guidelines. At least 1
5 member shall represent advocacy groups for
6 custodial parents, at least 1 member shall rep-
7 resent advocacy groups for noncustodial par-
8 ents, and at least 1 member shall be the direc-
9 tor of a State program under part D of title IV
10 of the Social Security Act.

11 (2) TERMS OF OFFICE.—Each member shall be
12 appointed for a term of 2 years. A vacancy in the
13 Commission shall be filled in the manner in which
14 the original appointment was made.

15 (d) COMMISSION POWERS, COMPENSATION, ACCESS
16 TO INFORMATION, AND SUPERVISION.—The first sentence
17 of subparagraph (C), the first and third sentences of sub-
18 paragraph (D), subparagraph (F) (except with respect to
19 the conduct of medical studies), clauses (ii) and (iii) of
20 subparagraph (G), and subparagraph (H) of section
21 1886(e)(6) of the Social Security Act shall apply to the
22 Commission in the same manner in which such provisions
23 apply to the Prospective Payment Assessment Commis-
24 sion.

1 (e) REPORT.—Not later than 2 years after the ap-
2 pointment of members, the Commission shall submit to
3 the President, the Committee on Ways and Means of the
4 House of Representatives, and the Committee on Finance
5 of the Senate, a recommended national child support
6 guideline and a final assessment of issues relating to such
7 a proposed national child support guideline.

8 (f) TERMINATION.—The Commission shall terminate
9 6 months after the submission of the report described in
10 subsection (e).

11 **SEC. 352. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
12 **MENT OF CHILD SUPPORT ORDERS.**

13 (a) IN GENERAL.—Section 466(a)(10) (42 U.S.C.
14 666(a)(10)) is amended to read as follows:

15 “(10) PROCEDURES FOR MODIFICATION OF
16 SUPPORT ORDERS.—

17 “(A)(i) Procedures under which—

18 “(I) every 3 years, at the request of
19 either parent subject to a child support
20 order, the State shall review and, as appro-
21 priate, adjust the order in accordance with
22 the guidelines established under section
23 467(a) if the amount of the child support
24 award under the order differs from the
25 amount that would be awarded in accord-

1 ance with such guidelines, without a re-
2 quirement for any other change in cir-
3 cumstances; and

4 “(II) upon request at any time of ei-
5 ther parent subject to a child support
6 order, the State shall review and, as appro-
7 priate, adjust the order in accordance with
8 the guidelines established under section
9 467(a) based on a substantial change in
10 the circumstances of either such parent.

11 “(ii) Such procedures shall require both
12 parents subject to a child support order to be
13 notified of their rights and responsibilities pro-
14 vided for under clause (i) at the time the order
15 is issued and in the annual information ex-
16 change form provided under subparagraph (B).

17 “(B) Procedures under which each child
18 support order issued or modified in the State
19 after the effective date of this subparagraph
20 shall require the parents subject to the order to
21 provide each other with a complete statement of
22 their respective financial condition annually on
23 a form which shall be established by the Sec-
24 retary and provided by the State. The Secretary

1 shall establish regulations for the enforcement
2 of such exchange of information.”.

3 **Subtitle G—Enforcement of** 4 **Support Orders**

5 **SEC. 361. FEDERAL INCOME TAX REFUND OFFSET.**

6 (a) **CHANGED ORDER OF REFUND DISTRIBUTION**
7 **UNDER INTERNAL REVENUE CODE.**—Section 6402(c) of
8 the Internal Revenue Code of 1986 is amended—

9 (1) by striking “The amount” and inserting

10 “(1) **IN GENERAL.**—The amount”;

11 (2) by striking “paid to the State. A reduction”
12 and inserting “paid to the State.

13 “(2) **PRIORITIES FOR OFFSET.**—A reduction”;

14 (3) by striking “has been assigned” and insert-
15 ing “has not been assigned”, and

16 (4) by striking “and shall be applied” and all
17 that follows and inserting “and shall thereafter be
18 applied to satisfy any past-due support that has
19 been so assigned.”.

20 (b) **ELIMINATION OF DISPARITIES IN TREATMENT**
21 **OF ASSIGNED AND NON-ASSIGNED ARREARAGES.**—(1)
22 Section 464(a) (42 U.S.C. 664(a)) is amended—

23 (A) by striking “(a)” and inserting “(a) **OFF-**
24 **SET AUTHORIZED.**—”;

25 (B) in paragraph (1)—

1 (i) in the first sentence, by striking “which
2 has been assigned to such State pursuant to
3 section 402(a)(26) or section 471(a)(17)”;

4 (ii) in the second sentence, by striking “in
5 accordance with section 457 (b)(4) or (d)(3)”
6 and inserting “as provided in paragraph (2)”;

7 (C) in paragraph (2), to read as follows:

8 “(2) The State agency shall distribute amounts
9 paid by the Secretary of the Treasury pursuant to
10 paragraph (1)—

11 “(A) in accordance with section 457 (a)(4)
12 or (d)(3), in the case of past-due support as-
13 signed to a State pursuant to section
14 402(a)(26) or section 471(a)(17); and

15 “(B) to or on behalf of the child to whom
16 the support was owed, in the case of past-due
17 support not so assigned.”;

18 (D) in paragraph (3)—

19 (i) by striking “or (2)” each place it ap-
20 pears; and

21 (ii) in subparagraph (B), by striking
22 “under paragraph (2)” and inserting “on ac-
23 count of past-due support described in para-
24 graph (2)(B)”.

1 (2) Section 464(b) (42 U.S.C. 664(b)) is
2 amended—

3 (A) by striking “(b)(1)” and inserting “(b)
4 REGULATIONS.—”; and

5 (B) by striking paragraph (2).

6 (3) Section 464(c) (42 U.S.C. 664(c)) is
7 amended—

8 (A) by striking “(c)(1) Except as provided
9 in paragraph (2), as” and inserting “(c) DEFINI-
10 NITION.—As”; and

11 (B) by striking paragraphs (2) and (3).

12 (c) TREATMENT OF LUMP-SUM TAX REFUND
13 UNDER AFDC.—

14 (1) EXEMPTION FROM LUMP-SUM RULE.—Sec-
15 tion 402(a)(17) (42 U.S.C. 602(a)(17)) is amended
16 by adding at the end the following: “but this para-
17 graph shall not apply to income received by a family
18 that is attributable to a child support obligation
19 owed with respect to a member of the family and
20 that is paid to the family from amounts withheld
21 from a Federal income tax refund otherwise payable
22 to the person owing such obligation, to the extent
23 that such income is placed in a qualified asset ac-
24 count (as defined in section 406(j)) the total

1 amounts in which, after such placement, does not
2 exceed \$10,000;”.

3 (2) QUALIFIED ASSET ACCOUNT DEFINED.—
4 Section 406 (42 U.S.C. 606), as amended by section
5 302(g)(2) of this Act, is amended by adding at the
6 end the following:

7 “(j)(1) The term ‘qualified asset account’ means a
8 mechanism approved by the State (such as individual re-
9 tirement accounts, escrow accounts, or savings bonds) that
10 allows savings of a family receiving aid to families with
11 dependent children to be used for qualified distributions.

12 “(2) The term ‘qualified distribution’ means a dis-
13 tribution from a qualified asset account for expenses di-
14 rectly related to 1 or more of the following purposes:

15 “(A) The attendance of a member of the family
16 at any education or training program.

17 “(B) The improvement of the employability (in-
18 cluding self-employment) of a member of the family
19 (such as through the purchase of an automobile).

20 “(C) The purchase of a home for the family.

21 “(D) A change of the family residence.”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall become effective October 1, 1999.

1 **SEC. 362. INTERNAL REVENUE SERVICE COLLECTION OF**
2 **ARREARS.**

3 (a) AMENDMENT TO INTERNAL REVENUE CODE.—

4 Section 6305(a) of the Internal Revenue Code of 1986 is
5 amended—

6 (1) in paragraph (1), by inserting “except as
7 provided in paragraph (5)” after “collected”;

8 (2) by striking “and” at the end of paragraph
9 (3);

10 (3) by striking the period at the end of para-
11 graph (4) and inserting a comma;

12 (4) by adding after paragraph (4) the following
13 new paragraph:

14 “(5) no additional fee may be assessed for ad-
15 justments to an amount previously certified pursu-
16 ant to such section 452(b) with respect to the same
17 obligor.”; and

18 (5) by striking “Secretary of Health, Edu-
19 cation, and Welfare” each place it appears and in-
20 serting “Secretary of Health and Human Services”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall become effective October 1, 1997.

23 **SEC. 363. AUTHORITY TO COLLECT SUPPORT FROM FED-**
24 **ERAL EMPLOYEES.**

25 (a) CONSOLIDATION AND STREAMLINING OF AU-
26 THORITIES.—

1 (1) Section 459 (42 U.S.C. 659) is amended in
2 the caption by inserting "INCOME WITHHOLDING,"
3 before "GARNISHMENT".

4 (2) Section 459(a) (42 U.S.C. 659(a)) is
5 amended—

6 (A) by striking "(a)" and inserting "(a)
7 CONSENT TO SUPPORT ENFORCEMENT.—

8 (B) by striking "section 207" and insert-
9 ing "section 207 of this Act and 38 U.S.C.
10 5301"; and

11 (C) by striking all that follows "a private
12 person," and inserting "to withholding in ac-
13 cordance with State law pursuant to subsections
14 (a)(1) and (b) of section 466 and regulations of
15 the Secretary thereunder, and to any other legal
16 process brought, by a State agency administer-
17 ing a program under this part or by an individ-
18 ual obligee, to enforce the legal obligation of
19 such individual to provide child support or ali-
20 mony."

21 (3) Section 459(b) (42 U.S.C. 659(b)) is
22 amended to read as follows:

23 "(b) CONSENT TO REQUIREMENTS APPLICABLE TO
24 PRIVATE PERSON.—Except as otherwise provided herein,
25 each entity specified in subsection (a) shall be subject,

1 with respect to notice to withhold income pursuant to sub-
2 section (a)(1) or (b) of section 466, or to any other order
3 or process to enforce support obligations against an indi-
4 vidual (if such order or process contains or is accompanied
5 by sufficient data to permit prompt identification of the
6 individual and the moneys involved), to the same require-
7 ments as would apply if such entity were a private per-
8 son.”.

9 (4) Section 459(c) (42 U.S.C. 659(c)) is redес-
10 igned and relocated as paragraph (2) of subsection
11 (f), and is amended—

12 (A) by striking “responding to interro-
13 gatories pursuant to requirements imposed by
14 section 461(b)(3)” and inserting “taking ac-
15 tions necessary to comply with the requirements
16 of subsection (A) with regard to any individ-
17 ual”; and

18 (B) by striking “any of his duties” and all
19 that follows and inserting “such duties.”.

20 (5) Section 461 (42 U.S.C. 661) is amended by
21 striking subsection (b), and section 459 (42 U.S.C.
22 659) is amended by inserting after subsection (b)
23 (as added by paragraph (3) of this subsection) the
24 following:

1 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
2 OR PROCESS.—(1) The head of each agency subject to the
3 requirements of this section shall—

4 “(A) designate an agent or agents to receive or-
5 ders and accept service of process; and

6 “(B) publish (i) in the appendix of such regula-
7 tions, (ii) in each subsequent republication of such
8 regulations, and (iii) annually in the Federal Reg-
9 ister, the designation of such agent or agents, identi-
10 fied by title of position, mailing address, and tele-
11 phone number.”.

12 (6) Section 459 (42 U.S.C. 659) is amended by
13 striking subsection (d) and by inserting after sub-
14 section (c)(1) (as added by paragraph (5) of this
15 subsection) the following:

16 “(2) Whenever an agent designated pursuant to para-
17 graph (1) receives notice pursuant to subsection (a)(1) or
18 (b) of section 466, or is effectively served with any order,
19 process, or interrogatories, with respect to an individual’s
20 child support or alimony payment obligations, such agent
21 shall—

22 “(A) as soon as possible (but not later than fif-
23 teen days) thereafter, send written notice of such no-
24 tice or service (together with a copy thereof) to such

1 individual at his duty station or last-known home
2 address;

3 “(B) within 30 days (or such longer period as
4 may be prescribed by applicable State law) after re-
5 ceipt of a notice pursuant to subsection (a)(1) or (b)
6 of section 466, comply with all applicable provisions
7 of such section 466; and

8 “(C) within 30 days (or such longer period as
9 may be prescribed by applicable State law) after ef-
10 fective service of any other such order, process, or
11 interrogatories, respond thereto.”.

12 (7) Section 461 (42 U.S.C. 661) is amended by
13 striking subsection (c), and section 459 (42 U.S.C.
14 659) is amended by inserting after subsection (c) (as
15 added by paragraph (5) and amended by paragraph
16 (6) of this subsection) the following:

17 “(d) PRIORITY OF CLAIMS.—In the event that a gov-
18 ernmental entity receives notice or is served with process,
19 as provided in this section, concerning amounts owed by
20 an individual to more than one person—

21 “(1) support collection under section 466(b)
22 must be given priority over any other process, as
23 provided in section 466(b)(7);

24 “(2) allocation of moneys due or payable to an
25 individual among claimants under section 466(b)

1 shall be governed by the provisions of such section
2 466(b) and regulations thereunder; and

3 “(3) such moneys as remain after compliance
4 with subparagraphs (A) and (B) shall be available to
5 satisfy any other such processes on a first-come,
6 first-served basis, with any such process being satis-
7 fied out of such moneys as remain after the satisfac-
8 tion of all such processes which have been previously
9 served.”.

10 (8) Section 459(e) (42 U.S.C. 659(e)) is
11 amended by striking “(e)” and inserting the follow-
12 ing:

13 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—”.

14 (9) Section 459(f) (42 U.S.C. 659(f)) is amend-
15 ed by striking “(f)” and inserting the following:

16 “(f) RELIEF FROM LIABILITY.—(1)”.

17 (10) Section 461(a) (42 U.S.C. 661(a)) is re-
18 designated and relocated as section 459(g), and is
19 amended—

20 (A) by striking “(g)” and inserting the follow-
21 ing:

22 “(g) REGULATIONS.—”; and

23 (B) by striking “section 459” and inserting
24 “this section”.

1 (11) Section 462 (42 U.S.C. 662) is amended
2 by striking subsection (f), and section 459 (42
3 U.S.C. 659) is amended by inserting the following
4 after subsection (g) (as added by paragraph (10) of
5 this subsection):

6 “(h) MONEYS SUBJECT TO PROCESS.—(1) Subject to
7 subsection (i), moneys paid or payable to an individual
8 which are considered to be based upon remuneration for
9 employment, for purposes of this section—

10 “(A) consist of—

11 “(i) compensation paid or payable for per-
12 sonal services of such individual, whether such
13 compensation is denominated as wages, salary,
14 commission, bonus, pay, allowances, or other-
15 wise (including severance pay, sick pay, and in-
16 centive pay);

17 “(ii) periodic benefits (including a periodic
18 benefit as defined in section 228(h)(3)) or other
19 payments—

20 “(I) under the insurance system es-
21 tablished by title II;

22 “(II) under any other system or fund
23 established by the United States which
24 provides for the payment of pensions, re-
25 tirement or retired pay, annuities, depend-

1 ents' or survivors' benefits, or similar
2 amounts payable on account of personal
3 services performed by the individual or any
4 other individual;

5 “(III) as compensation for death
6 under any Federal program;

7 “(IV) under any Federal program es-
8 tablished to provide 'black lung' benefits;
9 or

10 “(V) by the Secretary of Veterans Af-
11 fairs as pension, or as compensation for a
12 service-connected disability or death (ex-
13 cept any compensation paid by such Sec-
14 retary to a former member of the Armed
15 Forces who is in receipt of retired or re-
16 tainer pay if such former member has
17 waived a portion of his retired pay in order
18 to receive such compensation); and

19 “(iii) worker's compensation benefits paid
20 under Federal or State law; but

21 “(B) do not include any payment—

22 “(i) by way of reimbursement or otherwise,
23 to defray expenses incurred by such individual
24 in carrying out duties associated with his em-
25 ployment; or

1 “(ii) as allowances for members of the uni-
2 formed services payable pursuant to chapter 7
3 of title 37, United States Code, as prescribed
4 by the Secretaries concerned (defined by section
5 101(5) of such title) as necessary for the effi-
6 cient performance of duty.”.

7 (12) Section 462(g) (42 U.S.C. 662(g)) is re-
8 designated and relocated as section 459(i) (42
9 U.S.C. 659(i)).

10 (13)(A) Section 462 (42 U.S.C. 662) is
11 amended—

12 (i) in subsection (e)(1), by redesignating
13 subparagraphs (A), (B), and (C) as clauses (i),
14 (ii), and (iii); and

15 (ii) in subsection (e), by redesignating
16 paragraphs (1) and (2) as subparagraphs (A)
17 and (B).

18 (B) Section 459 (42 U.S.C. 659) is amended by
19 adding at the end the following:

20 “(j) DEFINITIONS.—For purposes of this
21 section—”.

22 (C) Subsections (a) through (e) of section 462
23 (42 U.S.C. 662), as amended by subparagraph (A)
24 of this paragraph, are relocated and redesignated as
25 paragraphs (1) through (4), respectively of section

1 459(j) (as added by subparagraph (B) of this para-
2 graph, (42 U.S.C. 659(j)), and the left margin of
3 each of such paragraphs (1) through (4) is indented
4 2 ems to the right of the left margin of subsection
5 (i) (as added by paragraph (12) of this subsection).
6 (b) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV.—Sections 461 and
8 462 (42 U.S.C. 661), as amended by subsection (a)
9 of this section, are repealed.

10 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
11 tion 5520a of title 5, United States Code, is amend-
12 ed, in subsections (h)(2) and (i), by striking “sec-
13 tions 459, 461, and 462 of the Social Security Act
14 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
15 tion 459 of the Social Security Act (42 U.S.C.
16 659)”.

17 (c) MILITARY RETIRED AND RETAINER PAY.—(1)
18 DEFINITION OF COURT.—Section 1408(a)(1) of title 10,
19 United States Code, is amended—

20 (A) by striking “and” at the end of subpara-
21 graph (B);

22 (B) by striking the period at the end of sub-
23 paragraph (C) and inserting “; and”; and

24 (C) by adding after subparagraph (C) the fol-
25 lowing new paragraph:

1 “(D) any administrative or judicial tribunal of
2 a State competent to enter orders for support or
3 maintenance (including a State agency administering
4 a State program under part D of title IV of the So-
5 cial Security Act).”;

6 (2) DEFINITION OF COURT ORDER.—Section
7 1408(a)(2) of such title is amended by inserting “or a
8 court order for the payment of child support not included
9 in or accompanied by such a decree of settlement,” before
10 “which—”.

11 (3) PUBLIC PAYEE.—Section 1408(d) of such title is
12 amended—

13 (A) in the heading, by striking “to spouse” and
14 inserting “to (or for benefit of)”; and

15 (B) in paragraph (1), in the first sentence, by
16 inserting “(or for the benefit of such spouse or
17 former spouse to a State central collections unit or
18 other public payee designated by a State, in accord-
19 ance with part D of title IV of the Social Security
20 Act, as directed by court order, or as otherwise di-
21 rected in accordance with such part D)” before “in
22 an amount sufficient”.

23 (4) RELATIONSHIP TO PART D OF TITLE IV.—Sec-
24 tion 1408 of such title is amended by adding at the end
25 the following new subsection:

1 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
2 involving a child support order against a member who has
3 never been married to the other parent of the child, the
4 provisions of this section shall not apply, and the case
5 shall be subject to the provisions of section 459 of the
6 Social Security Act.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall become effective 6 months after the date
9 of the enactment of this Act.

10 **SEC. 364. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
11 **TIONS OF MEMBERS OF THE ARMED FORCES.**

12 (a) AVAILABILITY OF LOCATOR INFORMATION.—

13 (1) MAINTENANCE OF ADDRESS INFORMA-
14 TION.—The Secretary of Defense shall establish a
15 centralized personnel locator service that includes
16 the address of each member of the Armed Forces
17 under the jurisdiction of the Secretary. Upon re-
18 quest of the Secretary of Transportation, addresses
19 for members of the Coast Guard shall be included in
20 the centralized personnel locator service.

21 (2) TYPE OF ADDRESS.—

22 (A) RESIDENTIAL ADDRESS.—Except as
23 provided in subparagraph (B), the address for
24 a member of the Armed Forces shown in the lo-

1 cator service shall be the residential address of
2 that member.

3 (B) DUTY ADDRESS.—The address for a
4 member of the Armed Forces shown in the loca-
5 tor service shall be the duty address of that
6 member in the case of a member—

7 (i) who is permanently assigned overseas,
8 to a vessel, or to a routinely deployable unit; or

9 (ii) with respect to whom the Secretary
10 concerned makes a determination that the
11 member's residential address should not be dis-
12 closed due to national security or safety con-
13 cerns.

14 (3) UPDATING OF LOCATOR INFORMATION.—
15 Within 30 days after a member listed in the locator
16 service establishes a new residential address (or a
17 new duty address, in the case of a member covered
18 by paragraph (2)(B)), the Secretary concerned shall
19 update the locator service to indicate the new ad-
20 dress of the member.

21 (4) AVAILABILITY OF INFORMATION.—The Sec-
22 retary of Defense shall make information regarding
23 the address of a member of the Armed Forces listed
24 in the locator service available, on request, to the
25 Federal Parent Locator Service.

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 granted

19 (2) COVERED HEARINGS.—Paragraph (1) ap-
20 plies to a hearing that is conducted by a court or
21 pursuant to an administrative process established
22 under State law, in connection with a civil action—

23 (A) to determine whether a member of the
24 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 462 of the
11 Social Security Act (42 U.S.C. 662).

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, is amended—

17 (A) by redesignating subsection (i) as sub-
18 section (j); and

19 (B) by inserting after subsection (h) the
20 following new subsection (i):

21 “(i) CERTIFICATION DATE.—It is not necessary that
22 the date of a certification of the authenticity or complete-
23 ness of a copy of a court order or an order of an adminis-
24 trative process established under State law for child sup-
25 port received by the Secretary concerned for the purposes

1 of this section be recent in relation to the date of receipt
2 by the Secretary.”.

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 first
6 sentence the following: “In the case of a spouse or
7 former spouse who, pursuant to section 402(a)(26)
8 of the Social Security Act (42 U.S.C. 602(26)), as-
9 signs to a State the rights of the spouse or former
10 spouse to receive support, the Secretary concerned
11 may make the child support payments referred to in
12 the preceding sentence to that State in amounts con-
13 sistent with that assignment of rights.”.

14 (3) ARREARAGES OWED BY MEMBERS OF THE
15 UNIFORMED SERVICES.—Section 1408(d) of such
16 title is amended by adding at the end the following
17 new paragraph:

18 “(6) In the case of a court order or an order of an
19 administrative process established under State law for
20 which effective service is made on the Secretary concerned
21 on or after the date of the enactment of this paragraph
22 and which provides for payments from the disposable re-
23 tired pay of a member to satisfy the amount of child sup-
24 port set forth in the order, the authority provided in para-
25 graph (1) to make payments from the disposable retired

1 pay of a member to satisfy the amount of child support
2 set forth in a court or an order of an administrative proc-
3 ess established under State law shall apply to payment of
4 any amount of child support arrearages set forth in that
5 order as well as to amounts of child support that currently
6 become due.”.

7 **SEC. 365. MOTOR VEHICLE LIENS.**

8 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amend-
9 ed—

10 (1) by striking “(4) Procedures” and inserting
11 the following:

12 “(4) LIENS.—

13 “(A) IN GENERAL.—Procedures”; and

14 (2) by adding at the end the following new sub-
15 paragraph:

16 “(B) MOTOR VEHICLE LIENS.—Procedures
17 for placing liens for arrears of child support on
18 motor vehicle titles of individuals owing such
19 arrears equal to or exceeding two months of
20 support, under which—

21 “(i) any person owed such arrears
22 may place such a lien;

23 “(ii) the State agency administering
24 the program under this part, shall system-
25 atically place such liens;

1 “(iii) expedited methods are provided
2 for—

3 “(I) ascertaining the amount of
4 arrears;

5 “(II) affording the person owing
6 the arrears or other titleholder to con-
7 test the amount of arrears or to ob-
8 tain a release upon fulfilling the sup-
9 port obligation;

10 “(iv) such a lien has precedence over
11 all other encumbrances on a vehicle title
12 other than a purchase money security in-
13 terest; and

14 “(v) the individual or State agency
15 owed the arrears may execute on, seize,
16 and sell the property in accordance with
17 State law.”.

18 **SEC. 366. VOIDING OF FRAUDULENT TRANSFERS.**

19 Section 466(a) (42 U.S.C. 666(a)), as amended by
20 sections 301(a), 328(a), and 331 of this Act, is amended
21 by adding at the end the following new paragraph:

22 “(15) FRAUDULENT TRANSFERS.—Procedures
23 under which—

24 “(A) the State has in effect—

1 “(i) the Uniform Fraudulent Convey-
2 ance Act of 1981,

3 “(ii) the Uniform Fraudulent Trans-
4 fer Act of 1984, or

5 “(iii) another law, specifying indicia of
6 fraud which create a prima facie case that
7 a debtor transferred income or property to
8 avoid payment to a child support creditor,
9 which the Secretary finds affords com-
10 parable rights to child support creditors;
11 and

12 “(B) in any case in which the State knows
13 of a transfer by a child support debtor with re-
14 spect to which such a prima facie case is estab-
15 lished, the State must—

16 “(i) seek to void such transfer; or

17 “(ii) obtain a settlement in the best
18 interests of the child support creditor.”.

19 **SEC. 367. STATE LAW AUTHORIZING SUSPENSION OF LI-**
20 **CENSES.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by
22 sections 301(a), 328(a), 331, and 166 of this Act, is
23 amended by adding at the end the following new para-
24 graph:

1 “(16) AUTHORITY TO WITHHOLD OR SUSPEND
2 LICENSES.—Procedures under which the State has
3 (and uses in appropriate cases) authority (subject to
4 appropriate due process safeguards) to withhold or
5 suspend, or to restrict the use of driver’s licenses,
6 professional and occupational licenses, and rec-
7 reational licenses of individuals owing overdue child
8 support or failing, after receiving appropriate notice,
9 to comply with subpoenas or warrants relating to
10 paternity or child support proceedings.”.

11 **SEC. 368. REPORTING ARREARAGES TO CREDIT BUREAUS.**

12 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
13 to read as follows:

14 “(7) REPORTING ARREARAGES TO CREDIT BU-
15 REAS.—(A) Procedures (subject to safeguards pur-
16 suant to subparagraph (B)) requiring the State to
17 report periodically to consumer reporting agencies
18 (as defined in section 603(f) of the Fair Credit Re-
19 porting Act (15 U.S.C. 1681a(f)) the name of any
20 absent parent who is delinquent by 90 days or more
21 in the payment of support, and the amount of over-
22 due support owed by such parent.

23 “(B) Procedures ensuring that, in carrying out
24 subparagraph (A), information with respect to an
25 absent parent is reported—

1 “(i) only after such parent has been af-
 2 forded all due process required under State law,
 3 including notice and a reasonable opportunity
 4 to contest the accuracy of such information;
 5 and

6 “(ii) only to an entity that has furnished
 7 evidence satisfactory to the State that the en-
 8 tity is a consumer reporting agency.”.

9 **SEC. 389. EXTENDED STATUTE OF LIMITATION FOR COL-**
 10 **LECTION OF ARREARAGES.**

11 (a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C.
 12 666(a)(9)) is amended—

13 (1) by striking “(9) Procedures” and inserting
 14 the following:

15 “(9) LEGAL TREATMENT OF ARREARS.—

16 “(A) FINALITY.—Procedures”;

17 (2) by redesignating subparagraphs (A), (B),
 18 and (C) as clauses (i), (ii), and (iii), respectively,
 19 and by indenting each of such clauses 2 additional
 20 ems to the right; and

21 (3) by adding after and below subparagraph
 22 (A), as redesignated, the following new subpara-
 23 graph:

24 “(B) STATUTE OF LIMITATIONS.—Proce-
 25 dures under which the statute of limitations on

1 any arrearages of child support extends at least
2 until the child owed such support is 30 years of
3 age.”.

4 (b) APPLICATION OF REQUIREMENT.—The amend-
5 ment made by this section shall not be read to require
6 any State law to revive any payment obligation which had
7 lapsed prior to the effective date of such State law.

8 **SEC. 370. CHARGES FOR ARREARAGES.**

9 (A) STATE LAW REQUIREMENT.—Section 466(a) (42
10 U.S.C. 666(a)), as amended by section 301(a), 328(a),
11 331, 366, and 367 of this Act, is amended by adding at
12 the end the following new paragraph:

13 “(17) CHARGES FOR ARREARAGES.—Proce-
14 dures providing for the calculation and collection of
15 interest or penalties for arrearages of child support,
16 and for distribution of such interest or penalties col-
17 lected for the benefit of the child (except where the
18 right to support has been assigned to the State).”.

19 (b) REGULATIONS.—The Secretary of Health and
20 Human Services shall establish by regulation a rule to re-
21 solve choice of law conflicts arising in the implementation
22 of the amendment made by subsection (a).

23 (c) CONFORMING AMENDMENT.—Section 454(21)
24 (42 U.S.C. 654(21)) is repealed.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall be effective with respect to arrearages
3 accruing on or after October 1, 1998.

4 **SEC. 371. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
5 **CHILD SUPPORT.**

6 (a) HHS CERTIFICATION PROCEDURE.—

7 (1) SECRETARIAL RESPONSIBILITY.—Section
8 452 (42 U.S.C. 652), as amended by sections
9 315(a)(3) and 317 of this Act, is amended by adding
10 at the end the following new subsection:

11 “(1) CERTIFICATIONS FOR PURPOSES OF PASSPORT
12 RESTRICTIONS.—

13 “(1) IN GENERAL.—Where the Secretary re-
14 ceives a certification by a State agency in accord-
15 ance with the requirements of section 454(28) that
16 an individual owes arrearages of child support in an
17 amount exceeding \$5,000 or in an amount exceeding
18 24 months’ worth of child support, the Secretary
19 shall transmit such certification to the Secretary of
20 State for action (with respect to denial, revocation,
21 or limitation of passports) pursuant to section
22 171(b) of this Act.

23 “(2) LIMIT ON LIABILITY.—The Secretary shall
24 not be liable to an individual for any action with re-

1 spect to a certification by a State agency under this
2 section.”.

3 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
4 tion 454 (42 U.S.C. 654), as amended by sections
5 304(a), 314(b), and 322(a) of this Act, is amend-
6 ed—

7 (A) by striking “and” at the end of para-
8 graph (26);

9 (B) by striking the period at the end of
10 paragraph (27) and inserting “; and”; and

11 (C) by adding after paragraph (27) the fol-
12 lowing new paragraph:

13 “(28) provide that the State agency will have in
14 effect a procedure (which may be combined with the
15 procedure for tax refund offset under section 464)
16 for certifying to the Secretary, for purposes of the
17 procedure under section 452(l) (concerning denial of
18 passports) determinations that individuals owe ar-
19 rearages of child support in an amount exceeding
20 \$5,000 or in an amount exceeding 24 months’ worth
21 of child support, under which procedure—

22 “(A) each individual concerned is afforded
23 notice of such determination and the con-
24 sequences thereof, and an opportunity to con-
25 test the determination; and

1 “(B) the certification by the State agency
2 is furnished to the Secretary in such format,
3 and accompanied by such supporting docu-
4 mentation, as the Secretary may require.”.

5 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
6 OF PASSPORTS.—

7 (1) IN GENERAL.—The Secretary of State,
8 upon certification by the Secretary of Health and
9 Human Services, in accordance with section 452(l)
10 of the Social Security Act, that an individual owes
11 arrears of child support in excess of \$5,000, shall
12 refuse to issue a passport to such individual, and
13 may revoke, restrict, or limit a passport issued pre-
14 viously to such individual.

15 (2) LIMIT ON LIABILITY.—The Secretary of
16 State shall not be liable to an individual for any ac-
17 tion with respect to a certification by a State agency
18 under this section.

19 (c) EFFECTIVE DATE.—This section and the amend-
20 ments made by this section shall become effective October
21 1, 1996.

22 **SEC. 372. INTERNATIONAL CHILD SUPPORT ENFORCE-**
23 **MENT.**

24 (A) SENSE OF THE CONGRESS THAT THE UNITED
25 STATES SHOULD RATIFY THE UNITED NATIONS CON-

1 VENTION OF 1956.—It is the sense of the Congress that
2 the United States should ratify the United Nations Con-
3 vention of 1956.

4 (b) TREATMENT OF INTERNATIONAL CHILD SUP-
5 PORT CASES AS INTERSTATE CASES.—Section 454 (42
6 U.S.C. 654), as amended by sections 304(a), 314(b),
7 322(a), and 371(a)(2) of this Act, is amended—

8 (1) by striking “and” at the end of paragraph
9 (27);

10 (2) by striking the period at the end of para-
11 graph (28) and inserting “; and”; and

12 (3) by inserting after paragraph (28) the fol-
13 lowing:

14 “(29) provide that the State must treat inter-
15 national child support cases in the same manner as
16 the State treats interstate child support cases.”.

17 **Subtitle H—Medical Support**

18 **SEC. 381. TECHNICAL CORRECTION TO ERISA DEFINITION** 19 **OF MEDICAL CHILD SUPPORT ORDER.**

20 (a) GENERAL.—Section 609(a)(2)(B) of the Em-
21 ployee Retirement Income Security Act of 1974 (29
22 U.S.C. 1169(a)(2)(B)) is amended—

23 (1) by striking “issued by a court of competent
24 jurisdiction”;

1 (2) by striking the period at the end of clause
2 (ii) and inserting a comma; and

3 (3) by adding, after and below clause (ii), the
4 following: "if such judgment, decree, or order (I) is
5 issued by a court of competent jurisdiction or (II) is
6 issued by an administrative adjudicator and has the
7 force and effect of law under applicable State law."

8 (b) EFFECTIVE DATE.—

9 (1) IN GENERAL.—The amendments made by
10 this section shall take effect on the date of the en-
11 actment of this Act.

12 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
13 JANUARY 1, 1996.—Any amendment to a plan re-
14 quired to be made by an amendment made by this
15 section shall not be required to be made before the
16 first plan year beginning on or after January 1,
17 1996, if—

18 (A) during the period after the date before
19 the date of the enactment of this Act and be-
20 fore such first plan year, the plan is operated
21 in accordance with the requirements of the
22 amendments made by this section, and

23 (B) such plan amendment applies retro-ac-
24 tively to the period after the date before the

1 date of the enactment of this Act and before
2 such first plan year.

3 A plan shall not be treated as failing to be operated
4 in accordance with the provisions of the plan merely
5 because it operates in accordance with this para-
6 graph.

7 **Subtitle I—Effect of Enactment**

8 **SEC. 391. EFFECTIVE DATES.**

9 (A) IN GENERAL.—Except as otherwise specifically
10 provided (but subject to subsections (b) and (c))—

11 (1) provisions of this title requiring enactment
12 or amendment of State laws under section 466 of
13 the Social Security Act, or revision of State plans
14 under section 454 of such Act, shall be effective with
15 respect to periods beginning on and after October 1,
16 1996; and

17 (2) all other provisions of this title shall become
18 effective upon enactment.

19 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
20 provisions of this title shall become effective with respect
21 to a State on the later of—

22 (1) the date specified in this title, or

23 (2) the effective date of laws enacted by the leg-
24 islature of such State implementing such provisions,
25 but in no event later than the first day of the first

1 calender quarter beginning after the close of the
2 first regular session of the State legislature that be-
3 gins after the date of enactment of this Act. For
4 purposes of the previous sentence, in the case of a
5 State that has a 2-year legislative session, each year
6 of such session shall be deemed to be a separate reg-
7 ular 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 title if it is
11 unable to comply without amending the State constitution
12 until the earlier of—

13 (1) the date one year after the effective date of
14 the necessary State constitutional amendment, or

15 (2) the date five years after enactment of this
16 title.

17 **SEC. 392. SEVERABILITY.**

18 If any provision of this title or the application thereof
19 to any person or circumstance is held invalid, the invalid-
20 ity shall not affect other provisions or applications of this
21 title which can be given effect without regard to the invalid
22 provision or application, and to this end the provisions of
23 this title shall be severable.

1 **TITLE V—AMENDMENTS TO THE**
 2 **INTERNAL REVENUE CODE**

3 **SEC. 501. INCREASE IN TOP MARGINAL RATE UNDER SEC-**
 4 **TION 11.**

5 (a) IN GENERAL.—The following provisions of the In-
 6 ternal Revenue Code of 1986 are amended by striking
 7 “35” and inserting “36.25”:

8 (1) Section 11(b)(1).

9 (2) Section 11(b)(2).

10 (3) Section 1201(a).

11 (4) Paragraphs (1) and (2) of section 1445(e)

12 (b) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to taxable years beginning on or
 14 after October 1, 1996, except that the amendment made
 15 by subsection (a)(4) shall take effect on October 1, 1996.

16 **TITLE VI—EFFECTIVE DATE**

17 **SEC. 601. EFFECTIVE DATE.**

18 Except as otherwise provided in this Act, this Act and
 19 the amendments made by this Act shall take effect on
 20 October 1, 1996.

Amend the title so as to read: “A bill to promote self-sufficiency and stability among families receiving aid to families with dependent children by increasing employment opportunities; to increase State flexibility in operating a Job Opportunities and Basic skills Training Program; to improve the interstate enforcement of child sup-

port and parentage court orders; and for other purposes.”.

○

HR 1250 IH—2

HR 1250 IH—3

HR 1250 IH—4

HR 1250 IH—5

HR 1250 IH—6

HR 1250 IH—7

HR 1250 IH—8

HR 1250 IH—9

HR 1250 IH—10

HR 1250 IH—11

104TH CONGRESS
1ST SESSION

H. R. 1267

To reconnect families to the world of work, make work pay strengthen families, require personal responsibility, and support State flexibility.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 1995

Mr. DEAL of Georgia (for himself, Mr. CLEMENT, Mr. TANNER, Mr. STENHOLM, Mrs. LINCOLN, Mrs. THURMAN, and Mr. PAYNE of Virginia) introduced the following bill; which was referred to the Committee on Economic and Educational Opportunities, and in addition to the Committees on the Judiciary, Commerce, National Security, Banking and Financial Services, and Agriculture, 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

A BILL

To reconnect families to the world of work, make work pay strengthen families, require personal responsibility, and support State flexibility.

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 "Individual Responsibil-
5 ity Act of 1995".

6 **SEC. 2. TABLE OF CONTENTS.**

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Amendment of the Social Security Act.

TITLE I—TIME-LIMITED TRANSITIONAL ASSISTANCE

- Sec. 101. Limitation on duration of AFDC benefits.
- Sec. 102. Establishment of Federal data base.

TITLE II—MAKE WORK PAY

Subtitle A—Health Care

- Sec. 201. Transitional medicaid benefits.

Subtitle B—Earned Income Tax Credit

- Sec. 211. Notice of availability required to be provided to applicants and former recipients of AFDC, food stamps, and medicaid.
- Sec. 212. Notice of availability of earned income tax credit and dependent care tax credit to be included on W-4 form.
- Sec. 213. Advance payment of earned income tax credit through State demonstration programs.

Subtitle C—Child Care

- Sec. 221. Dependent care credit to be refundable; high-income taxpayers ineligible for credit.
- Sec. 222. Funding of child care services.

Subtitle D—AFDC Work Disregards

- Sec. 231. Option to increase disregard of earned income.
- Sec. 232. State option to establish voluntary diversion program.
- Sec. 233. Elimination of quarters of coverage requirement for married teens under AFDC-UP program.

Subtitle E—AFDC Asset Limitations

- Sec. 241. Increase in resource thresholds; separate threshold for vehicles.
- Sec. 242. Limited disregard of amounts saved for post-secondary education, the purchase of a first home, or the establishment or operation of a microenterprise.

TITLE III—THE WORK FIRST PROGRAM

- Sec. 301. Work first program.
- Sec. 302. Regulations.
- Sec. 303. Applicability to States.
- Sec. 304. Sense of the Congress relating to availability of work first program in rural areas.
- Sec. 305. Grants to community-based organizations.

TITLE IV—FAMILY RESPONSIBILITY AND IMPROVED CHILD SUPPORT ENFORCEMENT

Subtitle A—Eligibility and Other Matters Concerning Title IV-D Program Clients

- Sec. 401. State obligation to provide paternity establishment and child support enforcement services.
- Sec. 402. Distribution of payments.
- Sec. 403. Due process rights.
- Sec. 404. Privacy safeguards.

Subtitle B—Program Administration and Funding

- Sec. 411. Federal matching payments.
- Sec. 412. Performance-based incentives and penalties.
- Sec. 413. Federal and State reviews and audits.
- Sec. 414. Required reporting procedures.
- Sec. 415. Automated data processing requirements.
- Sec. 416. Director of CSE program; staffing study.
- Sec. 417. Funding for secretarial assistance to State programs.
- Sec. 418. Reports and data collection by the Secretary.

Subtitle C—Locate and Case Tracking

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- Sec. 422. Centralized collection and disbursement of support payments.
- Sec. 423. Amendments concerning income withholding.
- Sec. 424. Locator information from interstate networks.
- Sec. 425. Expanded Federal Parent Locator Service.
- Sec. 426. Use of social security numbers.

Subtitle D—Streamlining and Uniformity of Procedures

- Sec. 431. Adoption of uniform State laws.
- Sec. 432. Improvements to full faith and credit for child support orders.
- Sec. 433. State laws providing expedited procedures.

Subtitle E—Paternity Establishment

- Sec. 441. Sense of the Congress.
- Sec. 442. Availability of parenting social services for new fathers.
- Sec. 443. Cooperation requirement and good cause exception.
- Sec. 444. Federal matching payments.
- Sec. 445. Performance-based incentives and penalties.
- Sec. 446. State laws concerning paternity establishment.
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Subtitle F—Establishment and Modification of Support Orders

- Sec. 451. National Child Support Guidelines Commission.
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- Sec. 462. Internal Revenue Service collection of arrears.
- Sec. 463. Authority to collect support from Federal employees.
- Sec. 464. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 465. Motor vehicle liens.
- Sec. 466. Voiding of fraudulent transfers.
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- Sec. 469. Extended statute of limitation for collection of arrearages.
- Sec. 470. Charges for arrearages.
- Sec. 471. Denial of passports for nonpayment of child support.
- Sec. 472. International child support enforcement.
- Sec. 473. Seizure of lottery winnings, settlements, payouts, awards, and bequests, and sale of forfeited property, to pay child support arrearages.
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- Sec. 491. Effective dates.
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- Sec. 501. State option to deny AFDC for additional children.
- Sec. 502. Minors receiving AFDC required to live under responsible adult supervision.
- Sec. 503. National clearinghouse on adolescent pregnancy.
- Sec. 504. Incentive for teen parents to attend school.
- Sec. 505. State option to disregard 100-hour rule under AFDC-UP program.
- Sec. 506. State option to disregard 6-month limitation on AFDC-UP benefits.
- Sec. 507. Elimination of quarters of coverage requirement under AFDC-UP program for families in which both parents are teens.
- Sec. 508. Denial of Federal housing benefits to minors who bear children out-of-wedlock.
- Sec. 509. State option to deny AFDC to minor parents.

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- Sec. 511. Teenage pregnancy prevention and family stability.
- Sec. 512. Availability of family planning services.

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- Sec. 601. State option to provide AFDC through electronic benefit transfer systems.
- Sec. 602. Deadline for action on application for waiver of requirement applicable to program of aid to families with dependent children.

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- Sec. 611. Amendments to part A of title IV of the Social Security Act.

Sec. 612. Amendments to the Food Stamp Act of 1977.

Subtitle C—Fraud Reduction

Sec. 631. Sense of the Congress in support of the efforts of the administration to address the problems of fraud and abuse in the supplemental security income program.

Sec. 632. Study on feasibility of single tamper-proof identification card to serve programs under both the Social Security Act and health reform legislation.

Subtitle D—Additional Provisions

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Sec. 644. Repeal of requirement to make certain supplemental payments in States paying less than their needs standards.

Sec. 645. Collection of AFDC overpayments from Federal tax refunds.

Sec. 646. Territories.

Sec. 647. Disregard of student income.

Sec. 648. Lump-sum income.

TITLE VII—CHILD PROTECTION BLOCK GRANT PROGRAM

Sec. 701. Establishment of programs.

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Subtitle A—Eligibility of Children for Benefits

Sec. 801. Restrictions on eligibility.

Sec. 802. Continuing disability reviews for certain children.

Sec. 803. Disability review required for SSI recipients who are 18 years of age.

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Sec. 811. Denial of SSI benefits by reason of disability to drug addicts and alcoholics.

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Sec. 901. Extension of deeming of income and resources under AFDC, SSI, and food stamp programs.

Sec. 902. Requirements for sponsor's affidavits of support.

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Subtitle B—Limitation on Emergency Assistance Expenditures

Sec. 911. Limitation on expenditures for emergency assistance.

Subtitle C—Tax Provisions

- Sec. 921. Certain Federal assistance includible in gross income.
- Sec. 922. Earned income tax credit denied to individuals not authorized to be employed in the United States.
- Sec. 923. Phaseout of earned income credit for individuals having more than \$2,500 of taxable interest and dividends.
- Sec. 924. AFDC and food stamp benefits not taken into account for purposes of the earned income tax credit.

TITLE X—FOOD ASSISTANCE REFORM

Subtitle A—Food Stamp Program Integrity and Reform

- Sec. 1001. Authority to establish authorization periods.
- Sec. 1002. Specific period for prohibiting participation of stores based on lack of business integrity.
- Sec. 1003. Information for verifying eligibility for authorization.
- Sec. 1004. Waiting period for stores that initially fail to meet authorization criteria.
- Sec. 1005. Bases for suspensions and disqualifications.
- Sec. 1006. Authority to suspend stores violating program requirements pending administrative and judicial review.
- Sec. 1007. Disqualification of retailers who are disqualified from the WIC program.
- Sec. 1008. Permanent debarment of retailers who intentionally submit falsified applications.
- Sec. 1009. Expanded civil and criminal forfeiture for violations of the Food Stamp Act.
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- Sec. 1011. Expanded definition of "coupon".
- Sec. 1012. Doubled penalties for violating food stamp program requirements.
- Sec. 1013. Mandatory claims collection methods.
- Sec. 1014. Reduction of basic benefit level.
- Sec. 1015. Pro-rating benefits after interruptions in participation.
- Sec. 1016. Work requirement for able-bodied recipients.
- Sec. 1017. Extending current claims retention rates.
- Sec. 1018. Coordination of employment and training programs.
- Sec. 1019. Promoting expansion of electronic benefits transfer.
- Sec. 1020. One-year freeze of standard deduction.
- Sec. 1021. Nutrition assistance for Puerto Rico.
- Sec. 1022. Other amendments to the Food Stamp Act of 1977.

Subtitle B—Commodity Distribution

- Sec. 1051. Short title.
- Sec. 1052. Availability of commodities.
- Sec. 1053. State, local and private supplementation of commodities.
- Sec. 1054. State plan.
- Sec. 1055. Allocation of commodities to States.
- Sec. 1056. Priority system for State distribution of commodities.
- Sec. 1057. Initial processing costs.
- Sec. 1058. Assurances; anticipated use.
- Sec. 1059. Authorization of appropriations.
- Sec. 1060. Commodity supplemental food program.
- Sec. 1061. Commodities not income.
- Sec. 1062. Prohibition against certain State charges.
- Sec. 1063. Definitions.

- Sec. 1064. Regulations.
 Sec. 1065. Finality of determinations.
 Sec. 1066. Relationship to other programs.
 Sec. 1067. Settlement and adjustment of claims.
 Sec. 1068. Repealers; amendments.

TITLE XI—DEFICIT REDUCTION

- Sec. 1101. Dedication of savings to deficit reduction.

TITLE XII—EFFECTIVE DATE

- Sec. 1201. Effective date.

1 **SEC. 3. AMENDMENT OF THE SOCIAL SECURITY ACT.**

2 Except as otherwise expressly provided, wherever in
 3 this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the reference shall be considered to be made to a
 6 section or other provision of the Social Security Act.

7 **TITLE I—TIME-LIMITED** 8 **TRANSITIONAL ASSISTANCE**

9 **SEC. 101. LIMITATION ON DURATION OF AFDC BENEFITS.**

10 Section 402(a) (42 U.S.C. 602(a)) is amended—

11 (1) by striking “and” at the end of paragraph
 12 (44);

13 (2) by striking the period at the end of para-
 14 graph (45) and inserting “; and”; and

15 (3) by inserting after paragraph (45) the fol-
 16 lowing:

17 “(46) in the case of a State that has exercised
 18 the option provided for in paragraph (52), provide
 19 that—

1 “(A) a family shall not be eligible for aid
2 under the State plan if a member of the family
3 is—

4 “(i) prohibited from participating in
5 the State program established under sub-
6 part 1 of part G by reason of section
7 497(b); or

8 “(ii) prohibited from participating in
9 the State program established under sub-
10 part 2 of part G by reason of section
11 499(a)(4); and

12 “(B) each member of the family shall be
13 considered to be receiving such aid for purposes
14 of eligibility for medical assistance under the
15 State plan approved under title XIX for so long
16 as the family would be eligible for such aid but
17 for subparagraph (A).”.

18 **SEC. 102. ESTABLISHMENT OF FEDERAL DATA BASE.**

19 Section 402 (42 U.S.C. 602) is amended by inserting
20 after subsection (c) the following:

21 “(d) The Secretary shall establish and maintain a
22 data base of participants in State programs established
23 under parts F and G which shall be made available to the
24 States for use in administering subsection (a)(46).”.

TITLE II—MAKE WORK PAY

Subtitle A—Health Care

3 SEC. 201. TRANSITIONAL MEDICAID BENEFITS.

4 (a) EXTENSION OF MEDICAID ENROLLMENT FOR
5 FORMER AFDC RECIPIENTS FOR 1 ADDITIONAL YEAR.—

6 (1) IN GENERAL.—Section 1925(b)(1) (42
7 U.S.C. 1396r-6(b)(1)) is amended by striking the
8 period at the end and inserting the following: “, and
9 that the State shall offer to each such family the op-
10 tion of extending coverage under this subsection for
11 any of the first 2 succeeding 6-month periods, in the
12 same manner and under the same conditions as the
13 option of extending coverage under this subsection
14 for the first succeeding 6-month period.”.

15 (2) CONFORMING AMENDMENTS.—Section
16 1925(b) (42 U.S.C. 1396r-6(b)) is amended—

17 (A) in the heading, by striking “EXTEN-
18 SION” and inserting “EXTENSIONS”;

19 (B) in the heading of paragraph (1), by
20 striking “REQUIREMENT” and inserting “IN
21 GENERAL”;

22 (C) in paragraph (2)(B)(ii)—

23 (i) in the heading, by striking “PE-
24 RIOD” and inserting “PERIODS”, and

1 (ii) by striking “in the period” and in-
2 serting “in each of the 6-month periods”;

3 (D) in paragraph (3)(A), by striking “the
4 6-month period” and inserting “any 6-month
5 period”;

6 (E) in paragraph (4)(A), by striking “the
7 extension period” and inserting “any extension
8 period”; and

9 (F) in paragraph (5)(D)(i), by striking “is
10 a 3-month period” and all that follows and in-
11 serting the following: “is, with respect to a par-
12 ticular 6-month additional extension period pro-
13 vided under this subsection, a 3-month period
14 beginning with the 1st or 4th month of such ex-
15 tension period.”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 subsection (a) shall apply to calendar quarters beginning
18 on or after October 1, 1997, without regard to whether
19 or not final regulations to carry out such amendments
20 have been promulgated by such date.

1 **Subtitle B—Earned Income Tax** 2 **Credit**

3 **SEC. 211. NOTICE OF AVAILABILITY REQUIRED TO BE PRO-**
4 **VIDED TO APPLICANTS AND FORMER RECIPI-**
5 **ENTS OF AFDC, FOOD STAMPS, AND MEDIC-**
6 **AID.**

7 (a) AFDC.—Section 402(a) (42 U.S.C. 602(a)), as
8 amended by sections 101 and 102 of this Act, is
9 amended—

10 (1) by striking “and” at the end of paragraph
11 (46);

12 (2) by striking the period at the end of para-
13 graph (47) and inserting “; and”; and

14 (3) by inserting after paragraph (47) the fol-
15 lowing:

16 “(48) provide that the State agency must pro-
17 vide written notice of the existence and availability
18 of the earned income credit under section 32 of the
19 Internal Revenue Code of 1986 to—

20 “(A) any individual who applies for aid
21 under the State plan, upon receipt of the appli-
22 cation; and

23 “(B) any individual whose aid under the
24 State plan is terminated, in the notice of termi-
25 nation of benefits.”.

1 (b) FOOD STAMPS.—Section 11(e) of the Food
2 Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

3 (1) in paragraph (24) by striking “and” at the
4 end;

5 (2) in paragraph (25) by striking the period at
6 the end and inserting “; and”; and

7 (3) by inserting after paragraph (25) the fol-
8 lowing:

9 “(26) that whenever a household applies for
10 food stamp benefits, and whenever such benefits are
11 terminated with respect to a household, the State
12 agency shall provide to each member of such house-
13 hold notice of—

14 “(A) the existence of the earned income
15 tax credit under section 32 of the Internal Rev-
16 enue Code of 1986; and

17 “(B) the fact that such credit may be ap-
18 plicable to such member.”.

19 (c) MEDICAID.—Section 1902(a) (42 U.S.C.
20 1396a(a)) is amended—

21 (1) by striking “and” at the end of paragraph
22 (61);

23 (2) by striking the period at the end of para-
24 graph (62) and inserting “; and”; and

1 (3) by adding at the end the following new
2 paragraph:

3 “(63) provide that the State shall provide notice
4 of the existence and availability of the earned income
5 tax credit under section 32 of the Internal Revenue
6 Code of 1986 to each individual applying for medical
7 assistance under the State plan and to each individ-
8 ual whose eligibility for medical assistance under the
9 State plan is terminated.”.

10 **SEC. 212. NOTICE OF AVAILABILITY OF EARNED INCOME**
11 **TAX CREDIT AND DEPENDENT CARE TAX**
12 **CREDIT TO BE INCLUDED ON W-4 FORM.**

13 Section 11114 of the Omnibus Budget Reconciliation
14 Act of 1990 (26 U.S.C. 21 note), relating to program to
15 increase public awareness, is amended by adding at the
16 end the following new sentence: “Such means shall include
17 printing a notice of the availability of such credits on the
18 forms used by employees to determine the proper number
19 of withholding exemptions under chapter 24 of the Inter-
20 nal Revenue Code of 1986.”.

21 **SEC. 213. ADVANCE PAYMENT OF EARNED INCOME TAX**
22 **CREDIT THROUGH STATE DEMONSTRATION**
23 **PROGRAMS.**

24 (a) **IN GENERAL.**—Section 3507 of the Internal Rev-
25 enue Code of 1986 (relating to the advance payment of

1 the earned income tax credit) is amended by adding at
2 the end the following:

3 “(g) STATE DEMONSTRATIONS.—

4 “(1) IN GENERAL.—In lieu of receiving earned
5 income advance amounts from an employer under
6 subsection (a), a participating resident shall receive
7 advance earned income payments from a responsible
8 State agency pursuant to a State Advance Payment
9 Program that is designated pursuant to paragraph
10 (2).

11 “(2) DESIGNATIONS.—

12 “(A) IN GENERAL.—From among the
13 States submitting proposals satisfying the re-
14 quirements of subsection (g)(3), the Secretary
15 (in consultation with the Secretary of Health
16 and Human Services) may designate not more
17 than 4 State Advance Payment Demonstra-
18 tions. States selected for the demonstrations
19 may have, in the aggregate, no more than 5
20 percent of the total number of household par-
21 ticipating in the program under the Food
22 Stamp program in the immediately preceding
23 fiscal year, Administrative costs of a State in
24 conducting a demonstration under this section
25 may be included for matching under section

1 403(a) of the Social Security Act and section
2 16(a) of the Food Stamp Act of 1977.

3 “(B) WHEN DESIGNATION MAY BE
4 MADE.—Any designation under this paragraph
5 shall be made no later than December 31,
6 1995.

7 “(C) PERIOD FOR WHICH DESIGNATION IS
8 IN EFFECT.—

9 “(i) IN GENERAL.—Designations
10 made under this paragraph shall be effec-
11 tive for advance earned income payments
12 made after December 31, 1995, and before
13 January 1, 1999.

14 “(ii) SPECIAL RULES.—

15 “(I) REVOCATION OF DESIGNA-
16 TIONS.—The Secretary may revoke
17 the designation under this paragraph
18 if the Secretary determines that the
19 State is not complying substantially
20 with the proposal described in para-
21 graph (3) submitted by the State.

22 “(II) AUTOMATIC TERMINATION
23 OF DESIGNATIONS.—Any failure by a
24 State to comply with the reporting re-
25 quirements described in paragraphs

1 (3)(F) and (3)(G) has the effect of
2 immediately terminating the designa-
3 tion under this paragraph (2) and
4 rendering paragraph (5)(A)(ii) inap-
5 plicable to subsequent payments.

6 “(3) PROPOSALS.—No State may be designated
7 under subsection (g)(2) unless the State’s proposal
8 for such designation—

9 “(A) identifies the responsible State agen-
10 cy,

11 “(B) describes how and when the advance
12 earned income payments will be made by that
13 agency, including a description of any other
14 State or Federal benefits with which such pay-
15 ments will be coordinated,

16 “(C) describes how the State will obtain
17 the information on which the amount of ad-
18 vance earned income payments made to each
19 participating resident will be determined in ac-
20 cordance with paragraph (4),

21 “(D) describes how State residents who
22 will be eligible to receive advance earned income
23 payments will be selected, notified of the oppor-
24 tunity to receive advance earned income pay-
25 ments from the responsible State agency, and

1 given the opportunity to elect to participate in
2 the program,

3 “(E) describes how the State will verify, in
4 addition to receiving the certifications and
5 statement described in paragraph (7)(D)(iv),
6 the eligibility of participating residents for the
7 earned tax credit,

8 “(F) commits the State to furnishing to
9 each participating resident and to the Secretary
10 by January 31 of each year a written statement
11 showing—

12 “(i) the name and taxpayer identifica-
13 tion number of the participating resident,
14 and

15 “(ii) the total amount of advance
16 earned income payments made to the par-
17 ticipating resident during the prior cal-
18 endar year,

19 “(G) commits the State to furnishing to
20 the Secretary by December 1 of each year a
21 written statement showing the name and tax-
22 payer identification number of each participat-
23 ing resident,

24 “(H) commits the State to treat the ad-
25 vanced earned income payments as described in

1 subsection (g)(5) and any repayments of exces-
2 sive advance earned income payments as de-
3 scribed in subsection (g)(6),

4 “(I) commits the State to assess the devel-
5 opment and implementation of its State Ad-
6 vance Payment Program, including an agree-
7 ment to share its findings and lessons with
8 other interested States in a manner to be de-
9 scribed by the Secretary, and

10 “(J) is submitted to the Secretary on or
11 before June 30, 1995.

12 “(4) AMOUNT AND TIMING OF ADVANCE
13 EARNED INCOME PAYMENTS.—

14 “(A) AMOUNT.—

15 “(i) IN GENERAL.—The method for
16 determining the amount of advance earned
17 income payments made to each participat-
18 ing resident is to conform to the full extent
19 possible with the provisions of subsection
20 (c).

21 “(ii) SPECIAL RULE.—A State may,
22 at its election, apply the rules of subsection
23 (c)(2)(B) by substituting ‘between 60 per-
24 cent and 75 percent of the credit percent-
25 age in effect under section 32(b)(1) for an

1 individual with the corresponding number
2 of qualifying children' for '60 percent of
3 the credit percentage in effect under sec-
4 tion 32(b)(1) for such an eligible individual
5 with 1 qualifying child' in clause (i) and
6 'the same percentage (as applied in clause
7 (i))' for '60 percent' in clause (ii).

8 "(B) TIMING.—The frequency of advance
9 earned income payments may be made on the
10 basis of the payroll periods of participating resi-
11 dents, on a single statewide schedule, or on any
12 other reasonable basis prescribed by the State
13 in its proposal; however, in no event may ad-
14 vance earned income payments be made to any
15 participating resident less frequently than on a
16 calendar-quarter basis.

17 "(5) PAYMENTS TO BE TREATED AS PAYMENTS
18 OF WITHHOLDING AND FICA TAXES.—

19 "(A) IN GENERAL.—For purposes of this
20 title, advance earned income payments during
21 any calendar quarter—

22 "(i) shall neither be treated as a pay-
23 ment of compensation nor be included in
24 gross income, and

25 "(ii) shall be treated as made out of—

1 “(I) amounts required to be de-
2 ducted by the State and withheld for
3 the calendar quarter by the State
4 under section 3401 (relating to wage
5 withholding), and

6 “(II) amounts required to be de-
7 ducted for the calendar quarter under
8 section 3102 (relating to FICA em-
9 ployee taxes), and

10 “(III) amounts of the taxes im-
11 posed on the State for the calendar
12 quarter under section 3111 (relating
13 to FICA employer taxes),

14 as if the State had paid to the Secretary,
15 on the day on which payments are made to
16 participating residents, an amount equal to
17 such payments.

18 “(B) ADVANCE PAYMENTS EXCEED TAXES
19 DUE.—If for any calendar quarter the aggre-
20 gate amount of advance earned income pay-
21 ments made by the responsible State agency
22 under a State Advance Payment Program ex-
23 ceeds the sum of the amounts referred to in
24 subparagraph (A)(ii) (without regard to para-
25 graph (6)(A)), each such advance earned in-

1 come payment shall be reduced by an amount
2 which bears the same ratio to such excess as
3 such advance earned income payment bears to
4 the aggregate amount of all such advance
5 earned income payments.

6 “(6) STATE REPAYMENT OF EXCESSIVE AD-
7 VANCE EARNED INCOME PAYMENTS.—

8 “(A) IN GENERAL.—Notwithstanding any
9 other provision of law, in the case of an exces-
10 sive advance earned income payment a State
11 shall be treated as having deducted and with-
12 held under section 3401 (relating to wage with-
13 holding), and therefore is required to pay to the
14 United States, the repayment amount during
15 the repayment calendar quarter.

16 “(B) EXCESSIVE ADVANCE EARNED IN-
17 COME PAYMENT.—For purposes of this section,
18 an excessive advance income payment is that
19 portion of any advance earned income payment
20 that, when combined with other advance earned
21 income payments previously made to the same
22 participating resident during the same calendar
23 year, exceeds the amount of earned income tax
24 credit to which that participating resident is en-
25 titled under section 32 for that year.

1 “(C) REPAYMENT AMOUNT.—The repay-
2 ment amount is equal to 50 percent of the ex-
3 cess of—

4 “(i) excessive advance earned income
5 payments made by a State during a par-
6 ticular calendar year, over

7 “(ii) the sum of—

8 “(I) 4 percent of all advance
9 earned income payments made by the
10 State during that calendar year, and

11 “(II) the excessive advance
12 earned income payments made by the
13 State during that calendar year that
14 have been collected from participating
15 residents by the Secretary.

16 “(D) REPAYMENT CALENDAR QUARTER.—
17 The repayment calendar quarter is the second
18 calendar quarter of the third calendar year
19 after the calendar year in which an excessive
20 earned income payment is made.

21 “(7) DEFINITIONS.—For purposes of this sec-
22 tion—

23 “(A) STATE ADVANCE PAYMENT PRO-
24 GRAM.—The term ‘State Advance Payment
25 Program’ means the program described in a

1 proposal submitted for designation under para-
2 graph (1) and designated by the Secretary
3 under paragraph (2).

4 “(B) RESPONSIBLE STATE AGENCY.—The
5 term ‘responsible State agency’ means the sin-
6 gle State agency that will be making the ad-
7 vance earned income payments to residents of
8 the State who elect to participate in a State Ad-
9 vance Payment Program.

10 “(C) ADVANCE EARNED INCOME PAY-
11 MENTS.—The term ‘advance earned income
12 payments’ means an amount paid by a respon-
13 sible State agency to residents of the State pur-
14 suant to a State Advance Payment Program.

15 “(D) PARTICIPATING RESIDENT.—The
16 term ‘participating resident’ means an individ-
17 ual who—

18 “(i) is a resident of a State that has
19 in effect a designated State Advance Pay-
20 ment Program,

21 “(ii) makes the election described in
22 paragraph (3)(C) pursuant to guidelines
23 prescribed by the State,

1 “(iii) certifies to the State the number
2 of qualifying children the individual has,
3 and

4 “(iv) provides to the State the certifi-
5 cations and statement set forth in sub-
6 sections (b)(1), (b)(2), (b)(3), and (b)(4)
7 (except that for purposes of this clause
8 (iv), the term ‘any employer’ shall be sub-
9 stituted for ‘another employer’ in sub-
10 section (b)(3)), along with any other infor-
11 mation required by the State.”.

12 (b) TECHNICAL ASSISTANCE.—The Secretaries of
13 Treasury and Health and Human Services shall jointly en-
14 sure that technical assistance is provided to State Advance
15 Payment Programs and that these programs are rigor-
16 ously evaluated.

17 (c) ANNUAL REPORTS.—The Secretary shall issue
18 annual reports detailing the extent to which—

19 (1) residents participate in the State Advance
20 Payment Programs,

21 (2) participating residents file Federal and
22 State tax returns,

23 (3) participating residents report accurately the
24 amount of the advance earned income payments

1 made to them by the responsible State agency dur-
2 ing the year, and

3 (4) recipients of excessive advance earned in-
4 come payments repaid those amounts.

5 The report shall also contain an estimate of the amount
6 of advance earned income payments made by each respon-
7 sible State agency but not reported on the tax returns of
8 a participating resident and the amount of excessive ad-
9 vance earned income payments.

10 (d) AUTHORIZATION OF APPROPRIATIONS.—For pur-
11 poses of providing technical assistance described in sub-
12 section (b), preparing the reports described in subsection
13 (c), and providing grants to States in support of des-
14 ignated State Advance Payment Programs, there are au-
15 thorized to be appropriated in advance to the Secretary
16 of the Treasury and the Secretary of Health and Human
17 Services a total of \$1,400,000 for fiscal years 1996
18 through 1999.

19 **Subtitle C—Child Care**

20 **SEC. 221. DEPENDENT CARE CREDIT TO BE REFUNDABLE;**
21 **HIGH-INCOME TAXPAYERS INELIGIBLE FOR**
22 **CREDIT.**

23 (a) CREDIT TO BE REFUNDABLE.—

24 (1) IN GENERAL.—Section 21 of the Internal
25 Revenue Code of 1986 (relating to expenses for

1 **Subtitle D—AFDC Work Disregards**

2 **SEC. 231. OPTION TO INCREASE DISREGARD OF EARNED IN-** 3 **COME.**

4 Section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)) is
5 amended—

6 (1) by striking “and” at the end of clause (vii);

7 and

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

9 “(ix) if electing to disregard clauses (ii)
10 and (iv), shall disregard from the earned in-
11 come of any child, relative, or other individual
12 specified in clause (ii) an amount equal to not
13 less than the first \$120 and not more than the
14 first \$225 of the total of such earned income
15 not disregarded under any other clause of this
16 subparagraph, plus not more than one third of
17 the remainder of such earned income; and”.

18 **SEC. 232. STATE OPTION TO ESTABLISH VOLUNTARY DI-** 19 **VERSION PROGRAM.**

20 Section 402(a) (42 U.S.C. 602(a)), as amended by
21 sections 101, 102, and 211(a) of this Act, is amended—

22 (1) by striking “and” at the end of paragraph
23 (47);

24 (2) by striking the period at the end of para-
25 graph (48) and inserting “; and”; and

1 (3) by inserting after paragraph (48) the fol-
2 lowing:

3 “(49) at the option of the State, and in such
4 part or parts of the State as the State may select,
5 provide that—

6 “(A) upon the recommendation of the case-
7 worker who is handling the case of a family eli-
8 gible for aid under the State plan, the State
9 shall, in lieu of any other payment under the
10 State plan to a family during a time period of
11 not more than 3 months, make a lump-sum
12 payment to the family for the time period in an
13 amount not to exceed—

14 “(i) the amount of the monthly bene-
15 fit to which the family is entitled under the
16 State plan; multiplied by

17 “(ii) the number of months in the
18 time period;

19 “(B) a lump-sum payment pursuant to
20 subparagraph (A) shall not be made more than
21 once to any family; and

22 “(C) if, during a time period for which the
23 State has made a lump-sum payment to a fam-
24 ily pursuant to subparagraph (A), the family
25 applies for and (but for the lump-sum payment)

1 would be eligible for aid under the State plan
2 for a greater monthly benefit than the monthly
3 benefit to which the family was entitled under
4 the State plan at the time of the calculation of
5 the lump sum payment, then, notwithstanding
6 subparagraph (A), the State shall, for that part
7 of the time period that remains after the family
8 becomes eligible for the greater monthly benefit,
9 provide monthly benefits to the family in an
10 amount not to exceed—

11 “(i) the amount by which the greater
12 monthly benefit exceeds the former month-
13 ly benefit, multiplied by the number of
14 months in the time period; divided by

15 “(ii) the whole number of months re-
16 maining in the time period.”.

17 **SEC. 233. ELIMINATION OF QUARTERS OF COVERAGE RE-**
18 **QUIREMENT FOR MARRIED TEENS UNDER**
19 **AFDC-UP PROGRAM.**

20 (a) IN GENERAL.—Section 407(b)(1)(A)(iii)(I) (42
21 U.S.C. 607(b)(1)(A)(iii)(I)) is amended by inserting “ex-
22 cept in the case of a family in which the parents are mar-
23 ried and neither parent has attained 20 years of age,”
24 after “(I)”.

1 (b) EXTENSION OF AFDC-UP PROGRAM.—Section
 2 401(h) of the Family Support Act of 1988 (42 U.S.C. 602
 3 and note, 607) is amended by striking “1998” and insert-
 4 ing “2000”.

5 Subtitle E—AFDC Asset 6 Limitations

7 **SEC. 241. INCREASE IN RESOURCE THRESHOLDS; SEPA-**
 8 **RATE THRESHOLD FOR VEHICLES.**

9 Section 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)) is
 10 amended—

11 (1) by striking “\$1,000 or such lower amount
 12 as the State may determine” and inserting
 13 “\$2,000”; and

14 (2) in clause (i), by striking “such amount as
 15 the Secretary may prescribe” and inserting “the dol-
 16 lar amount prescribed by the Secretary of Agri-
 17 culture under section 5(g) of the Food Stamp Act of
 18 1977”.

19 **SEC. 242. LIMITED DISREGARD OF AMOUNTS SAVED FOR**
 20 **POST-SECONDARY EDUCATION, THE PUR-**
 21 **CHASE OF A FIRST HOME, OR THE ESTAB-**
 22 **LISHMENT OR OPERATION OF A**
 23 **MICROENTERPRISE.**

24 (a) DISREGARD FROM RESOURCES.—Section
 25 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)) is amended—

1 (1) by striking “or” before “(iv)”; and

2 (2) by inserting “, or (v) any amount not ex-
3 ceeding \$8,000 in 1 qualified asset account (as de-
4 fined in section 406(i)) of 1 member of such family”
5 before “; and”.

6 (b) DISREGARD FROM INCOME.—

7 (1) IN GENERAL.—Section 402(a)(8)(A) (42
8 U.S.C. 602(a)(8)(A)), as amended by section 231 of
9 this Act, is amended—

10 (A) by striking “and” at the end of clause
11 (viii); and

12 (B) by inserting after clause (ix) the fol-
13 lowing new clause:

14 “(x) shall disregard any interest or in-
15 come earned on a qualified asset account
16 (as defined in section 406(i)) and paid into
17 the account, to the extent that the total
18 amount in the account, after such pay-
19 ment, does not exceed \$8,000; and”.

20 (2) NONRECURRING LUMP SUM EXEMPT FROM
21 LUMP SUM RULE.—Section 402(a)(17) (42 U.S.C.
22 602(a)(17)) is amended by adding at the end the
23 following: “; and that this paragraph shall not apply
24 to earned or unearned income received in a month
25 on a nonrecurring basis to the extent that such in-

1 come is placed in a qualified asset account (as de-
2 fined in section 406(i)) the total amount in which,
3 after such placement, does not exceed \$8,000;”.

4 (3) TREATMENT AS INCOME.—Section
5 402(a)(7) (42 U.S.C. 602(a)(7)) is amended—

6 (A) by striking “and” at the end of sub-
7 paragraph (B);

8 (B) by striking the semicolon at the end of
9 subparagraph (C) and inserting “; and”; and

10 (C) by adding at the end the following new
11 subparagraph:

12 “(D) shall treat as income any distribution
13 from a qualified asset account (as defined in
14 section 406(i)(1)) that is not a qualified dis-
15 tribution (as defined in section 406(i)(2));”.

16 (c) DEFINITIONS.—Section 406 (42 U.S.C. 606) is
17 amended by adding at the end the following:

18 “(i)(1) The term ‘qualified asset account’ means a
19 mechanism approved by the State (such as individual re-
20 irement accounts, escrow accounts, or savings bonds) that
21 allows savings of an individual receiving aid to families
22 with dependent children to be used for a purpose described
23 in paragraph (2).

1 “(2) The term ‘qualified distribution’ means a dis-
2 tribution for expenses directly related to 1 or more of the
3 following purposes:

4 “(A) The attendance of a member of the family
5 at any postsecondary education program.

6 “(B) The purchase of residential real property
7 for the family that the family intends to occupy, if
8 no member of the family has an ownership interest
9 in such a property.

10 “(C) The establishment or operation of a
11 microenterprise owned by a member of the family.

12 “(j) The term ‘microenterprise’ means a commercial
13 enterprise which has 5 or fewer employees, 1 or more of
14 whom owns the enterprise.”.

15 **TITLE III—THE WORK FIRST** 16 **PROGRAM**

17 **SEC. 301. WORK FIRST PROGRAM.**

18 (a) STATE PLAN REQUIREMENT.—Section 402(a)
19 (42 U.S.C. 602(a)), as amended by sections 101, 102,
20 211(a), and 232 of this Act, is amended—

21 (1) by striking “and” at the end of paragraph
22 (48);

23 (2) by striking the period at the end of para-
24 graph (49) and inserting “; and”; and

1 (3) by inserting after paragraph (49) the fol-
2 lowing:

3 “(50) provide that the State—

4 “(A) shall develop an individual respon-
5 sibility plan in accordance with part F for each
6 applicant for, or recipient of, aid under the
7 State plan who—

8 “(i) has attained 18 years of age; or

9 “(ii) has not completed high school or
10 obtained a certificate of high school equiva-
11 lency, and is not attending secondary
12 school;

13 “(B) has in effect and operation—

14 “(i) a work first program that meets
15 the requirements of subpart 1 of part G
16 (or, for any fiscal year for which the Sec-
17 retary has approved a State plan under
18 subpart 2 of part G, such subpart 2); and

19 “(ii) a community service program
20 that meets the requirements of part H, or
21 a job placement voucher program that
22 meets the requirements of part I, but not
23 both;

24 “(C) shall provide a position in the
25 workfare program established by the State

1 under part H, or a job placement voucher under
2 the job placement voucher program established
3 by the State under part I to any individual who,
4 by reason of section 497(b), is prohibited from
5 participating in the work first program oper-
6 ated by the State, and shall not provide such a
7 position or such a voucher to any other individ-
8 ual; and

9 “(D) shall provide to participants in such
10 programs such case management services as are
11 necessary to ensure the integrated provision of
12 benefits and services under such programs.”.

13 (b) ESTABLISHMENT AND OPERATION OF PRO-
14 GRAM.—Title IV (42 U.S.C. 601 et seq.) is amended by
15 striking part F and inserting the following:

16 **“Part F—Individual Responsibility Plan**

17 **“SEC. 481. ASSESSMENT.**

18 “The State agency referred to in section 402(a)(3)
19 shall make an initial assessment of the skills, prior work
20 experience, and employability of each individual for whom
21 section 402(a)(50)(A) requires the State to develop an in-
22 dividual responsibility plan.

23 **“SEC. 482. INDIVIDUAL RESPONSIBILITY PLANS.**

24 “(a) IN GENERAL.—On the basis of the assessment
25 made under section 481 with respect to an individual, the

1 State agency, in consultation with the individual, shall de-
2 velop an individual responsibility plan for the individual,
3 which—

4 “(1) shall provide that participation by the indi-
5 vidual in job search activities shall be a condition of
6 eligibility for aid under the State plan approved
7 under part A, except during any period for which
8 the individual is employed full-time in an
9 unsubsidized job in the private sector;

10 “(2) sets forth an employment goal for the indi-
11 vidual and a plan for moving the individual imme-
12 diately into private sector employment;

13 “(3) sets forth the obligations of the individual,
14 which may include a requirement that the individual
15 attend school, maintain certain grades and attend-
16 ance, keep school age children of the individual in
17 school, immunize children, attend parenting and
18 money management classes, or do other things that
19 will help the individual become and remain employed
20 in the private sector; and

21 “(4) may require that the individual enter the
22 State program established under part G, if the case-
23 worker determines that the individual will need edu-
24 cation, training, job placement assistance, wage en-

1 hancement, or other services to become employed in
2 the private sector.

3 “(b) TIMING.—The State agency shall comply with
4 subsection (a) with respect to an individual—

5 “(1) within 90 days (or, at the option of the
6 State, 180 days) after the effective date of this part,
7 in the case of an individual who, as of such effective
8 date, is a recipient of aid under the State plan ap-
9 proved under part A; or

10 “(2) within 30 days (or, at the option of the
11 State, 90 days) after the individual is determined to
12 be eligible for such aid, in the case of any other indi-
13 vidual.

14 **“SEC. 483. PROVISION OF PROGRAM AND EMPLOYMENT IN-**
15 **FORMATION.**

16 “The State shall inform all applicants for and recipi-
17 ents of aid under the State plan approved under part A
18 of all available services under the State plan for which
19 they are eligible.

20 **“SEC. 484. REQUIREMENT THAT RECIPIENTS ENTER THE**
21 **WORK FIRST PROGRAM.**

22 “(a) IN GENERAL.—Beginning with fiscal year 2004,
23 the State shall place recipients of aid under the State plan
24 approved under part A, who have not become employed
25 in the private sector within 1 year after signing an individ-

1 ual responsibility plan, in the first available slot in the
2 State program established under part G, except as pro-
3 vided in subsection (b).

4 “(b) EXCEPTIONS.—A State may not be required to
5 place a recipient of such aid in the State program estab-
6 lished under part G if the recipient—

7 “(1) is ill, incapacitated, or of advanced age;

8 “(2) has not attained 18 years of age;

9 “(3) is caring for a child or parent who is ill
10 or incapacitated; or

11 “(4) is enrolled in school or in educational or
12 training programs that will lead to private sector
13 employment.

14 **“SEC. 485. PENALTIES.**

15 “(a) STATE NOT OPERATING A WORK FIRST PRO-
16 GRAM UNDER A STATE MODEL OR A WORKFARE PRO-
17 GRAM.—In the case of a State that is not operating a pro-
18 gram under subpart 2 of part G or under part H:

19 “(1) FAILURE TO COMPLY WITH INDIVIDUAL
20 RESPONSIBILITY PLAN OR AGREEMENT OF MUTUAL
21 RESPONSIBILITY.—

22 “(A) PROGRESSIVE REDUCTIONS IN AID
23 FOR 1ST AND 2ND FAILURES.—The amount of
24 aid otherwise payable under the State plan ap-
25 proved under part A to a family that includes

1 an individual who fails without good cause to
2 comply with an individual responsibility plan
3 (or, if the State has established a program
4 under subpart 1 of part G and the individual is
5 required to participate in the program, an
6 agreement of mutual responsibility) signed by
7 the individual (other than by reason of conduct
8 described in paragraph (2)) shall be reduced
9 by—

10 “(i) 33 percent for the 1st such act of
11 noncompliance; or

12 “(ii) 66 percent for the 2nd such act
13 of noncompliance.

14 “(B) DENIAL OF AID FOR 3RD FAILURE.—

15 In the case of the 3rd such act of noncompli-
16 ance, the family of which the individual is a
17 member shall not thereafter be eligible for aid
18 under the State plan approved under part A.

19 “(C) ACTS OF NONCOMPLIANCE.—For pur-
20 poses of this paragraph, a 1st act of noncompli-
21 ance by an individual continues for more than
22 1 calendar month shall be considered a 2nd act
23 of noncompliance, and a 2nd act of noncompli-
24 ance that continues for more than 3 calendar

1 months shall be considered a 3rd act of non-
2 compliance.

3 “(2) DENIAL OF AFDC TO ADULTS REFUSING
4 TO WORK, LOOK FOR WORK, OR ACCEPT A BONA
5 FIDE OFFER OF EMPLOYMENT.—

6 “(A) REFUSAL TO WORK OR LOOK FOR
7 WORK.—If an unemployed individual who has
8 attained 18 years of age refuses to work or look
9 for work—

10 “(i) in the case of the 1st such re-
11 fusal, aid under the State plan approved
12 under part A shall not be payable with re-
13 spect to the individual until the later of—

14 “(I) a period of not less than 6
15 months after the date of the first such
16 refusal; or

17 “(II) the first date the individual
18 agrees to work or look for work.

19 “(ii) in the case of the 2nd such re-
20 fusal, the family of which the individual is
21 a member shall not thereafter be eligible
22 for aid under the State plan approved
23 under part A.

24 “(B) REFUSAL TO ACCEPT A BONA FIDE
25 OFFER OF EMPLOYMENT.—If an unemployed

1 individual who has attained 18 years of age re-
2 fuses to accept a bona fide offer of employment,
3 the family of which the individual is a member
4 shall not thereafter be eligible for aid under the
5 State plan approved under part A.

6 “(b) OTHER STATES.—In the case of any other
7 State, the State shall reduce, by such amount as the State
8 considers appropriate, the amount of aid otherwise pay-
9 able under the State plan approved under part A to a fam-
10 ily that includes an individual who fails without good cause
11 to comply with an individual responsibility plan signed by
12 the individual.

13 **“Part G—Work First Program**

14 **“Subpart 1—Federal Model**

15 **“SEC. 491. ESTABLISHMENT AND OPERATION OF STATE**
16 **PROGRAMS.**

17 “A work first program meets the requirements of this
18 subpart if the program meets the following requirements:

19 “(1) OBJECTIVE.—The objective of the pro-
20 gram is for each program participant to find and
21 hold a full-time unsubsidized paid job, and for this
22 goal to be achieved in a cost-effective fashion.

23 “(2) METHOD.—The method of the program is
24 to connect recipients of aid to families with depend-
25 ent children with the private sector labor market as

1 soon as possible and offer them the support and
2 skills necessary to remain in the labor market. Each
3 component of the program should be permeated with
4 an emphasis on employment and with an under-
5 standing that minimum wage jobs are a stepping
6 stone to more highly paid employment.

7 “(3) JOB CREATION.—The creation of jobs,
8 with an emphasis on private sector jobs, shall be a
9 component of the program and shall be a priority for
10 each State office with responsibilities under the pro-
11 gram.

12 “(4) USE OF INCENTIVES.—The State shall use
13 incentives to change the culture of each State office
14 with responsibilities under the State plan approved
15 under part A, improve the performance of employ-
16 ees, and ensure that the objective of each employee
17 of each such State office is to find an unsubsidized
18 paid job for each program participant.

19 “(5) CASEWORKER TRAINING.—The State may
20 provide such training to caseworkers and related
21 personnel (including through the use of incentives)
22 as may be necessary to ensure successful job place-
23 ments that result in full-time public or private em-
24 ployment (outside the State agencies with respon-
25 sibilities under part A) for program participants.

1 The State shall reward any caseworker who enters
2 an agreement of mutual responsibility with a pro-
3 gram participant that provides for education or
4 training activities as well as work.

5 “(6) REPORTS.—Each office with responsibility
6 for operating the program shall make monthly sta-
7 tistical reports to the governing body of the State,
8 county, and city in which located, of job placements
9 and the number of program participants who are no
10 longer receiving aid under the State plan approved
11 under part A as a result of participation in the pro-
12 gram.

13 “(7) CASE MANAGEMENT TEAMS.—

14 “(A) DUTIES.—The program requires the
15 State to assign to each individual required or
16 allowed to participate in the program a case
17 management team that shall meet with the pro-
18 gram participant and develop an agreement of
19 mutual responsibility for the individual.

20 “(B) DEADLINE.—

21 “(i) IN GENERAL.—The case manage-
22 ment team shall comply with subparagraph
23 (A) with respect to a program participant
24 within 30 days (or, at the option of the

1 State, within a period not exceeding 90
2 days) after the later of—

3 “(I) the date the application of
4 the program participant for aid under
5 the State plan approved under part A
6 was approved; or

7 “(II) the date this subpart first
8 applies to the State.

9 “(ii) REPEAT PARTICIPANTS.—Within
10 30 days after the State makes a deter-
11 mination under section 497(b)(2) to allow
12 an individual to participate in the pro-
13 gram, the case management team shall
14 meet with the individual and develop an
15 agreement of mutual responsibility for the
16 individual.

17 “(8) AGREEMENTS OF MUTUAL RESPONSIBIL-
18 ITY.—The agreement of mutual responsibility for a
19 participant shall—

20 “(A) contain an individualized comprehen-
21 sive plan, developed by the team and the partic-
22 ipant, to move the participant into a full-time
23 unsubsidized job, through activities under sec-
24 tion 492, 493, 494, 495, or 496;

1 “(B) to the greatest extent possible, be de-
2 signed to move the participant as quickly as
3 possible into whatever type and amount of work
4 as the participant is capable of handling, and
5 increases the responsibility and amount of work
6 over time until the participant is able to work
7 full-time;

8 “(C) where necessary, provide for edu-
9 cation or training of the participant;

10 “(D) provide that aid under the State plan
11 is to be paid to the participant based on the
12 number of hours that the participant spends in
13 activities provided for in the agreement;

14 “(E) provide that the participant shall
15 spend at least 30 hours per week (or, at State
16 option, at least 20 hours per week during fiscal
17 years 1997 and 1998, and at least 25 hours
18 per week during fiscal year 1999) in activities
19 provided for in the agreement;

20 “(F) provide that the participant shall ac-
21 cept any bona fide offer of unsubsidized full-
22 time employment, unless the participant has
23 good cause for not doing so;

1 “(G) at the option of the State, require the
2 participant to undergo appropriate substance
3 abuse treatment; and

4 “(H) at the option of the State, require the
5 participant to have his or her children receive
6 appropriate immunizations against disease.

7 “(9) OPTIONS FOR PARTICIPANTS.—The case
8 manager for a program participant shall present the
9 participant with each option offered under the State
10 program through which the participant will, over
11 time, be moved into full-time unsubsidized employ-
12 ment.

13 “(10) ONE-STOP EMPLOYMENT SHOPS.—

14 “(A) IN GENERAL.—In carrying out the
15 program, the State shall utilize and make avail-
16 able to each program participant, through the
17 establishment and operation or utilization of
18 appropriate Federal or State one-stop employ-
19 ment shops, services under programs carried
20 out under the following provisions of law:

21 “(i) Part A of title II of the Job
22 Training Partnership Act (29 U.S.C. 1601
23 et seq.) (relating to the adult training pro-
24 gram).

1 “(ii) Part B of title II of such Act (29
2 U.S.C. 1630 et seq.) (relating to the sum-
3 mer youth employment and training pro-
4 grams).

5 “(iii) Part C of title II of such Act
6 (29 U.S.C. 1641 et seq.) (relating to the
7 youth training program).

8 “(iv) Title III of such Act (29 U.S.C.
9 1651 et seq.) (relating to employment and
10 training assistance for dislocated workers).

11 “(v) Part B of title IV of such Act
12 (29 U.S.C. 1691 et seq.) (relating to the
13 Job Corps).

14 “(vi) The Carl D. Perkins Vocational
15 and Applied Technology Education Act (20
16 U.S.C. 2301 et seq.).

17 “(vii) The Adult Education Act (20
18 U.S.C. 1201 et seq.).

19 “(viii) Part B of chapter 1 of title I
20 of the Elementary and Secondary Edu-
21 cation Act of 1965 (20 U.S.C. 2741 et
22 seq.) (relating to Even Start family lit-
23 eracy programs).

24 “(ix) Subtitle A of title VII of the
25 Stewart B. McKinney Homeless Assistance

1 Act (42 U.S.C. 11421) (relating to adult
2 education for the homeless).

3 “(x) Subtitle B of title VII of such
4 Act (42 U.S.C. 11431 et seq.) (relating to
5 education for homeless children and
6 youth).

7 “(xi) Subtitle C of title VII of such
8 Act (42 U.S.C. 11441) (relating to job
9 training for the homeless).

10 “(xii) The School-to-Work Opportuni-
11 ties Act of 1994.

12 “(xiii) The National and Community
13 Service Act of 1990 (42 U.S.C. 12501 et
14 seq.).

15 “(xiv) The National Skill Standards
16 Act of 1994.

17 “(B) COORDINATION.—In utilizing appro-
18 priate Federal or State one-stop employment
19 shops described in subparagraph (A), the State
20 shall ensure coordination between the case-
21 worker of each program participant and the ad-
22 ministrators of the programs carried out under
23 the provisions of law described in such subpara-
24 graph.

1 “(11) NONDISPLACEMENT.—The program may
2 not be operated in a manner that results in—

3 “(A) the displacement of a currently em-
4 ployed worker or position by a program partici-
5 pant;

6 “(B) the replacement of an employee who
7 has been terminated with a program partici-
8 pant; or

9 “(C) the replacement of an individual who
10 is on layoff from the same position given to a
11 program participant or any equivalent position.

12 **“SEC. 492. REVAMPED JOBS PROGRAM.**

13 “A State that establishes a program under this sub-
14 part may operate a program similar to the program known
15 as the ‘GAIN Program’ that has been operated by River-
16 side County, California, under Federal law in effect imme-
17 diately before the date this subpart first applies to the
18 State of California.

19 **“SEC. 493. USE OF PLACEMENT COMPANIES.**

20 “(a) IN GENERAL.—A State that establishes a pro-
21 gram under this subpart may enter into contracts with
22 private companies (whether operated for profit or not for
23 profit) for the placement of participants in the program
24 in positions of full-time employment, preferably in the pri-

1 vate sector, for wages sufficient to eliminate the need of
2 such participants for cash assistance.

3 “(b) REQUIRED CONTRACT TERMS.—Each contract
4 entered into under this section with a company shall meet
5 the following requirements:

6 “(1) PROVISION OF JOB READINESS AND SUP-
7 PORT SERVICES.—The contract shall require the
8 company to provide, to any program participant who
9 presents to the company a voucher issued under sub-
10 section (d) intensive personalized support and job
11 readiness services designed to prepare the individual
12 for employment and ensure the continued success of
13 the individual in employment.

14 “(2) PAYMENTS.—

15 “(A) IN GENERAL.—The contract shall
16 provide for payments to be made to the com-
17 pany with respect to each program participant
18 who presents to the company a voucher issued
19 under subsection (d).

20 “(B) STRUCTURE.—The contract shall
21 provide for the majority of the amounts to be
22 paid under the contract with respect to a pro-
23 gram participant, to be paid after the company
24 has placed the participant in a position of full-
25 time employment and the participant has been

1 employed in the position for such period of not
2 less than 5 months as the State deems appro-
3 priate.

4 “(c) **COMPETITIVE BIDDING REQUIRED.**—Contracts
5 under this section shall be awarded only after competitive
6 bidding.

7 “(d) **VOUCHERS.**—The State shall issue a voucher to
8 each program participant whose agreement of mutual re-
9 sponsibility provides for the use of placement companies
10 under this section, indicating that the participant is eligi-
11 ble for the services of such a company.

12 **“SEC. 494. TEMPORARY SUBSIDIZED JOB CREATION.**

13 “A State that establishes a program under this sub-
14 part may establish a program similar to the program
15 known as ‘JOBS Plus’ that has been operated by the State
16 of Oregon under Federal law in effect immediately before
17 the date this subpart first applies to the State of Oregon.

18 **“SEC. 495. MICROENTERPRISE.**

19 “(a) **GRANTS AND LOANS TO NONPROFIT ORGANIZA-**
20 **TIONS FOR THE PROVISION OF TECHNICAL ASSISTANCE,**
21 **TRAINING, AND CREDIT TO LOW INCOME ENTRE-**
22 **PRENEURS.**—A State that establishes a program under
23 this subpart may make grants and loans to nonprofit orga-
24 nizations to provide technical assistance, training, and

1 credit to low income entrepreneurs for the purpose of es-
2 tablishing microenterprises.

3 “(b) MICROENTERPRISE DEFINED.—For purposes of
4 this subsection, the term ‘microenterprise’ means a com-
5 mercial enterprise which has 5 or fewer employees, 1 or
6 more of whom owns the enterprise.

7 **“SEC. 496. WORK SUPPLEMENTATION PROGRAM.**

8 “(a) IN GENERAL.—A State that establishes a pro-
9 gram under this subpart may institute a work
10 supplementation program under which the State, to the
11 extent it considers appropriate, may reserve the sums that
12 would otherwise be payable to participants in the program
13 as aid to families with dependent children and use the
14 sums instead for the purpose of providing and subsidizing
15 jobs for the participants (as described in subsection
16 (c)(3)(A) and (B)), as an alternative to the aid to families
17 with dependent children that would otherwise be so pay-
18 able to the participants.

19 “(b) STATE FLEXIBILITY.—

20 “(1) Nothing in this subpart, or in any State
21 plan approved under part A, shall be construed to
22 prevent a State from operating (on such terms and
23 conditions and in such cases as the State may find
24 to be necessary or appropriate) a work supple-
25 mentation program in accordance with this section

1 **TITLE IV—FAMILY RESPONSIBIL-**
2 **ITY AND IMPROVED CHILD**
3 **SUPPORT ENFORCEMENT**

4 **Subtitle A—Eligibility and Other**
5 **Matters Concerning Title IV-D**
6 **Program Clients**

7 **SEC. 401. STATE OBLIGATION TO PROVIDE PATERNITY ES-**
8 **TABLISHMENT AND CHILD SUPPORT EN-**
9 **FORCEMENT SERVICES.**

10 (a) STATE LAW REQUIREMENTS.—Section 466(a)
11 (42 U.S.C. 666(a)) is amended by inserting after para-
12 graph (11) the following:

13 “(12) USE OF CENTRAL CASE REGISTRY AND
14 CENTRALIZED COLLECTIONS UNIT.—Procedures
15 under which—

16 “(A) every child support order established
17 or modified in the State on or after October 1,
18 1998, is recorded in the central case registry
19 established in accordance with section 454A(e);
20 and

21 “(B) child support payments are collected
22 through the centralized collections unit estab-
23 lished in accordance with section 454B—

1 “(i) on and after October 1, 1998,
2 under each order subject to wage withhold-
3 ing under section 466(b); and

4 “(ii) on and after October 1, 1999,
5 under each other order required to be re-
6 corded in such central case registry under
7 this paragraph or section 454A(e), except
8 as provided in subparagraph (C); and

9 “(C)(i) parties subject to a child support
10 order described in subparagraph (B)(ii) may
11 opt out of the procedure for payment of support
12 through the centralized collections unit (but not
13 the procedure for inclusion in the central case
14 registry) by filing with the State agency a writ-
15 ten agreement, signed by both parties, to an
16 alternative payment procedure; and

17 “(ii) an agreement described in clause (i)
18 becomes void whenever either party advises the
19 State agency of an intent to vacate the agree-
20 ment.”.

21 (b) STATE PLAN REQUIREMENTS.—Section 454 (42
22 U.S.C. 654) is amended—

23 (1) by striking paragraph (4) and inserting the
24 following:

25 “(4) provide that such State will undertake—

1 “(A) to provide appropriate services under
2 this part to—

3 “(i) each child with respect to whom
4 an assignment is effective under section
5 402(a)(26), 471(a)(17), or 1912 (except in
6 cases where the State agency determines,
7 in accordance with paragraph (25), that it
8 is against the best interests of the child to
9 do so); and

10 “(ii) each child not described in clause
11 (i)—

12 “(I) with respect to whom an in-
13 dividual applies for such services; and

14 “(II) (on and after October 1,
15 1998) each child with respect to
16 whom a support order is recorded in
17 the central State case registry estab-
18 lished under section 454A, regardless
19 of whether application is made for
20 services under this part; and

21 “(B) to enforce the support obligation es-
22 tablished with respect to the custodial parent of
23 a child described in subparagraph (A) unless
24 the parties to the order which establishes the
25 support obligation have opted, in accordance

1 with section 466(a)(12)(C), for an alternative
2 payment procedure.”; and

3 (2) in paragraph (6)—

4 (A) by striking subparagraph (A) and in-
5 serting the following:

6 “(A) services under the State plan shall be
7 made available to nonresidents on the same
8 terms as to residents;”;

9 (B) in subparagraph (B)—

10 (i) by inserting “on individuals not re-
11 ceiving assistance under part A” after
12 “such services shall be imposed”; and

13 (ii) by inserting “but no fees or costs
14 shall be imposed on any absent or custo-
15 dial parent or other individual for inclusion
16 in the central State registry maintained
17 pursuant to section 454A(e)”; and

18 (C) in each of subparagraphs (B), (C), and
19 (D)—

20 (i) by indenting such subparagraph
21 and aligning its left margin with the left
22 margin of subparagraph (A); and

23 (ii) by striking the final comma and
24 inserting a semicolon.

25 (c) CONFORMING AMENDMENTS.—

1 (1) Section 452(g)(2)(A) (42 U.S.C.
2 652(g)(2)(A)) is amended by striking “454(6)” each
3 place it appears and inserting “454(4)(A)(ii)”.

4 (2) Section 454(23) (42 U.S.C. 654(23)) is
5 amended, effective October 1, 1998, by striking “in-
6 formation as to any application fees for such services
7 and”.

8 (3) Section 466(a)(3)(B) (42 U.S.C.
9 666(a)(3)(B)) is amended by striking “in the case of
10 overdue support which a State has agreed to collect
11 under section 454(6)” and inserting “in any other
12 case”.

13 (4) Section 466(e) (42 U.S.C. 666(e)) is
14 amended by striking “or (6)”.

15 **SEC. 402. DISTRIBUTION OF PAYMENTS.**

16 (a) DISTRIBUTIONS THROUGH STATE CHILD SUP-
17 PORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE
18 RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is
19 amended—

20 (1) in subparagraph (A)—

21 (A) by inserting “except as otherwise spe-
22 cifically provided in section 464 or 466(a)(3),”
23 after “is effective,”; and

24 (B) by striking “except that” and all that
25 follows through the semicolon; and

1 (2) in subparagraph (B), by striking “, except”
2 and all that follows through “medical assistance”.

3 (b) DISTRIBUTION TO A FAMILY CURRENTLY RE-
4 RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amend-
5 ed—

6 (1) by striking subsection (a) and redesignating
7 subsection (b) as subsection (a);

8 (2) in subsection (a), as redesignated—

9 (A) in the matter preceding paragraph (2),
10 to read as follows:

11 “(a) IN THE CASE OF A FAMILY RECEIVING
12 AFDC.—Amounts collected under this part during any
13 month as support of a child who is receiving assistance
14 under part A (or a parent or caretaker relative of such
15 a child) shall (except in the case of a State exercising the
16 option under subsection (b)) be distributed as follows:

17 “(1) an amount equal to the amount that will
18 be disregarded pursuant to section 402(a)(8)(A)(vi)
19 shall be taken from each of—

20 “(A) amounts received in a month which
21 represent payments for that month; and

22 “(B) amounts received in a month which
23 represent payments for a prior month which
24 were made by the absent parent in the month
25 when due;

1 and shall be paid to the family without affecting its
2 eligibility for assistance or decreasing any amount
3 otherwise payable as assistance to such family dur-
4 ing such month;”;

5 (B) in paragraph (4), by striking “or (B)”
6 and all that follows and inserting “; then (B)
7 from any remainder, amounts equal to arrear-
8 ages of such support obligations assigned, pur-
9 suant to part A, to any other State or States
10 shall be paid to such other State or States and
11 used to pay any such arrearages (with appro-
12 priate reimbursement of the Federal Govern-
13 ment to the extent of its participation in the
14 financing); and then (C) any remainder shall be
15 paid to the family.”.

16 (3) by inserting after subsection (a), as redesign-
17 nated, the following new subsection:

18 “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-
19 ILY RECEIVING AFDC.—In the case of a State electing
20 the option under this subsection, amounts collected as de-
21 scribed in subsection (a) shall be distributed as follows:

22 “(1) an amount equal to the amount that will
23 be disregarded pursuant to section 402(a)(8)(A)(vi)
24 shall be taken from each of—

1 “(A) amounts received in a month which
2 represent payments for that month; and

3 “(B) amounts received in a month which
4 represent payments for a prior month which
5 were made by the absent parent in the month
6 when due;

7 and shall be paid to the family without affecting its
8 eligibility for assistance or decreasing any amount
9 otherwise payable as assistance to such family dur-
10 ing such month;

11 “(2) second, from any remainder, amounts
12 equal to the balance of support owed for the current
13 month shall be paid to the family;

14 “(3) third, from any remainder, amounts equal
15 to arrearages of such support obligations assigned,
16 pursuant to part A, to the State making the collec-
17 tion shall be retained and used by such State to pay
18 any such arrearages (with appropriate reimburse-
19 ment of the Federal Government to the extent of its
20 participation in the financing);

21 “(4) fourth, from any remainder, amounts
22 equal to arrearages of such support obligations as-
23 signed, pursuant to part A, to any other State or
24 States shall be paid to such other State or States
25 and used to pay any such arrearages (with appro-

1 appropriate reimbursement of the Federal Government to
2 the extent of its participation in the financing); and

3 “(5) fifth, any remainder shall be paid to the
4 family.”.

5 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING
6 AFDC.—

7 (1) IN GENERAL.—Section 457(c) (42 U.S.C.
8 657(c)) is amended to read as follows:

9 “(c) IN CASE OF FAMILY NOT RECEIVING AFDC.—
10 Amounts collected by a State agency under this part dur-
11 ing any month as support of a child who is not receiving
12 assistance under part A (or of a parent or caretaker rel-
13 ative of such a child) shall (subject to the remaining provi-
14 sions of this section) be distributed as follows:

15 “(1) first, amounts equal to the total of such
16 support owed for such month shall be paid to the
17 family;

18 “(2) second, from any remainder, amounts
19 equal to arrearages of such support obligations for
20 months during which such child did not receive as-
21 sistance under part A shall be paid to the family;

22 “(3) third, from any remainder, amounts equal
23 to arrearages of such support obligations assigned to
24 the State making the collection pursuant to part A
25 shall be retained and used by such State to pay any

1 such arrearages (with appropriate reimbursement of
2 the Federal Government to the extent of its partici-
3 pation in the financing);

4 “(4) fourth, from any remainder, amounts
5 equal to arrearages of such support obligations as-
6 signed to any other State pursuant to part A shall
7 be paid to such other State or States, and used to
8 pay such arrearages, in the order in which such ar-
9 rearages accrued (with appropriate reimbursement
10 of the Federal Government to the extent of its par-
11 ticipation in the financing).”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by paragraph (1) shall take effect on October 1,
14 1999.

15 (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-
16 ANCE UNDER PART E.—Section 457(d) (42 U.S.C.
17 657(d)) is amended, in the matter preceding paragraph
18 (1), by striking “Notwithstanding the preceding provisions
19 of this section, amounts” and inserting the following:

20 “(d) IN CASE OF A CHILD RECEIVING ASSISTANCE
21 UNDER PART E.—Amounts”.

22 (e) SUSPENSION OR CANCELLATION OF DEBTS UPON
23 MARRIAGE OF PARENTS.—Section 457 (42 U.S.C. 657)
24 is amended by adding at the end the following:

1 “(e) SUSPENSION OR CANCELLATION OF DEBTS TO
2 STATE UPON MARRIAGE OF PARENTS.—

3 “(1) CIRCUMSTANCES REQUIRING SUSPENSION
4 OR CANCELLATION.—In any case in which a State
5 has been assigned rights to support owed with re-
6 spect to a child who is receiving or has received as-
7 sistance under part A and—

8 “(A) the parent owing such support mar-
9 ries (or remarries) the parent with whom such
10 child is living and to whom such support is
11 owed and applies to the State for relief under
12 this subsection;

13 “(B) the State determines (in accordance
14 with procedures and criteria established by the
15 Secretary) that the marriage is not a sham
16 marriage entered into solely to satisfy this sub-
17 section; and

18 “(C) the combined income of such parents
19 is less than twice the Federal poverty line,
20 the State shall afford relief to the parent owing such
21 support in accordance with paragraph (2).

22 “(2) SUSPENSION OR CANCELLATION.—In the
23 case of a marriage or remarriage described in para-
24 graph (1), the State shall either—

1 “(A) cancel all debts owed to the State
2 pursuant to such assignment; or

3 “(B) suspend collection of such debts for
4 the duration of such marriage, and cancel such
5 debts if such duration extends beyond the end
6 of the period with respect to which support is
7 owed.

8 “(3) NOTICE REQUIRED.—The State shall no-
9 tify custodial parents of children who are receiving
10 aid under part A of the relief available under this
11 subsection to individuals who marry (or remarry).”.

12 (f) STATE OPTIONS TO PASS THROUGH AND TO DIS-
13 REGARD CHILD SUPPORT AMOUNTS.—

14 (1) STATE OPTION TO PASS THROUGH CHILD
15 SUPPORT.—Section 457(b)(1) (42 U.S.C. 657(b)(1))
16 is amended to read as follows:

17 “(1) at State option, an amount determined by
18 the State, equal to all or a portion of the monthly
19 support obligation, may be paid to the family from
20 each of—

21 “(A) amounts received in a month which
22 represent payments for that month; and

23 “(B) amounts received in a month which
24 represent payments for a prior month which

1 were made by the absent parent in the month
2 when due;”.

3 (2) STATE OPTION TO DISREGARD CHILD SUP-
4 PORT.—Section 402(a)(8)(A)(vi) (42 U.S.C.
5 602(a)(8)(A)(vi)) is amended—

6 (A) by striking “shall disregard the first
7 \$50” and inserting “may disregard all or any
8 portion”;

9 (B) by striking “the first \$50” and insert-
10 ing “and all or any portion”; and

11 (C) by striking “section 457(b)” and in-
12 serting “section 457(a)”.

13 (g) PASS THROUGH AND DISREGARD OF SUPPORT
14 COLLECTED ON BEHALF OF A FAMILY SUBJECT TO THE
15 FAMILY CAP.—

16 (1) PASS THROUGH.—Section 457 (42 U.S.C.
17 657), as amended by subsection (e) of this section,
18 is amended by adding at the end the following:

19 “(f) PASS THROUGH OF SUPPORT COLLECTED ON
20 BEHALF OF A FAMILY SUBJECT TO THE FAMILY CAP.—
21 Amounts collected by a State agency under this part dur-
22 ing any month as support of a child who is a member
23 of a 1-parent family subject to section 402(a)(51) shall
24 be distributed to the family.”.

1 (2) DISREGARD.—Section 402(a)(8)(A)(vi) (42
2 U.S.C. 602(a)(8)(A)(vi)) is amended by inserting
3 “, except that, in the case of a 1-parent family sub-
4 ject to paragraph (51), all support payments col-
5 lected and paid to the family under section 457(f)
6 shall be disregarded” before the semicolon.

7 (h) REGULATIONS.—The Secretary of Health and
8 Human Services shall promulgate regulations—

9 (1) under part D of title IV of the Social Secu-
10 rity Act, establishing a uniform nationwide standard
11 for allocation of child support collections from an ob-
12 ligor owing support to more than one family; and

13 (2) under part A of such title, establishing
14 standards applicable to States electing the alter-
15 native formula under section 457(b) of such Act for
16 distribution of collections on behalf of families re-
17 ceiving Aid to Families with Dependent Children,
18 designed to minimize irregular monthly payments to
19 such families.

20 (i) CLERICAL AMENDMENT.—Section 454 (42 U.S.C.
21 654) is amended—

22 (1) in paragraph (11), by striking “(11)” and
23 inserting “(11)(A)”; and

24 (2) by redesignating paragraph (12) as sub-
25 paragraph (B) of paragraph (11).

1 **SEC. 403. DUE PROCESS RIGHTS.**

2 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
3 amended by section 402(f) of this Act, is amended by in-
4 serting after paragraph (11) the following new paragraph:

5 “(12) provide for procedures to ensure that—

6 “(A) individuals who are applying for or
7 receiving services under this part, or are parties
8 to cases in which services are being provided
9 under this part—

10 “(i) receive notice of all proceedings in
11 which support obligations might be estab-
12 lished or modified; and

13 “(ii) receive a copy of any order estab-
14 lishing or modifying a child support obliga-
15 tion, or (in the case of a petition for modi-
16 fication) a notice of determination that
17 there should be no change in the amount
18 of the child support award, within 14 days
19 after issuance of such order or determina-
20 tion;

21 “(B) individuals applying for or receiving
22 services under this part have access to a fair
23 hearing that meets standards established by the
24 Secretary and ensures prompt consideration
25 and resolution of complaints (but the resort to

1 such procedure shall not stay the enforcement
2 of any support order); and

3 “(C) individuals adversely affected by the
4 establishment or modification of (or, in the case
5 of a petition for modification, the determination
6 that there should be no change in) a child sup-
7 port order shall be afforded not less than 30
8 days after the receipt of the order or determina-
9 tion to initiate proceedings to challenge such
10 order or determination;”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall become effective on October 1, 1997.

13 **SEC. 404. PRIVACY SAFEGUARDS.**

14 (a) STATE PLAN REQUIREMENT.—Section 454 (42
15 U.S.C. 454) is amended—

16 (1) by striking “and” at the end of paragraph
17 (23);

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

20 (3) by adding after paragraph (24) the follow-
21 ing:

22 “(25) will have in effect safeguards applicable
23 to all sensitive and confidential information handled
24 by the State agency designed to protect the privacy
25 rights of the parties, including—

1 “(A) safeguards against unauthorized use
2 or disclosure of information relating to proceed-
3 ings or actions to establish paternity, or to es-
4 tablish or enforce support;

5 “(B) prohibitions on the release of infor-
6 mation on the whereabouts of one party to an-
7 other party against whom a protective order
8 with respect to the former party has been en-
9 tered; and

10 “(C) prohibitions on the release of infor-
11 mation on the whereabouts of one party to an-
12 other party if the State has reason to believe
13 that the release of the information may result
14 in physical or emotional harm to the former
15 party.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall become effective on October 1, 1997.

18 **Subtitle B—Program**
19 **Administration and Funding**

20 **SEC. 411. FEDERAL MATCHING PAYMENTS.**

21 (a) INCREASED BASE MATCHING RATE.—Section
22 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
23 follows:

24 “(2) The applicable percent for a quarter for
25 purposes of paragraph (1)(A) is—

1 (1) INCENTIVE ADJUSTMENTS.—(A) The
2 amendments made by subsections (a), (b), and (c)
3 shall become effective October 1, 1997, except to the
4 extent provided in subparagraph (B).

5 (B) Section 458 of the Social Security Act, as
6 in effect prior to the enactment of this section, shall
7 be effective for purposes of incentive payments to
8 States for fiscal years prior to fiscal year 1999.

9 (2) PENALTY REDUCTIONS.—(A) The amend-
10 ments made by subsection (d) shall become effective
11 with respect to calendar quarters beginning on and
12 after the date of enactment of this Act.

13 (B) The amendments made by subsection (e)
14 shall become effective with respect to calendar quar-
15 ters beginning on and after the date one year after
16 the date of enactment of this Act.

17 **SEC. 413. FEDERAL AND STATE REVIEWS AND AUDITS.**

18 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
19 U.S.C. 654) is amended—

20 (1) in paragraph (14), by striking “(14)” and
21 inserting “(14)(A)”;

22 (2) by redesignating paragraph (15) as sub-
23 paragraph (B) of paragraph (14); and

24 (3) by inserting after paragraph (14) the fol-
25 lowing new paragraph:

1 “(15) provide for—

2 “(A) a process for annual reviews of and
3 reports to the Secretary on the State program
4 under this part, which shall include such infor-
5 mation as may be necessary to measure State
6 compliance with Federal requirements for exped-
7 ited procedures and timely case processing,
8 using such standards and procedures as are re-
9 quired by the Secretary, under which the State
10 agency will determine the extent to which such
11 program is in conformity with applicable re-
12 quirements with respect to the operation of
13 State programs under this part (including the
14 status of complaints filed under the procedure
15 required under paragraph (12)(B)); and

16 “(B) a process of extracting from the
17 State automated data processing system and
18 transmitting to the Secretary data and calcula-
19 tions concerning the levels of accomplishment
20 (and rates of improvement) with respect to ap-
21 plicable performance indicators (including IV-D
22 paternity establishment percentages and overall
23 performance in child support enforcement) to
24 the extent necessary for purposes of sections
25 452(g) and 458.”.

1 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
2 U.S.C. 652(a)(4)) is amended to read as follows:

3 “(4)(A) review data and calculations transmit-
4 ted by State agencies pursuant to section
5 454(15)(B) on State program accomplishments with
6 respect to performance indicators for purposes of
7 section 452(g) and 458, and determine the amount
8 (if any) of penalty reductions pursuant to section
9 455(c) to be applied to the State;

10 “(B) review annual reports by State agencies
11 pursuant to section 454(15)(A) on State program
12 conformity with Federal requirements; evaluate any
13 elements of a State program in which significant de-
14 ficiencies are indicated by such report on the status
15 of complaints under the State procedure under sec-
16 tion 454(12)(B); and, as appropriate, provide to the
17 State agency comments, recommendations for addi-
18 tional or alternative corrective actions, and technical
19 assistance; and

20 “(C) conduct audits, in accordance with the
21 government auditing standards of the United States
22 Comptroller General—

23 “(i) at least once every 3 years (or more
24 frequently, in the case of a State which fails to
25 meet requirements of this part, or of regula-

1 tions implementing such requirements, concern-
2 ing performance standards and reliability of
3 program data) to assess the completeness, reli-
4 ability, and security of the data, and the accu-
5 racy of the reporting systems, used for the cal-
6 culations of performance indicators specified in
7 subsection (g) and section 458;

8 “(ii) of the adequacy of financial manage-
9 ment of the State program, including assess-
10 ments of—

11 “(I) whether Federal and other funds
12 made available to carry out the State pro-
13 gram under this part are being appro-
14 priately expended, and are properly and
15 fully accounted for; and

16 “(II) whether collections and disburse-
17 ments of support payments and program
18 income are carried out correctly and are
19 properly and fully accounted for; and

20 “(iii) for such other purposes as the Sec-
21 retary may find necessary;”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall be effective with respect to calendar
24 quarters beginning on or after the date one year after en-
25 actment of this section.

1 **SEC. 414. REQUIRED REPORTING PROCEDURES.**

2 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
3 652(a)(5)) is amended by inserting “, and establish proce-
4 dures to be followed by States for collecting and reporting
5 information required to be provided under this part, and
6 establish uniform definitions (including those necessary to
7 enable the measurement of State compliance with the re-
8 quirements of this part relating to expedited processes and
9 timely case processing) to be applied in following such pro-
10 cedures” before the semicolon.

11 (b) STATE PLAN REQUIREMENT.—Section 454 (42
12 U.S.C. 654), as amended by section 404(a) of this Act,
13 is amended—

14 (1) by striking “and” at the end of paragraph
15 (24);

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

18 (3) by adding after paragraph (25) the follow-
19 ing:

20 “(26) provide that the State shall use the defi-
21 nitions established under section 452(a)(5) in col-
22 lecting and reporting information as required under
23 this part.”.

24 **SEC. 415. AUTOMATED DATA PROCESSING REQUIREMENTS.**

25 (a) REVISED REQUIREMENTS.—(1) Section 454(16)
26 (42 U.S.C. 654(16)) is amended—

1 (A) by striking “, at the option of the State,”;

2 (B) by inserting “and operation by the State
3 agency” after “for the establishment”;

4 (C) by inserting “meeting the requirements of
5 section 454A” after “information retrieval 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 follows
10 and inserting a semicolon.

11 (2) Part D of title IV (42 U.S.C. 651–669) is amend-
12 ed by inserting after section 454 the following new section:

13 “AUTOMATED DATA PROCESSING

14 “SEC. 454A. (a) IN GENERAL.—In order to meet the
15 requirements of this section, for purposes of the require-
16 ment of section 454(16), a State agency shall have in op-
17 eration a single statewide automated data processing and
18 information retrieval system which has the capability to
19 perform the tasks specified in this section, and performs
20 such tasks with the frequency and in the manner specified
21 in this part or in regulations or guidelines of the Sec-
22 retary.

23 “(b) PROGRAM MANAGEMENT.—The automated sys-
24 tem required under this section shall perform such func-
25 tions as the Secretary may specify relating to management
26 of the program under this part, including—

1 “(1) controlling and accounting for use of Fed-
2 eral, State, and local funds to carry out such pro-
3 gram; and

4 “(2) maintaining the data necessary to meet
5 Federal reporting requirements on a timely basis.

6 “(c) CALCULATION OF PERFORMANCE INDICA-
7 TORS.—In order to enable the Secretary to determine the
8 incentive and penalty adjustments required by sections
9 452(g) and 458, the State agency shall—

10 “(1) use the automated system—

11 “(A) to maintain the requisite data on
12 State performance with respect to paternity es-
13 tablishment and child support enforcement in
14 the State; and

15 “(B) to calculate the IV-D paternity es-
16 tablishment percentage and overall performance
17 in child support enforcement for the State for
18 each fiscal 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 under this section,
3 which shall include the following (in addition to such other
4 safeguards as the Secretary specifies 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 program re-
11 sponsibilities;

12 “(B) specify the data which may be used
13 for particular program purposes, and the per-
14 sonnel permitted access to such data; and

15 “(C) ensure that data obtained or disclosed
16 for a limited program purpose is not used or
17 redisclosed for another, impermissible purpose.

18 “(2) SYSTEMS CONTROLS.—Systems controls
19 (such as passwords or blocking of fields) to ensure
20 strict adherence to the policies specified under para-
21 graph (1).

22 “(3) MONITORING OF ACCESS.—Routine mon-
23 itoring of access to and use of the automated sys-
24 tem, through methods such as audit trails and feed-

1 back mechanisms, to guard against and promptly
2 identify unauthorized access or use.

3 “(4) TRAINING AND INFORMATION.—The State
4 agency shall have in effect procedures to ensure that
5 all personnel (including State and local agency staff
6 and contractors) who may have access to or be re-
7 quired to use sensitive or confidential program data
8 are fully informed of applicable requirements and
9 penalties, and are adequately trained in security pro-
10 cedures.

11 “(5) PENALTIES.—The State agency shall have
12 in effect administrative penalties (up to and includ-
13 ing dismissal from employment) for unauthorized ac-
14 cess to, or disclosure or use of, confidential data.”.

15 (3) REGULATIONS.—Section 452 (42 U.S.C. 652) is
16 amended by adding at the end the following:

17 “(j) The Secretary shall prescribe final regulations
18 for implementation of the requirements of section 454A
19 not later than 2 years after the date of the enactment of
20 this subsection.”.

21 (4) IMPLEMENTATION TIMETABLE.—Section
22 454(24) (42 U.S.C. 654(24)), as amended by sections
23 404(a)(2) and 414(b)(1) of this Act, is amended to read
24 as follows:

1 “(24) provide that the State will have in effect
2 an automated data processing and information re-
3 trieval system—

4 “(A) by October 1, 1995, meeting all re-
5 quirements of this part which were enacted on
6 or before the date of enactment of the Family
7 Support Act of 1988; and

8 “(B) by October 1, 1999, meeting all re-
9 quirements of this part enacted on or before the
10 date of enactment of the Individual Responsibil-
11 ity Act of 1995 (but this provision shall not be
12 construed to alter earlier deadlines specified for
13 elements of such system), except that such
14 deadline shall be extended by 1 day for each
15 day (if any) by which the Secretary fails to
16 meet the deadline imposed by section 452(j);”.

17 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
18 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section
19 455(a) (42 U.S.C. 655(a)) is amended—

20 (1) in paragraph (1)(B)—

21 (A) by striking “90 percent” and inserting
22 “the percent specified in paragraph (3)”;

23 (B) by striking “so much of”; and

24 (C) by striking “which the Secretary” and
25 all that follows and inserting “, and”; and

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

3 “(3)(A) The Secretary shall pay to each State, for
4 each quarter in fiscal year 1996, 90 percent of so much
5 of State expenditures described in subparagraph (1)(B) as
6 the Secretary finds are for a system meeting the require-
7 ments specified in section 454(16), or meeting such re-
8 quirements without regard to clause (D) thereof.

9 “(B)(i) The Secretary shall pay to each State, for
10 each quarter in fiscal years 1997 through 2001, the per-
11 centage specified in clause (ii) of so much of State expend-
12 itures described in subparagraph (1)(B) as the Secretary
13 finds are for a system meeting the requirements specified
14 in section 454(16) and 454A, subject to clause (iii).

15 “(ii) The percentage specified in this clause, for pur-
16 poses of clause (i), is the higher of—

17 “(I) 80 percent, or

18 “(II) the percentage otherwise applicable to
19 Federal payments to the State under subparagraph
20 (A) (as adjusted pursuant to section 458).”.

21 (c) CONFORMING AMENDMENT.—Section 123(c) of
22 the Family Support Act of 1988 (102 Stat. 2352; Public
23 Law 100-485) is repealed.

24 (d) ADDITIONAL PROVISIONS.—For additional provi-
25 sions of section 454A, as added by subsection (a) of this

1 section, see the amendments made by sections 421,
2 422(c), and 433(d) of this Act.

3 **SEC. 416. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.**

4 (a) REPORTING TO SECRETARY.—Section 452(a) (42
5 U.S.C. 652(a)) is amended in the matter preceding para-
6 graph (1) by striking “directly”.

7 (b) STAFFING STUDIES.—

8 (1) SCOPE.—The Secretary of Health and
9 Human Services shall, directly or by contract, con-
10 duct studies of the staffing of each State child sup-
11 port enforcement program under part D of title IV
12 of the Social Security Act. Such studies shall include
13 a review of the staffing needs created by require-
14 ments for automated data processing, maintenance
15 of a central case registry and centralized collections
16 of child support, and of changes in these needs re-
17 sulting from changes in such requirements. Such
18 studies shall examine and report on effective staffing
19 practices used by the States and on recommended
20 staffing procedures.

21 (2) FREQUENCY OF STUDIES.—The Secretary
22 shall complete the first staffing study required under
23 paragraph (1) by October 1, 1997, and may conduct
24 additional studies subsequently at appropriate inter-
25 vals.

1 (3) REPORT TO THE CONGRESS.—The Sec-
2 retary shall submit a report to the Congress stating
3 the findings and conclusions of each study conducted
4 under this subsection.

5 **SEC. 417. FUNDING FOR SECRETARIAL ASSISTANCE TO**
6 **STATE PROGRAMS.**

7 Section 452 (42 U.S.C. 652), as amended by section
8 415(a)(3) of this Act, is amended by adding at the end
9 the following new subsection:

10 “(k) FUNDING FOR FEDERAL ACTIVITIES ASSISTING
11 STATE PROGRAMS.—(1) There shall be available to the
12 Secretary, from amounts appropriated for fiscal year 1996
13 and each succeeding fiscal year for payments to States
14 under this part, the amount specified in paragraph (2) for
15 the costs to the Secretary for—

16 “(A) information dissemination and technical
17 assistance to States, training of State and Federal
18 staff, staffing studies, and related activities needed
19 to improve programs (including technical assistance
20 concerning State automated systems);

21 “(B) research, demonstration, and special
22 projects of regional or national significance relating
23 to the operation of State programs under this part;
24 and

1 “(C) operation of the Federal Parent Locator
2 Service under section 453, to the extent such costs
3 are not recovered through user fees.

4 “(2) The amount specified in this paragraph for a
5 fiscal year is the amount equal to a percentage of the re-
6 duction in Federal payments to States under part A on
7 account of child support (including arrearages) collected
8 in the preceding fiscal year on behalf of children receiving
9 aid under such part A in such preceding fiscal year (as
10 determined on the basis of the most recent reliable data
11 available to the Secretary as of the end of the third cal-
12 endar quarter following the end of such preceding fiscal
13 year), equal to—

14 “(A) 1 percent, for the activities specified in
15 subparagraphs (A) and (B) of paragraph (1); and

16 “(B) 2 percent, for the activities specified in
17 subparagraph (C) of paragraph (1).”.

18 **SEC. 418. REPORTS AND DATA COLLECTION BY THE SEC-**
19 **RETARY.**

20 (a) ANNUAL REPORT TO CONGRESS.—(1) Section
21 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

22 (A) by striking “this part;” and inserting “this
23 part, including—”; and

24 (B) by adding at the end the following indented
25 clauses:

1 “(i) the total amount of child support
2 payments collected as a result of services
3 furnished during such fiscal year to indi-
4 viduals receiving services under this part;

5 “(ii) the cost to the States and to the
6 Federal Government of furnishing such
7 services to those individuals; and

8 “(iii) the number of cases involving
9 families—

10 “(I) who became ineligible for aid
11 under part A during a month in such
12 fiscal year; and

13 “(II) with respect to whom a
14 child support payment was received in
15 the same month;”.

16 (2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C))
17 is amended—

18 (A) in the matter preceding clause (i)—

19 (i) by striking “with the data required
20 under each clause being separately stated for
21 cases” and inserting “separately stated for (1)
22 cases”;

23 (ii) by striking “cases where the child was
24 formerly receiving” and inserting “or formerly
25 received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all other”;
4 (B) in each of clauses (i) and (ii), by striking
5 “, and the total amount of such obligations”;

6 (C) in clause (iii), by striking “described in”
7 and all that follows and inserting “in which support
8 was collected during the fiscal year;”;

9 (D) by striking clause (iv); and

10 (E) by redesignating clause (v) as clause (vii),
11 and inserting after clause (iii) the following new
12 clauses:

13 “(iv) the total amount of support col-
14 lected during such fiscal year and distrib-
15 uted as current support;

16 “(v) the total amount of support col-
17 lected during such fiscal year and distrib-
18 uted as arrearages;

19 “(vi) the total amount of support due
20 and unpaid for all fiscal years; and”.

21 (3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G))
22 is amended by striking “on the use of Federal courts
23 and”.

24 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is
25 amended by striking all that follows subparagraph (I).

1 (b) DATA COLLECTION AND REPORTING.—Section
2 469 (42 U.S.C. 669) is amended—

3 (1) by striking subsections (a) and (b) and in-
4 serting the following:

5 “(a) The Secretary shall collect and maintain, on a
6 fiscal year basis, up-to-date statistics, by State, with re-
7 spect to services to establish paternity and services to es-
8 tablish child support obligations, the data specified in sub-
9 section (b), separately stated, in the case of each such
10 service, with respect to—

11 “(1) families (or dependent children) receiving
12 aid under plans approved under part A (or E); and

13 “(2) families not receiving such aid.

14 “(b) The data referred to in subsection (a) are—

15 “(1) the number of cases in the caseload of the
16 State agency administering the plan under this part
17 in which such service is needed; and

18 “(2) the number of such cases in which the
19 service has been provided.”; and

20 (2) in subsection (c), by striking “(a)(2)” and
21 inserting “(b)(2)”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall be effective with respect to fiscal year
24 1996 and succeeding fiscal years.

1 **Subtitle C—Locate and Case**
2 **Tracking**

3 **SEC. 421. CENTRAL STATE AND CASE REGISTRY.**

4 Section 454A, as added by section 415(a)(2) of this
5 Act, is amended by adding at the end the following:

6 “(e) CENTRAL CASE REGISTRY.—(1) IN GEN-
7 ERAL.—The automated system required under this section
8 shall perform the functions, in accordance with the provi-
9 sions of this subsection, of a single central registry con-
10 taining records with respect to each case in which services
11 are being provided by the State agency (including, on and
12 after October 1, 1998, each order specified in section
13 466(a)(12)), using such standardized data elements (such
14 as names, social security numbers or other uniform identi-
15 fication numbers, dates of birth, and case identification
16 numbers), and containing such other information (such as
17 information on case status) as the Secretary may require.

18 “(2) PAYMENT RECORDS.—Each case record in the
19 central registry shall include a record of—

20 “(A) the amount of monthly (or other periodic)
21 support owed under the support order, and other
22 amounts due or overdue (including arrears, interest
23 or late payment penalties, and fees);

1 “(B) the date on which or circumstances under
2 which the support obligation will terminate under
3 such order;

4 “(C) all child support and related amounts col-
5 lected (including such amounts as fees, late payment
6 penalties, and interest on arrearages);

7 “(D) the distribution of such amounts collected;
8 and

9 “(E) the birth date of the child for whom the
10 child support order is entered.

11 “(3) UPDATING AND MONITORING.—The State agen-
12 cy shall promptly establish and maintain, and regularly
13 monitor, case records in the registry required by this sub-
14 section, on the basis of—

15 “(A) information on administrative actions and
16 administrative and judicial proceedings and orders
17 relating to paternity and support;

18 “(B) information obtained from matches with
19 Federal, State, or local data sources;

20 “(C) information on support collections and dis-
21 tributions; and

22 “(D) any other relevant information.

23 “(f) DATA MATCHES AND OTHER DISCLOSURES OF
24 INFORMATION.—The automated system required under
25 this section shall have the capacity, and be used by the

1 State agency, to extract data at such times, and in such
2 standardized format or formats, as may be required by
3 the Secretary, and to share and match data with, and re-
4 ceive data from, other data bases and data matching serv-
5 ices, in order to obtain (or provide) information necessary
6 to enable the State agency (or Secretary or other State
7 or Federal agencies) to carry out responsibilities under
8 this part. Data matching activities of the State agency
9 shall include at least the following:

10 “(1) DATA BANK OF CHILD SUPPORT OR-
11 DERS.—Furnish to the Data Bank of Child Support
12 Orders established under section 453(h) (and update
13 as necessary, with information including notice of
14 expiration of orders) minimal information (to be
15 specified by the Secretary) on each child support
16 case in the central case registry.

17 “(2) FEDERAL PARENT LOCATOR SERVICE.—
18 Exchange data with the Federal Parent Locator
19 Service for the purposes specified in section 453.

20 “(3) AFDC AND MEDICAID AGENCIES.—Ex-
21 change data with State agencies (of the State and
22 of other States) administering the programs under
23 part A and title XIX, as necessary for the perform-
24 ance of State agency responsibilities under this part
25 and under such programs.

1 “(4) INTRA- AND INTERSTATE DATA
2 MATCHES.—Exchange data with other agencies of
3 the State, agencies of other States, and interstate
4 information networks, as necessary and appropriate
5 to carry out (or assist other States to carry out) the
6 purposes of this part.”.

7 **SEC. 422. CENTRALIZED COLLECTION AND DISBURSEMENT**
8 **OF SUPPORT PAYMENTS.**

9 (a) STATE PLAN REQUIREMENT.—Section 454 (42
10 U.S.C. 654), as amended by sections 404(a) and 414(b)
11 of this Act, is amended—

12 (1) by striking “and” at the end of paragraph
13 (25);

14 (2) by striking the period at the end of para-
15 graph (26) and inserting “; and”; and

16 (3) by adding after paragraph (26) the follow-
17 ing new paragraph:

18 “(27) provide that the State agency, on and
19 after October 1, 1998—

20 “(A) will operate a centralized, automated
21 unit for the collection and disbursement of child
22 support under orders being enforced under this
23 part, in accordance with section 454B; and

24 “(B) will have sufficient State staff (con-
25 sisting of State employees), and (at State op-

1 payments under support orders in all cases being en-
2 forced by the State pursuant to section 454(4).

3 “(b) REQUIRED PROCEDURES.—The centralized col-
4 lections unit shall use automated procedures, electronic
5 processes, and computer-driven technology to the maxi-
6 mum extent feasible, efficient, and economical, for the col-
7 lection and disbursement of support payments, including
8 procedures—

9 “(1) for receipt of payments from parents, em-
10 ployers, and other States, and for disbursements to
11 custodial parents and other obligees, the State agen-
12 cy, and the State agencies of other States;

13 “(2) for accurate identification of payments;

14 “(3) to ensure prompt disbursement of the cus-
15 todial parent’s share of any payment; and

16 “(4) to furnish to either parent, upon request,
17 timely information on the current status of support
18 payments.”.

19 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
20 added by section 415(a)(2) of this Act and as amended
21 by section 421 of this Act, is amended by adding at the
22 end the following new subsection:

23 “(g) CENTRALIZED COLLECTION AND DISTRIBUTION
24 OF SUPPORT PAYMENTS.—The automated system re-
25 quired under this section shall be used, to the maximum

1 extent feasible, to assist and facilitate collections and dis-
2 bursement of support payments through the centralized
3 collections unit operated pursuant to section 454B,
4 through the performance of functions including at a mini-
5 mum—

6 “(1) generation of orders and notices to em-
7 ployers (and other debtors) for the withholding of
8 wages (and other income)—

9 “(A) within two working days after receipt
10 (from the directory of New Hires established
11 under section 453(i) or any other source) of no-
12 tice of and the income source subject to such
13 withholding; and

14 “(B) using uniform formats directed by
15 the Secretary;

16 “(2) ongoing monitoring to promptly identify
17 failures to make timely payment; and

18 “(3) automatic use of enforcement mechanisms
19 (including mechanisms authorized pursuant to sec-
20 tion 466(c)) where payments are not timely made.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall become effective on October 1, 1998.

1 SEC. 423. AMENDMENTS CONCERNING INCOME WITHHOLD-
2 ING.

3 (a) MANDATORY INCOME WITHHOLDING.—(1) Sec-
4 tion 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read
5 as follows:

6 “(1) INCOME WITHHOLDING.—(A) UNDER OR-
7 DERS ENFORCED UNDER THE STATE PLAN.—Proce-
8 dures described in subsection (b) for the withholding
9 from income of amounts payable as support in cases
10 subject to enforcement under the State plan.

11 “(B) UNDER CERTAIN ORDERS PREDATING
12 CHANGE IN REQUIREMENT.—Procedures under
13 which all child support orders issued (or modified)
14 before October 1, 1996, and which are not otherwise
15 subject to withholding under subsection (b), shall be-
16 come subject to withholding from wages as provided
17 in subsection (b) if arrearages occur, without the
18 need for a judicial or administrative hearing.”

19 (2) Section 466(a)(8) (42 U.S.C. 666(a)(8)) is re-
20 pealed.

21 (3) Section 466(b) (42 U.S.C. 666(b)) is amended—

22 (A) in the matter preceding paragraph (1), by
23 striking “subsection (a)(1)” and inserting “sub-
24 section (a)(1)(A)”;

25 (B) in paragraph (5), by striking all that fol-
26 lows “administered by” and inserting “the State

1 through the centralized collections unit established
2 pursuant to section 454B, in accordance with the re-
3 quirements of such section 454B.”;

4 (C) in paragraph (6) (A) (i)—

5 (i) by inserting “, in accordance with time-
6 tables established by the Secretary,” after
7 “must be required”; and

8 (ii) by striking “to the appropriate agency”
9 and all that follows and inserting “to the State
10 centralized collections unit within 5 working
11 days after the date such amount would (but for
12 this subsection) have been paid or credited to
13 the employee, for distribution in accordance
14 with this part.”;

15 (D) in paragraph (6) (A) (ii), by inserting “be in
16 a standard format prescribed by the Secretary, and”
17 after “shall”; and

18 (E) in paragraph (6) (D)—

19 (i) by striking “employer who discharges”
20 and inserting “employer who—(A) discharges”;

21 (ii) by relocating subparagraph (A), as des-
22 ignated, as an indented subparagraph after and
23 below the introductory matter;

24 (iii) by striking the period at the end; and

1 (iv) by adding after and below subpara-
2 graph (A) the following new subparagraph:

3 “(B) fails to withhold support from wages,
4 or to pay such amounts to the State centralized
5 collections unit in accordance with this sub-
6 section.”.

7 (b) CONFORMING AMENDMENT.—Section 466(c) (42
8 U.S.C. 666(c)) is repealed.

9 (c) DEFINITION OF TERMS.—The Secretary shall
10 promulgate regulations providing definitions, for purposes
11 of part D of title IV of the Social Security Act, for the
12 term “income” and for such other terms relating to in-
13 come withholding under section 466(b) of such Act as the
14 Secretary may find it necessary or advisable to define.

15 **SEC. 424. LOCATOR INFORMATION FROM INTERSTATE NET-**
16 **WORKS.**

17 Section 466(a) (42 U.S.C. 666(a)), as amended by
18 section 423(a)(2) of this Act, is amended by inserting
19 after paragraph (7) the following:

20 “(8) LOCATOR INFORMATION FROM INTER-
21 STATE NETWORKS.—Procedures ensuring that the
22 State will neither provide funding for, nor use for
23 any purpose (including any purpose unrelated to the
24 purposes of this part), any automated interstate net-
25 work or system used to locate individuals—

1 “(A) for purposes relating to the use of
2 motor vehicles; or

3 “(B) providing information for law en-
4 forcement purposes (where child support en-
5 forcement agencies are otherwise allowed access
6 by State and Federal law),

7 unless all Federal and State agencies administering
8 programs under this part (including the entities es-
9 tablished under section 453) have access to informa-
10 tion in such system or network to the same extent
11 as any other user of such system or network.”.

12 **SEC. 425. EXPANDED FEDERAL PARENT LOCATOR SERVICE.**

13 (a) **EXPANDED AUTHORITY TO LOCATE INDIVIDUALS**
14 **AND ASSETS.**—Section 453 (42 U.S.C. 653) is amended—

15 (1) in subsection (a), by striking all that follows
16 “subsection (c))” and inserting the following:

17 “, for the purpose of establishing parentage, establishing,
18 setting the amount of, modifying, or enforcing child sup-
19 port obligations—

20 “(1) information on, or facilitating the discov-
21 ery of, the location of any individual—

22 “(A) who is under an obligation to pay
23 child support;

24 “(B) against whom such an obligation is
25 sought; or

1 “(C) to whom such an obligation is owed,
2 including such individual’s social security num-
3 ber (or numbers), most recent residential ad-
4 dress, and the name, address, and employer
5 identification number of such individual’s em-
6 ployer; and

7 “(2) information on the individual’s wages (or
8 other income) from, and benefits of, employment (in-
9 cluding rights to or enrollment in group health care
10 coverage); and

11 “(3) information on the type, status, location,
12 and amount of any assets of, or debts owed by or
13 to, any such individual.”; and

14 (2) in subsection (b)—

15 (A) in the matter preceding paragraph (1),
16 by striking “social security” and all that follows
17 through “absent parent” and inserting “infor-
18 mation specified in subsection (a)”;

19 (B) in paragraph (2), by inserting before
20 the period “, or from any consumer reporting
21 agency (as defined in section 603(f) of the Fair
22 Credit Reporting Act (15 U.S.C. 1681a(f))”;

23 (3) in subsection (e)(1), by inserting before the
24 period “, or by consumer reporting agencies”.

1 (b) REIMBURSEMENT FOR DATA FROM FEDERAL
2 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is
3 amended in the fourth sentence by inserting before the
4 period “in an amount which the Secretary determines to
5 be reasonable payment for the data exchange (which
6 amount shall not include payment for the costs of obtain-
7 ing, compiling, or maintaining the data)”.

8 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR
9 CREDIT REPORTING ACT.—(1) Section 608 of the Fair
10 Credit Reporting Act (15 U.S.C. 1681f) is amended—

11 (A) by striking “, limited to” and inserting “to
12 a governmental agency (including the entire
13 consumer report, in the case of a Federal, State, or
14 local agency administering a program under part D
15 of title IV of the Social Security Act, and limited
16 to”; and

17 (B) by striking “employment, to a govern-
18 mental agency” and inserting “employment, in the
19 case of any other governmental agency)”.

20 (2) REIMBURSEMENT FOR REPORTS BY STATE
21 AGENCIES AND CREDIT BUREAUS.—Section 453 (42
22 U.S.C. 653) is amended by adding at the end the following
23 new subsection:

24 “(g) The Secretary is authorized to reimburse costs
25 to State agencies and consumer credit reporting agencies

1 the costs incurred by such entities in furnishing informa-
2 tion requested by the Secretary pursuant to this section
3 in an amount which the Secretary determines to be rea-
4 sonable payment for the data exchange (which amount
5 shall not include payment for the costs of obtaining, com-
6 piling, or maintaining the data).”.

7 (d) DISCLOSURE OF TAX RETURN INFORMATION.—
8 (1) Section 6103(1)(6)(A)(ii) of the Internal Revenue
9 Code of 1986 is amended by striking “, but only if” and
10 all that follows and inserting a period.

11 (2) Section 6103(1)(8)(A) of the Internal Revenue
12 Code of 1986 is amended by inserting “Federal,” before
13 “State or local”.

14 (e) TECHNICAL AMENDMENTS.—

15 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
16 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),
17 663(a), and 663(e)) are each amended by inserting
18 “Federal” before “Parent” each place it appears.

19 (2) Section 453 (42 U.S.C. 653) is amended in
20 the heading by adding “FEDERAL” before “PAR-
21 ENT”.

22 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
23 653), as amended by subsection (c)(2) of this section, is
24 amended by adding at the end the following:

25 “(h) DATA BANK OF CHILD SUPPORT ORDERS.—

1 “(1) IN GENERAL.—Not later than October 1,
2 1998, in order to assist States in administering their
3 State plans under this part and parts A, F, and G,
4 and for the other purposes specified in this section,
5 the Secretary shall establish and maintain in the
6 Federal Parent Locator Service an automated reg-
7 istry to be known as the Data Bank of Child Sup-
8 port Orders, which shall contain abstracts of child
9 support orders and other information described in
10 paragraph (2) on each case in each State central
11 case registry maintained pursuant to section
12 454A(e), as furnished (and regularly updated), pur-
13 suant to section 454A(f), by State agencies admin-
14 istering programs under this part.

15 “(2) CASE INFORMATION.—The information re-
16 ferred to in paragraph (1), as specified by the Sec-
17 retary, shall include sufficient information (including
18 names, social security numbers or other uniform
19 identification numbers, and State case identification
20 numbers) to identify the individuals who owe or are
21 owed support (or with respect to or on behalf of
22 whom support obligations are sought to be estab-
23 lished), and the State or States which have estab-
24 lished or modified, or are enforcing or seeking to es-
25 tablish, such an order.

1 “(i) DIRECTORY OF NEW HIRES.—

2 “(1) IN GENERAL.—Not later than October 1,
3 1998, In order to assist States in administering
4 their State plans under this part and parts A, F,
5 and G, and for the other purposes specified in this
6 section, the Secretary shall establish and maintain in
7 the Federal Parent Locator Service an automated
8 directory to be known as the directory of New Hires,
9 containing—

10 “(A) information supplied by employers on
11 each newly hired individual, in accordance with
12 paragraph (2); and

13 “(B) information supplied by State agen-
14 cies administering State unemployment com-
15 pensation laws, in accordance with paragraph
16 (3).

17 “(2) EMPLOYER INFORMATION.—

18 “(A) INFORMATION REQUIRED.—Subject
19 to subparagraph (D), each employer shall fur-
20 nish to the Secretary, for inclusion in the direc-
21 tory established under this subsection, not later
22 than 10 days after the date (on or after Octo-
23 ber 1, 1998) on which the employer hires a new
24 employee (as defined in subparagraph (C)), a
25 report containing the name, date of birth, and

1 social security number of such employee, and
2 the employer identification number of the em-
3 ployer.

4 “(B) REPORTING METHOD AND FOR-
5 MAT.—The Secretary shall provide for trans-
6 mission of the reports required under subpara-
7 graph (A) using formats and methods which
8 minimize the burden on employers, which shall
9 include—

10 “(i) automated or electronic trans-
11 mission of such reports;

12 “(ii) transmission by regular mail;
13 and

14 “(iii) transmission of a copy of the
15 form required for purposes of compliance
16 with section 3402 of the Internal Revenue
17 Code of 1986.

18 “(C) EMPLOYEE DEFINED.—For purposes
19 of this paragraph, the term ‘employee’ means
20 any individual subject to the requirement of
21 section 3402(f)(2) of the Internal Revenue Code
22 of 1986.

23 “(D) PAPERWORK REDUCTION REQUIRE-
24 MENT.—As required by the information re-
25 sources management policies published by the

1 Director of the Office of Management and
2 Budget pursuant to section 3504(b)(1) of title
3 44, United States Code, the Secretary, in order
4 to minimize the cost and reporting burden on
5 employers, shall not require reporting pursuant
6 to this paragraph if an alternative reporting
7 mechanism can be developed that either relies
8 on existing Federal or State reporting or en-
9 ables the Secretary to collect the needed infor-
10 mation in a more cost-effective and equally ex-
11 peditious manner, taking into account the re-
12 porting costs on employers.

13 “(E) CIVIL MONEY PENALTY ON NON-
14 COMPLYING EMPLOYERS.—(i) Any employer
15 that fails to make a timely report in accordance
16 with this paragraph with respect to an individ-
17 ual shall be subject to a civil money penalty, for
18 each calendar year in which the failure occurs,
19 of the lesser of \$500 or 1 percent of the wages
20 or other compensation paid by such employer to
21 such individual during such calendar year.

22 “(ii) Subject to clause (iii), the provisions
23 of section 1128A (other than subsections (a)
24 and (b) thereof) shall apply to a civil money
25 penalty under clause (i) in the same manner as

1 they apply to a civil money penalty or proceed-
2 ing under section 1128A(a).

3 “(iii) Any employer with respect to whom
4 a penalty under this subparagraph is upheld
5 after an administrative hearing shall be liable to
6 pay all costs of the Secretary with respect to
7 such hearing.

8 “(3) EMPLOYMENT SECURITY INFORMATION.—

9 “(A) REPORTING REQUIREMENT.—Each
10 State agency administering a State unemploy-
11 ment compensation law approved by the Sec-
12 retary of Labor under the Federal Unemploy-
13 ment Tax Act shall furnish to the Secretary of
14 Health and Human Services extracts of the re-
15 ports to the Secretary of Labor concerning the
16 wages and unemployment compensation paid to
17 individuals required under section 303(a)(6), in
18 accordance with subparagraph (B).

19 “(B) MANNER OF COMPLIANCE.—The ex-
20 tracts required under subparagraph (A) shall be
21 furnished to the Secretary of Health and
22 Human Services on a quarterly basis, with re-
23 spect to calendar quarters beginning on and
24 after October 1, 1996, by such dates, in such

1 format, and containing such information as re-
2 quired by that Secretary in regulations.

3 “(j) DATA MATCHES AND OTHER DISCLOSURES.—

4 “(1) VERIFICATION BY SOCIAL SECURITY AD-
5 MINISTRATION.—(A) The Secretary shall transmit
6 data on individuals and employers maintained under
7 this section to the Social Security Administration to
8 the extent necessary for verification in accordance
9 with subparagraph (B).

10 “(B) The Social Security Administration shall
11 verify the accuracy of, correct or supply to the ex-
12 tent necessary and feasible, and report to the Sec-
13 retary, the following information in data supplied by
14 the Secretary pursuant to subparagraph (A):

15 “(i) the name, social security number, and
16 birth date of each individual; and

17 “(ii) the employer identification number of
18 each employer.

19 “(2) CHILD SUPPORT LOCATOR MATCHES.—For
20 the purpose of locating individuals for purposes of
21 paternity establishment and establishment and en-
22 forcement of child support, the Secretary shall—

23 “(A) match data in the directory of New
24 Hires against the child support order abstracts

1 in the Data Bank of Child Support Orders, not
2 less often than every 2 working days; and

3 “(B) report information obtained from
4 such a match to concerned State agencies oper-
5 ating programs under this part not later than
6 2 working days after such match.

7 “(3) DATA MATCHES AND DISCLOSURES OF
8 DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM
9 PURPOSES.—The Secretary shall—

10 “(A) perform matches of data in each com-
11 ponent of the Federal Parent Locator Service
12 maintained under this section against data in
13 each other such component (other than the
14 matches required pursuant to paragraph (1)),
15 and report information resulting from such
16 matches to State agencies operating programs
17 under this part and parts A, F, and G; and

18 “(B) disclose data in such registries to
19 such State agencies,
20 to the extent, and with the frequency, that the Sec-
21 retary determines to be effective in assisting such
22 States to carry out their responsibilities under such
23 programs.

24 “(k) FEES.—

1 “(1) FOR SSA VERIFICATION.—The Secretary
2 shall reimburse the Commissioner of Social Security,
3 at a rate negotiated between the Secretary and the
4 Commissioner, the costs incurred by the Commis-
5 sioner in performing the verification services speci-
6 fied in subsection (j).

7 “(2) FOR INFORMATION FROM SESAS.—The
8 Secretary shall reimburse costs incurred by State
9 employment security agencies in furnishing data as
10 required by subsection (j)(3), at rates which the Sec-
11 retary determines to be reasonable (which rates shall
12 not include payment for the costs of obtaining, com-
13 piling, or maintaining such data).

14 “(3) FOR INFORMATION FURNISHED TO STATE
15 AND FEDERAL AGENCIES.—State and Federal agen-
16 cies receiving data or information from the Secretary
17 pursuant to this section shall reimburse the costs in-
18 curred by the Secretary in furnishing such data or
19 information, at rates which the Secretary determines
20 to be reasonable (which rates shall include payment
21 for the costs of obtaining, verifying, maintaining,
22 and matching such data or information).

23 “(1) RESTRICTION ON DISCLOSURE AND USE.—Data
24 in the Federal Parent Locator Service, and information

1 resulting from matches using such data, shall not be used
2 or disclosed except as specifically provided in this section.

3 “(m) RETENTION OF DATA.—Data in the Federal
4 Parent Locator Service, and data resulting from matches
5 performed pursuant to this section, shall be retained for
6 such period (determined by the Secretary) as appropriate
7 for the data uses specified in this section.

8 “(n) INFORMATION INTEGRITY AND SECURITY.—The
9 Secretary shall establish and implement safeguards with
10 respect to the entities established under this section de-
11 signed to—

12 “(1) ensure the accuracy and completeness of
13 information in the Federal Parent Locator Service;
14 and

15 “(2) restrict access to confidential information
16 in the Federal Parent Locator Service to authorized
17 persons, and restrict use of such information to au-
18 thorized purposes.

19 “(o) LIMIT ON LIABILITY.—The Secretary shall not
20 be liable to either a State or an individual for inaccurate
21 information provided to a component of the Federal Par-
22 ent Locator Service section and disclosed by the Secretary
23 in accordance with this section.”.

24 (g) CONFORMING AMENDMENTS.—

1 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
2 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
3 654(8)(B)) is amended to read as follows:

4 “(B) the Federal Parent Locator Service
5 established under section 453;”.

6 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
7 Section 3304(16) of the Internal Revenue Code of
8 1986 is amended—

9 (A) by striking “Secretary of Health, Edu-
10 cation, and Welfare” each place such term ap-
11 pears and inserting “Secretary of Health and
12 Human Services”;

13 (B) in subparagraph (B), by striking
14 “such information” and all that follows and in-
15 serting “information furnished under subpara-
16 graph (A) or (B) is used only for the purposes
17 authorized under such subparagraph;”;

18 (C) by striking “and” at the end of sub-
19 paragraph (A);

20 (D) by redesignating subparagraph (B) as
21 subparagraph (C); and

22 (E) by inserting after subparagraph (A)
23 the following new subparagraph:

24 “(B) wage and unemployment compensa-
25 tion information contained in the records of

1 such agency shall be furnished to the Secretary
2 of Health and Human Services (in accordance
3 with regulations promulgated by such Sec-
4 retary) as necessary for the purposes of the di-
5 rectory of New Hires established under section
6 453(i) of the Social Security Act, and”.

7 (3) TO STATE GRANT PROGRAM UNDER TITLE
8 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
9 (42 U.S.C. 503(a)) is amended—

10 (A) by striking “and” at the end of para-
11 graph (8);

12 (B) by striking the period at the end of
13 paragraph (9) and inserting “; and”; and

14 (C) by adding after paragraph (9) the fol-
15 lowing new paragraph:

16 “(10) The making of quarterly electronic re-
17 ports, at such dates, in such format, and containing
18 such information, as required by the Secretary of
19 Health and Human Services under section 453(i)(3),
20 and compliance with such provisions as such Sec-
21 retary may find necessary to ensure the correctness
22 and verification of such reports.”.

23 **SEC. 426. USE OF SOCIAL SECURITY NUMBERS.**

24 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
25 U.S.C. 666(a)), as amended by section 401(a) of this Act,

1 is amended by inserting after paragraph (12) the follow-
2 ing:

3 “(13) SOCIAL SECURITY NUMBERS RE-
4 QUIRED.—Procedures requiring the recording of so-
5 cial security numbers—

6 “(A) of both parties on marriage licenses
7 and divorce decrees; and

8 “(B) of both parents, on birth records and
9 child support and paternity orders.”.

10 (b) CLARIFICATION OF FEDERAL POLICY.—Section
11 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended
12 by striking the third sentence and inserting “This clause
13 shall not be considered to authorize disclosure of such
14 numbers except as provided in the preceding sentence.”.

15 **Subtitle D—Streamlining and** 16 **Uniformity of Procedures**

17 SEC. 431. ADOPTION OF UNIFORM STATE LAWS.

18 Section 466(a) (42 U.S.C. 666(a)), as amended by
19 sections 401(a) and 426(a) of this Act, is amended insert-
20 ing after paragraph (13) the following:

21 “(14) INTERSTATE ENFORCEMENT.—(A) ADOP-
22 TION OF UIFSA.—Procedures under which the State
23 adopts in its entirety (with the modifications and ad-
24 ditions specified in this paragraph) not later than
25 January 1, 1997, and uses on and after such date,

1 the Uniform Interstate Family Support Act, as ap-
2 proved by the National Conference of Commissioners
3 on Uniform State Laws in August, 1992.

4 “(B) EXPANDED APPLICATION OF UIFSA.—The
5 State law adopted pursuant to subparagraph (A)
6 shall be applied to any case—

7 “(i) involving an order established or modi-
8 fied in one State and for which a subsequent
9 modification is sought in another State; or

10 “(ii) in which interstate activity is required
11 to enforce an order.

12 “(C) JURISDICTION TO MODIFY ORDERS.—The
13 State law adopted pursuant to subparagraph (A) of
14 this paragraph shall contain the following provision
15 in lieu of section 611(a)(1) of the Uniform Inter-
16 state Family Support Act described in such subpara-
17 graph (A):

18 ““(1) the following requirements are met:

19 ““(i) the child, the individual obligee, and
20 the obligor—

21 ““(I) do not reside in the issuing
22 State; and

23 ““(II) either reside in this State or
24 are subject to the jurisdiction of this State
25 pursuant to section 201; and

1 “(ii) (in any case where another State is
2 exercising or seeks to exercise jurisdiction to
3 modify the order) the conditions of section 204
4 are met to the same extent as required for pro-
5 ceedings to establish orders; or’.

6 “(D) SERVICE OF PROCESS.—The State law
7 adopted pursuant to subparagraph (A) shall recog-
8 nize as valid, for purposes of any proceeding subject
9 to such State law, service of process upon persons
10 in the State (and proof of such service) by any
11 means acceptable in another State which is the initi-
12 ating or responding State in such proceeding.

13 “(E) COOPERATION BY EMPLOYERS.—The
14 State law adopted pursuant to subparagraph (A)
15 shall provide for the use of procedures (including
16 sanctions for noncompliance) under which all entities
17 in the State (including for-profit, nonprofit, and gov-
18 ernmental employers) are required to provide
19 promptly, in response to a request by the State
20 agency of that or any other State administering a
21 program under this part, information on the employ-
22 ment, compensation, and benefits of any individual
23 employed by such entity as an employee or contrac-
24 tor.”.

1 SEC. 432. 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
10 a child lived with a parent or a person acting as par-
11 ent for at least six consecutive months immediately
12 preceding the time of filing of a petition or com-
13 parable pleading for support and, if a child is less
14 than six months old, the State in which the child
15 lived from birth with any of them. A period of tem-
16 porary absence of any of them is counted as part of
17 the six-month period.”;

18 (3) in subsection (c), by inserting “by a court
19 of a State” before “is made”;

20 (4) in subsection (c)(1), by inserting “and sub-
21 sections (e), (f), and (g)” after “located”;

22 (5) in subsection (d)—

23 (A) by inserting “individual” before “con-
24 testant”; and

25 (B) by striking “subsection (e)” and in-
26 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:

19 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—
20 If one or more child support orders have been issued in
21 this or another State with regard to an obligor and a child,
22 a court shall apply the following rules in determining
23 which order to recognize for purposes of continuing, exclu-
24 sive jurisdiction and enforcement:

1 “(1) If only one court has issued a child sup-
2 port order, the order of that court must be recog-
3 nized.

4 “(2) If two or more courts have issued child
5 support orders for the same obligor and child, and
6 only one of the courts would have continuing, exclu-
7 sive jurisdiction under this section, the order of that
8 court must be recognized.

9 “(3) If two or more courts have issued child
10 support orders for the same obligor and child, and
11 only one of the courts would have continuing, exclu-
12 sive jurisdiction under this section, an order issued
13 by a court in the current home State of the child
14 must be recognized, but if an order has not been is-
15 sued in the current home State of the child, the
16 order most recently issued must be recognized.

17 “(4) If two or more courts have issued child
18 support orders for the same obligor and child, and
19 none of the courts would have continuing, exclusive
20 jurisdiction under this section, a court may issue a
21 child support order, which must be recognized.

22 “(5) The court that has issued an order recog-
23 nized under this subsection is the court having con-
24 tinuing, exclusive jurisdiction.”;

25 (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:

12 “(i) REGISTRATION FOR MODIFICATION.—If there is
13 no individual contestant or child residing in the issuing
14 State, the party or support enforcement agency seeking
15 to modify, or to modify and enforce, a child support order
16 issued in another State shall register that order in a State
17 with jurisdiction over the nonmovant for the purpose of
18 modification.”.

19 **SEC. 433. STATE LAWS PROVIDING EXPEDITED PROCE-**
20 **DURES.**

21 (a) STATE LAW REQUIREMENTS.—Section 466 (42
22 U.S.C. 666) is amended—

23 (1) in subsection (a)(2), in the first sentence, to
24 read as follows: “Expedited administrative and judi-
25 cial procedures (including the procedures specified in

1 subsection (c)) for establishing paternity and for es-
2 tablishing, modifying, and enforcing support obliga-
3 tions.”; and

4 (2) by adding after subsection (b) the following
5 new subsection:

6 “(c) EXPEDITED PROCEDURES.—The procedures
7 specified in this subsection are the following:

8 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
9 CY.—Procedures which give the State agency the au-
10 thority (and recognize and enforce the authority of
11 State agencies of other States), without the necessity
12 of obtaining an order from any other judicial or ad-
13 ministrative tribunal (but subject to due process
14 safeguards, including (as appropriate) requirements
15 for notice, opportunity to contest the action, and op-
16 portunity for an appeal on the record to an inde-
17 pendent administrative or judicial tribunal), to take
18 the following actions relating to establishment or en-
19 forcement of orders:

20 “(A) GENETIC TESTING.—To order genetic
21 testing for the purpose of paternity establish-
22 ment as provided in section 466(a)(5).

23 “(B) DEFAULT ORDERS.—To enter a de-
24 fault order, upon a showing of service of proc-

1 ess and any additional showing required by
2 State law—

3 “(i) establishing paternity, in the case
4 of any putative father who refuses to sub-
5 mit to genetic testing; and

6 “(ii) establishing or modifying a sup-
7 port obligation, in the case of a parent (or
8 other obligor or obligee) who fails to re-
9 spond to notice to appear at a proceeding
10 for such purpose.

11 “(C) SUBPOENAS.—To subpoena any fi-
12 nancial or other information needed to estab-
13 lish, modify, or enforce an order, and to sanc-
14 tion failure to respond to any such subpoena.

15 “(D) ACCESS TO PERSONAL AND FINAN-
16 CIAL INFORMATION.—To obtain access, subject
17 to safeguards on privacy and information secu-
18 rity, to the following records (including auto-
19 mated access, in the case of records maintained
20 in automated data bases):

21 “(i) records of other State and local
22 government agencies, including—

23 “(I) vital statistics (including
24 records of marriage, birth, and di-
25 vorce);

1 “(II) State and local tax and rev-
2 enue records (including information
3 on residence address, employer, in-
4 come and assets);

5 “(III) records concerning real
6 and titled personal property;

7 “(IV) records of occupational and
8 professional licenses, and records con-
9 cerning the ownership and control of
10 corporations, partnerships, and other
11 business entities;

12 “(V) employment security
13 records;

14 “(VI) records of agencies admin-
15 istering public assistance programs;

16 “(VII) records of the motor vehi-
17 cle department; and

18 “(VIII) corrections records; and

19 “(ii) certain records held by private
20 entities, including—

21 “(I) customer records of public
22 utilities and cable television compa-
23 nies; and

24 “(II) information (including in-
25 formation on assets and liabilities) on

1 individuals who owe or are owed sup-
2 port (or against or with respect to
3 whom a support obligation is sought)
4 held by financial institutions (subject
5 to limitations on liability of such enti-
6 ties arising from affording such ac-
7 cess).

8 “(E) INCOME WITHHOLDING.—To order
9 income withholding in accordance with sub-
10 section (a)(1) and (b) of section 466.

11 “(F) CHANGE IN PAYEE.—(In cases where
12 support is subject to an assignment under sec-
13 tion 402(a)(26), 471(a)(17), or 1912, or to a
14 requirement to pay through the centralized col-
15 lections unit under section 454B) upon provid-
16 ing notice to obligor and obligee, to direct the
17 obligor or other payor to change the payee to
18 the appropriate government entity.

19 “(G) SECURE ASSETS TO SATISFY ARREAR-
20 AGES.—For the purpose of securing overdue
21 support—

22 “(i) to intercept and seize any peri-
23 odic or lump-sum payment to the obligor
24 by or through a State or local government
25 agency, including—

1 “(I) unemployment compensa-
2 tion, workers’ compensation, and
3 other benefits;

4 “(II) judgments and settlements
5 in cases under the jurisdiction of the
6 State or local government; and

7 “(III) lottery winnings;

8 “(ii) to attach and seize assets of the
9 obligor held by financial institutions;

10 “(iii) to attach public and private re-
11 tirement funds in appropriate cases, as de-
12 termined by the Secretary; and

13 “(iv) to impose liens in accordance
14 with paragraph (a)(4) and, in appropriate
15 cases, to force sale of property and dis-
16 tribution of proceeds.

17 “(H) INCREASE MONTHLY PAYMENTS.—

18 For the purpose of securing overdue support, to
19 increase the amount of monthly support pay-
20 ments to include amounts for arrearages (sub-
21 ject to such conditions or restrictions as the
22 State may provide).

23 “(I) SUSPENSION OF DRIVERS’ LI-
24 CENSES.—To suspend drivers’ licenses of indi-

1 viduals owing past-due support, in accordance
2 with subsection (a)(16).

3 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

4 The expedited procedures required under subsection
5 (a)(2) shall include the following rules and author-
6 ity, applicable with respect to all proceedings to es-
7 tablish paternity or to establish, modify, or enforce
8 support orders:

9 “(A) LOCATOR INFORMATION; PRESUMP-
10 TIONS CONCERNING NOTICE.—Procedures
11 under which—

12 “(i) the parties to any paternity or
13 child support proceedings are required
14 (subject to privacy safeguards) to file with
15 the tribunal before entry of an order, and
16 to update as appropriate, information on
17 location and identity (including Social Se-
18 curity number, residential and mailing ad-
19 dresses, telephone number, driver’s license
20 number, and name, address, and telephone
21 number of employer); and

22 “(ii) in any subsequent child support
23 enforcement action between the same par-
24 ties, the tribunal shall be authorized, upon
25 sufficient showing that diligent effort has

1 been made to ascertain such party's cur-
2 rent location, to deem due process require-
3 ments for notice and service of process to
4 be met, with respect to such party, by de-
5 livery to the most recent residential or em-
6 ployer address so filed pursuant to clause
7 (i).

8 “(B) STATEWIDE JURISDICTION.—Proce-
9 dures under which—

10 “(i) the State agency and any admin-
11 istrative or judicial tribunal with authority
12 to hear child support and paternity cases
13 exerts statewide jurisdiction over the par-
14 ties, and orders issued in such cases have
15 statewide effect; and

16 “(ii) (in the case of a State in which
17 orders in such cases are issued by local ju-
18 risdictions) a case may be transferred be-
19 tween jurisdictions in the State without
20 need for any additional filing by the peti-
21 tioner, or service of process upon the re-
22 spondent, to retain jurisdiction over the
23 parties.”.

1 (c) EXCEPTIONS FROM STATE LAW REQUIRE-
2 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-
3 ed—

4 (1) by striking “(d) If” and inserting the fol-
5 lowing:

6 “(d) EXEMPTIONS FROM REQUIREMENTS.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 if”;

9 (2) by adding at the end the following new
10 paragraph:

11 “(2) NONEXEMPT REQUIREMENTS.—The Sec-
12 retary shall not grant an exemption from the re-
13 quirements of—

14 “(A) subsection (a)(5) (concerning proce-
15 dures for paternity establishment);

16 “(B) subsection (a)(10) (concerning modi-
17 fication of orders);

18 “(C) subsection (a)(12) (concerning re-
19 cording of orders in the central State case reg-
20 istry);

21 “(D) subsection (a)(13) (concerning re-
22 cording of Social Security numbers);

23 “(E) subsection (a)(14) (concerning inter-
24 state enforcement); or

1 “(F) subsection (c) (concerning expedited
2 procedures), other than paragraph (1)(A) there-
3 of (concerning establishment or modification of
4 support amount).”.

5 (d) AUTOMATION OF STATE AGENCY FUNCTIONS.—
6 Section 454A, as added by section 415(a)(2) of this Act
7 and as amended by sections 421 and 422(c) of this Act,
8 is amended by adding at the end the following new sub-
9 section:

10 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
11 The automated system required under this section shall
12 be used, to the maximum extent feasible, to implement any
13 expedited administrative procedures required under sec-
14 tion 466(c).”.

15 **Subtitle E—Paternity** 16 **Establishment**

17 **SEC. 441. SENSE OF THE CONGRESS.**

18 It is the sense of the Congress that social services
19 should be provided in hospitals to women who have become
20 pregnant as a result of rape or incest.

21 **SEC. 442. AVAILABILITY OF PARENTING SOCIAL SERVICES**
22 **FOR NEW FATHERS.**

23 Section 466(a) (42 U.S.C. 666(a)), as amended by
24 sections 401(a), 426(a), and 431 of this Act, is amended
25 by inserting after paragraph (14) the following:

1 “(15) Procedures for providing new fathers
2 with positive parenting counseling that stresses the
3 importance of paying child support in a timely man-
4 ner, in accordance with regulations prescribed by the
5 Secretary.”.

6 **SEC. 443. COOPERATION REQUIREMENT AND GOOD CAUSE**
7 **EXCEPTION.**

8 (a) CHILD SUPPORT ENFORCEMENT REQUIRE-
9 MENTS.—Section 454 (42 U.S.C. 654) is amended—

10 (1) by striking “and” at the end of paragraph
11 (23);

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

14 (3) by inserting after paragraph (24) the fol-
15 lowing:

16 “(25) provide that the State agency administer-
17 ing the plan under this part—

18 “(A) will make the determination specified
19 under paragraph (4), as to whether an individ-
20 ual is cooperating with efforts to establish pa-
21 ternity and secure support (or has good cause
22 not to cooperate with such efforts) for purposes
23 of the requirements of sections 402(a)(26) and
24 1912;

1 “(B) will advise individuals, both orally
2 and in writing, of the grounds for good cause
3 exceptions to the requirement to cooperate with
4 such efforts;

5 “(C) will take the best interests of the
6 child into consideration in making the deter-
7 mination whether such individual has good
8 cause not to cooperate with such efforts;

9 “(D)(i) will make the initial determination
10 as to whether an individual is cooperating (or
11 has good cause not to cooperate) with efforts to
12 establish paternity within 10 days after such in-
13 dividual is referred to such State agency by the
14 State agency administering the program under
15 part A of title XIX;

16 “(ii) will make redeterminations as to co-
17 operation or good cause at appropriate inter-
18 vals; and

19 “(iii) will promptly notify the individual,
20 and the State agencies administering such pro-
21 grams, of each such determination and redeter-
22 mination;

23 “(E) with respect to any child born on or
24 after the date 10 months after enactment of
25 this provision, will not determine (or redeter-

1 mine) the mother (or other custodial relative) of
2 such child to be cooperating with efforts to es-
3 tablish paternity unless such individual fur-
4 nishes—

5 “(i) the name of the putative father
6 (or fathers); and

7 “(ii) sufficient additional information
8 to enable the State agency, if reasonable
9 efforts were made, to verify the identity of
10 the person named as the putative father
11 (including such information as the putative
12 father’s present address, telephone num-
13 ber, date of birth, past or present place of
14 employment, school previously or currently
15 attended, and names and addresses of par-
16 ents, friends, or relatives able to provide
17 location information, or other information
18 that could enable service of process on
19 such person), and

20 “(F)(i) (where a custodial parent who was
21 initially determined not to be cooperating (or to
22 have good cause not to cooperate) is later deter-
23 mined to be cooperating or to have good cause
24 not to cooperate) will immediately notify the
25 State agencies administering the programs

1 under part A of title XIX that this eligibility
2 condition has been met; and

3 “(ii) (where a custodial parent was initially
4 determined to be cooperating (or to have good
5 cause not to cooperate)) will not later determine
6 such individual not to be cooperating (or not to
7 have good cause not to cooperate) until such in-
8 dividual has been afforded an opportunity for a
9 hearing.”.

10 (b) AFDC AMENDMENTS.—

11 (1) Section 402(a)(11) (42 U.S.C. 602(a)(11))
12 is amended by striking “furnishing of” and inserting
13 “application for”.

14 (2) Section 402(a)(26) (42 U.S.C. 602(a)(26))
15 is amended—

16 (A) in each of subparagraphs (A) and (B),
17 by redesignating clauses (i) and (ii) as
18 subclauses (I) and (II);

19 (B) by indenting and redesignating sub-
20 paragraphs (A), (B), and (C) as clauses (i), (ii),
21 and (iv), respectively;

22 (C) in clause (ii), as redesignated—

23 (i) by striking “is claimed, or in ob-
24 taining any other payments or property

1 due such applicant or such child,” and in-
2 sserting “is claimed;”; and

3 (ii) by striking “unless” and all that
4 follows through “aid is claimed; and”;

5 (D) by adding after clause (ii) the follow-
6 ing new clause:

7 “(iii) to cooperate with the State in
8 obtaining any other payments or property
9 due such applicant or such child; and”;

10 (E) in the matter preceding clause (i) (as
11 so redesignated) to read as follows:

12 “(26) provide—

13 “(A) that, as a condition of eligibility for
14 aid, each applicant or recipient will be required
15 (subject to subparagraph (C))—”;

16 (F) in subparagraph (A)(iv), as redesign-
17 ated, by striking “, unless such individual”
18 and all that follows through “individuals in-
19 volved”;

20 (G) by adding at the end the following new
21 subparagraphs:

22 “(B) that the State agency will imme-
23 diately refer each applicant requiring paternity
24 establishment services to the State agency ad-
25 ministering the program under part D;

1 “(C) that an individual will not be required
2 to cooperate with the State, as provided under
3 subparagraph (A), if the individual is found to
4 have good cause for refusing to cooperate, as
5 determined in accordance with standards pre-
6 scribed by the Secretary, which standards shall
7 take into consideration the best interests of the
8 child on whose behalf aid is claimed—

9 “(i) to the satisfaction of the State
10 agency administering the program under
11 part D, as determined in accordance with
12 section 454(25), with respect to the re-
13 quirements under clauses (i) and (ii) of
14 subparagraph (A); and

15 “(ii) to the satisfaction of the State
16 agency administering the program under
17 this part, with respect to the requirements
18 under clauses (iii) and (iv) of subpara-
19 graph (A);

20 “(D) that (except as provided in subpara-
21 graph (E)) an applicant requiring paternity es-
22 tablishment services (other than an individual
23 eligible for emergency assistance as defined in
24 section 406(e)) shall not be eligible for any aid

1 under a State plan approved under this part
2 until such applicant—

3 “(i) has furnished to the agency ad-
4 ministering the State plan under part D
5 the information specified in section
6 454(25)(E); or

7 “(ii) has been determined by such
8 agency to have good cause not to cooper-
9 ate;

10 “(E) that the provisions of subparagraph
11 (D) shall not apply—

12 “(i) if the State agency specified in
13 such subparagraph has not, within 10 days
14 after such individual was referred to such
15 agency, provided the notification required
16 by section 454(25)(D)(iii), until such noti-
17 fication is received; and

18 “(ii) if such individual appeals a de-
19 termination that the individual lacks good
20 cause for noncooperation, until after such
21 determination is affirmed after notice and
22 opportunity for a hearing; and”;

23 (H)(i) by relocating and redesignating as
24 subparagraph (F) the text at the end of sub-
25 paragraph (A)(ii) beginning with “that, if the

1 relative” and all that follows through the semi-
2 colon;

3 (ii) in subparagraph (F), as so redesign-
4 nated and relocated, by striking “subpara-
5 graphs (A) and (B) of this paragraph” and in-
6 sserting “subparagraph (A)”; and

7 (iii) by striking “and” at the end of sub-
8 paragraph (a)(ii).

9 (c) MEDICAID AMENDMENTS.—Section 1912(a) (42
10 U.S.C. 1396k(a)) is amended—

11 (1) in paragraph (1)(B), by inserting “(except
12 as provided in paragraph (2))” after “to cooperate
13 with the State”;

14 (2) in subparagraphs (B) and (C) of paragraph
15 (1) by striking “, unless” and all that follows and
16 inserting a semicolon; and

17 (3) by redesignating paragraph (2) as para-
18 graph (5), and inserting after paragraph (1) the fol-
19 lowing new paragraphs:

20 “(2) provide that the State agency will imme-
21 diately refer each applicant or recipient requiring
22 paternity establishment services to the State agency
23 administering the program under part D of title IV;

24 “(3) provide that an individual will not be re-
25 quired to cooperate with the State, as provided

1 under paragraph (1), if the individual is found to
2 have good cause for refusing to cooperate, as deter-
3 mined in accordance with standards prescribed by
4 the Secretary, which standards shall take into con-
5 sideration the best interests of the individuals in-
6 volved—

7 “(A) to the satisfaction of the State agency
8 administering the program under part D, as de-
9 termined in accordance with section 454(25),
10 with respect to the requirements to cooperate
11 with efforts to establish paternity and to obtain
12 support (including medical support) from a par-
13 ent; and

14 “(B) to the satisfaction of the State agen-
15 cy administering the program under this title,
16 with respect to other requirements to cooperate
17 under paragraph (1);

18 “(4) provide that (except as provided in para-
19 graph (5)) an applicant requiring paternity estab-
20 lishment services (other than an individual eligible
21 for emergency assistance as defined in section
22 406(e), or presumptively eligible pursuant to section
23 1920) shall not be eligible for medical assistance
24 under this title until such applicant—

1 “(i) has furnished to the agency admin-
2 istering the State plan under part D of title IV
3 the information specified in section 454(25)(E);
4 or

5 “(ii) has been determined by such agency
6 to have good cause not to cooperate; and

7 “(5) provide that the provisions of paragraph
8 (4) shall not apply with respect to an applicant—

9 “(i) if such agency has not, within 10 days
10 after such individual was referred to such agen-
11 cy, provided the notification required by section
12 454(25)(D)(iii), until such notification is re-
13 ceived); and

14 “(ii) if such individual appeals a deter-
15 mination that the individual lacks good cause
16 for noncooperation, until after such determina-
17 tion is affirmed after notice and opportunity for
18 a hearing.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall be effective with respect to applications
21 filed in or after the first calendar quarter beginning 10
22 months or more after the date of the enactment of this
23 Act (or such earlier quarter as the State may select) for
24 aid under a State plan approved under part A of title IV

1 or for medical assistance under a State plan approved
2 under title XIX.

3 **SEC. 444. FEDERAL MATCHING PAYMENTS.**

4 (a) INCREASED BASE MATCHING RATE.—Section
5 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
6 follows:

7 “(2) The applicable percent for a quarter for
8 purposes of paragraph (1)(A) is—

9 “(A) for fiscal year 1996, 69 percent;

10 “(B) for fiscal year 1997, 72 percent; and

11 “(C) for fiscal year 1998 and succeeding
12 fiscal years, 75 percent.”.

13 (b) MAINTENANCE OF EFFORT.—Section 455 (42
14 U.S.C. 655) is amended—

15 (1) in subsection (a)(1), in the matter preced-
16 ing subparagraph (A), by striking “From” and in-
17 serting “Subject to subsection (c), from”; and

18 (2) by inserting after subsection (b) the follow-
19 ing:

20 “(c) MAINTENANCE OF EFFORT.—Notwithstanding
21 subsection (a), total expenditures for the State program
22 under this part for fiscal year 1996 and each succeeding
23 fiscal year, reduced by the percentage specified for such
24 fiscal year under subparagraph (A), (B), or (C) (i) of para-

1 graph (2), shall not be less than such total expenditures
2 for fiscal year 1995, reduced by 66 percent.”.

3 **SEC. 445. PERFORMANCE-BASED INCENTIVES AND PEN-**
4 **ALTIES.**

5 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
6 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
7 read as follows:

8 “INCENTIVE ADJUSTMENTS TO MATCHING RATE

9 “SEC. 458. (a) INCENTIVE ADJUSTMENT.—

10 “(1) IN GENERAL.—In order to encourage and
11 reward State child support enforcement programs
12 which perform in an effective manner, the Federal
13 matching rate for payments to a State under section
14 455(a)(1)(A), for each fiscal year beginning on or
15 after October 1, 1997, shall be increased by a factor
16 reflecting the sum of the applicable incentive adjust-
17 ments (if any) determined in accordance with regu-
18 lations under this section with respect to Statewide
19 paternity establishment and the overall performance
20 of the State in child support enforcement.

21 “(2) STANDARDS.—

22 “(A) IN GENERAL.—The Secretary shall
23 specify in regulations—

24 “(i) the levels of accomplishment, and
25 rates of improvement as alternatives to
26 such levels, which States must attain to

1 qualify for incentive adjustments under
2 this section; and

3 “(ii) the amounts of incentive adjust-
4 ment that shall be awarded to States
5 achieving specified accomplishment or im-
6 provement levels, which amounts shall be
7 graduated, ranging up to—

8 “(I) 5 percentage points, in con-
9 nection with Statewide paternity es-
10 tablishment; and

11 “(II) 10 percentage points, in
12 connection with overall performance in
13 child support enforcement.

14 “(B) LIMITATION.—In setting performance
15 standards pursuant to subparagraph (A)(i) and
16 adjustment amounts pursuant to subparagraph
17 (A)(ii), the Secretary shall ensure that the ag-
18 gregate number of percentage point increases as
19 incentive adjustments to all States do not ex-
20 ceed such aggregate increases as assumed by
21 the Secretary in estimates of the cost of this
22 section as of June 1994, unless the aggregate
23 performance of all States exceeds the projected
24 aggregate performance of all States in such cost
25 estimates.

1 “(3) DETERMINATION OF INCENTIVE ADJUST-
2 MENT.—

3 “(A) USE OF PERFORMANCE INDICA-
4 TORS.—The Secretary shall, for fiscal year
5 1998 and each succeeding fiscal year, determine
6 the amount (if any) of incentive adjustment for
7 each State on the basis of the data submitted
8 by the State pursuant to section 454(15)(B)
9 with respect to performance indicators estab-
10 lished by the Secretary.

11 “(B) MINIMUM PERFORMANCE RE-
12 QUIRED.—

13 “(i) IN GENERAL.—The Secretary
14 shall not determine an incentive adjust-
15 ment for a State for a fiscal year if the
16 level of performance of the State for the
17 fiscal year with respect to such perform-
18 ance indicators is below the performance
19 threshold established by the Secretary for
20 the State for the fiscal year.

21 “(ii) ESTABLISHMENT OF STATE PER-
22 FORMANCE THRESHOLD.—The perform-
23 ance threshold with respect to such per-
24 formance indicators for a State and a fis-

1 cal year shall be at or above the greater
2 of—

3 “(I) the national average level of
4 performance with respect to such indi-
5 cators, as of the date of the enact-
6 ment of this section; or

7 “(II) the level of performance of
8 the State with respect to such indica-
9 tors for the immediately preceding fis-
10 cal year.

11 “(C) DEADLINE FOR ISSUANCE OF REGU-
12 LATIONS.—Within 90 days after the date of the
13 enactment of this section, the Secretary shall
14 issue regulations setting forth the criteria for
15 awarding incentive adjustments.

16 “(4) FISCAL YEAR SUBJECT TO INCENTIVE AD-
17 JUSTMENT.—The total percentage point increase de-
18 termined pursuant to this section with respect to a
19 State program in a fiscal year shall apply as an ad-
20 justment to the percent applicable under section
21 455(a)(2) for payments to such State for the suc-
22 ceeding fiscal year.

23 “(b) DEFINITIONS.—As used in subsection (a):

24 “(1) STATEWIDE PATERNITY ESTABLISHMENT
25 PERCENTAGE.—The term ‘Statewide paternity estab-

1 'lishment percentage' means, with respect to a fiscal
2 year, the ratio (expressed as a percentage) of—

3 “(A) the total number of out-of-wedlock
4 children in the State under one year of age for
5 whom paternity is established or acknowledged
6 during the fiscal year, to

7 “(B) the total number of children born out
8 of wedlock in the State during such fiscal year.

9 “(2) OVERALL PERFORMANCE OF THE STATE
10 IN CHILD SUPPORT ENFORCEMENT.—The term
11 ‘overall performance of the State in child support
12 enforcement’ means a measure or measures of the
13 effectiveness of the State agency in a fiscal year
14 which takes into account factors including—

15 “(A) the percentage of cases requiring a
16 child support order in which such an order was
17 established;

18 “(B) the percentage of cases in which child
19 support is being paid;

20 “(C) the ratio of child support collected to
21 child support due; and

22 “(D) the cost-effectiveness of the State
23 program, as determined in accordance with
24 standards established by the Secretary in regu-
25 lations.”.

1 (b) TITLE IV-D PAYMENT ADJUSTMENT.—Section
2 455(a)(2) (42 U.S.C. 655(a)(2)), as amended by section
3 415(a) of this Act, is amended—

4 (1) by striking the period at the end of sub-
5 paragraph (C) and inserting a semicolon; and

6 (2) by adding after and below subparagraph
7 (C), flush with the left margin of the subsection, the
8 following:

9 “increased by the incentive adjustment factor (if any) de-
10 termined by the Secretary pursuant to section 458.”.

11 (c) CONFORMING AMENDMENTS.—Section 454(22)
12 (42 U.S.C. 654(22)) is amended—

13 (1) by striking “incentive payments” the 1st
14 place such term appears and inserting “incentive ad-
15 justments”; and

16 (2) by striking “any such incentive payments
17 made to the State for such period” and inserting
18 “any increases in Federal payments to the State re-
19 sulting from such incentive adjustments”.

20 (d) CALCULATION OF IV-D PATERNITY ESTABLISH-
21 MENT PERCENTAGE.—

22 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
23 amended in the matter preceding subparagraph (A)
24 by inserting “its overall performance in child sup-
25 port enforcement is satisfactory (as defined in sec-

1 tion 458(b) and regulations of the Secretary), and”
2 after “1994,”.

3 (2) Section 452(g)(2)(A) (42 U.S.C.
4 652(g)(2)(A)) is amended in the matter preceding
5 clause (i)—

6 (A) by striking “paternity establishment
7 percentage” and inserting “IV-D paternity es-
8 tablishment percentage”; and

9 (B) by striking “(or all States, as the case
10 may be)”.

11 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
12 amended—

13 (A) by striking subparagraph (A) and re-
14 designating subparagraphs (B) and (C) as sub-
15 paragraphs (A) and (B), respectively;

16 (B) in subparagraph (A) (as so redesign-
17 ated), by striking “the percentage of children
18 born out-of-wedlock in a State” and inserting
19 “the percentage of children in a State who are
20 born out of wedlock or for whom support has
21 not been established”; and

22 (C) in subparagraph (B) (as so redesign-
23 ated)—

1 (i) by inserting “and overall perform-
2 ance in child support enforcement” after
3 “paternity establishment percentages”; and

4 (ii) by inserting “and securing sup-
5 port” before the period.

6 (e) TITLE IV-A PAYMENT REDUCTION.—Section
7 403 (42 U.S.C. 603) is amended—

8 (1) in subsection (a), by striking “1958—” and
9 inserting “1958—” (subject to subsection (h))—”;

10 (2) in subsection (h), by striking all that pre-
11 cedes paragraph (3) and inserting the following:

12 “(h)(1) If the Secretary finds, with respect to a State
13 program under this part in a fiscal year beginning on or
14 after October 1, 1996—

15 “(A)(i) on the basis of data submitted by a
16 State pursuant to section 454(15)(B), that the State
17 program in such fiscal year failed to achieve the IV-
18 D paternity establishment percentage (as defined in
19 section 452(g)(2)(A)) or the appropriate level of
20 overall performance in child support enforcement (as
21 defined in section 458(b)(2)), or to meet other per-
22 formance measures that may be established by the
23 Secretary, or

24 “(ii) on the basis of an audit or audits of such
25 State data conducted pursuant to section

1 452(a)(4)(C), that the State data submitted pursu-
2 ant to section 454(15)(B) is incomplete or unreli-
3 able; and

4 “(B) that, with respect to the succeeding fiscal
5 year—

6 “(i) the State failed to take sufficient cor-
7 rective action to achieve the appropriate per-
8 formance levels as described in subparagraph
9 (A)(i), or

10 “(ii) the data submitted by the State pur-
11 suant to section 454(15)(B) is incomplete or
12 unreliable,

13 the amounts otherwise payable to the State under this
14 part for quarters following the end of such succeeding fis-
15 cal year, prior to quarters following the end of the first
16 quarter throughout which the State program is in compli-
17 ance with such performance requirement, shall be reduced
18 by the percentage specified in paragraph (2).

19 “(2) The reductions required under paragraph (1)
20 shall be—

21 “(A) not less than 1 nor more than 2 percent,

22 or

23 “(B) not less than 2 nor more than 3 percent,
24 if the finding is the 2nd consecutive finding made
25 pursuant to paragraph (1), or

1 “(C) not less than 3 nor more than 5 percent,
2 if the finding is the 3rd or a subsequent consecutive
3 such finding.”; and

4 (3) in subsection (h)(3), by striking “not in full
5 compliance” and all that follows and inserting “de-
6 termined as a result of an audit to have submitted
7 incomplete or unreliable data pursuant to section
8 454(15)(B), shall be determined to have submitted
9 adequate data if the Secretary determines that the
10 extent of the incompleteness or unreliability of the
11 data is of a technical nature which does not ad-
12 versely affect the determination of the level of the
13 State’s performance.”.

14 (f) EFFECTIVE DATES.—

15 (1) INCENTIVE ADJUSTMENTS.—(A) The
16 amendments made by subsections (a), (b), and (c)
17 shall become effective October 1, 1996, except to the
18 extent provided in subparagraph (B).

19 (B) Section 458 of the Social Security Act, as
20 in effect immediately before the date of the enact-
21 ment of this section, shall be effective for purposes
22 of incentive payments to States for fiscal years be-
23 fore fiscal year 1998.

24 (2) PENALTY REDUCTIONS.—(A) The amend-
25 ments made by subsection (d) shall become effective

1 with respect to calendar quarters beginning on and
2 after the date of enactment of this Act.

3 (B) The amendments made by subsection (e)
4 shall become effective with respect to calendar quar-
5 ters beginning on and after the date that is 1 year
6 after the date of enactment of this Act.

7 **SEC. 446. STATE LAWS CONCERNING PATERNITY ESTAB-**
8 **LISHMENT.**

9 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
10 U.S.C. 666(a)(5)) is amended—

11 (1) by striking “(5)” and inserting the follow-
12 ing:

13 “(5) PROCEDURES CONCERNING PATERNITY ES-
14 TABLISHMENT.—”;

15 (2) in subparagraph (A)—

16 (A) by striking “(A)(i)” and inserting the
17 following:

18 “(A) ESTABLISHMENT PROCESS AVAIL-
19 ABLE FROM BIRTH UNTIL AGE EIGHTEEN.—
20 (i)”; and

21 (B) by indenting clauses (i) and (ii) so
22 that the left margin of such clauses is 2 ems to
23 the right of the left margin of paragraph (4);
24 (3) in subparagraph (B)—

1 (A) by striking “(B)” and inserting the
2 following:

3 “(B) PROCEDURES CONCERNING GENETIC
4 TESTING.—(i)”;

5 (B) in clause (i), as redesignated, by in-
6 serting before the period “, where such request
7 is supported by a sworn statement (I) by such
8 party alleging paternity setting forth facts es-
9 tablishing a reasonable possibility of the req-
10 uisite sexual contact of the parties, or (II) by
11 such party denying paternity setting forth facts
12 establishing a reasonable possibility of the
13 nonexistence of sexual contact of the parties;”;

14 (C) by inserting after and below clause (i)
15 (as redesignated) the following new clause:

16 “(ii) Procedures which require the State
17 agency, in any case in which such agency orders
18 genetic testing—

19 “(I) to pay costs of such tests, subject
20 to recoupment (where the State so elects)
21 from the putative father if paternity is es-
22 tablished; and

23 “(II) to obtain additional testing in
24 any case where an original test result is

1 disputed, upon request and advance pay-
2 ment by the disputing party.”;

3 (4) by striking subparagraphs (C) and (D) and
4 inserting the following:

5 “(C) PATERNITY ACKNOWLEDGMENT.—(i)
6 Procedures for a simple civil process for volun-
7 tarily acknowledging paternity under which the
8 State must provide that, before a mother and a
9 putative father can sign an acknowledgment of
10 paternity, the putative father and the mother
11 must be given notice, orally, in writing, and in
12 a language that each can understand, of the al-
13 ternatives to, the legal consequences of, and the
14 rights (including, if 1 parent is a minor, any
15 rights afforded due to minority status) and re-
16 sponsibilities that arise from, signing the ac-
17 knowledgment.

18 “(ii) Such procedures must include a hos-
19 pital-based program for the voluntary acknowl-
20 edgment of paternity focusing on the period im-
21 mediately before or after the birth of a child.

22 “(iii) Such procedures must require the
23 State agency responsible for maintaining birth
24 records to offer voluntary paternity establish-
25 ment services.

1 “(iv) The Secretary shall prescribe regula-
2 tions governing voluntary paternity establish-
3 ment services offered by hospitals and birth
4 record agencies. The Secretary shall prescribe
5 regulations specifying the types of other entities
6 that may offer voluntary paternity establish-
7 ment services, and governing the provision of
8 such services, which shall include a requirement
9 that such an entity must use the same notice
10 provisions used by, the same materials used by,
11 provide the personnel providing such services
12 with the same training provided by, and evalu-
13 ate the provision of such services in the same
14 manner as, voluntary paternity establishment
15 programs of hospitals and birth record agen-
16 cies.

17 “(v) Such procedures must require the
18 State and those required to establish paternity
19 to use only the affidavit developed under section
20 452(a)(7) for the voluntary acknowledgment of
21 paternity, and to give full faith and credit to
22 such an affidavit signed in any other State.

23 “(D) STATUS OF SIGNED PATERNITY AC-
24 KNOWLEDGMENT.—(i) Procedures under which
25 a signed acknowledgment of paternity is consid-

1 ered a legal finding of paternity, subject to the
2 right of any signatory to rescind the acknowl-
3 edgment within 60 days.

4 “(ii)(I) Procedures under which, after the
5 60-day period referred to in clause (i), a signed
6 acknowledgment of paternity may be challenged
7 in court only on the basis of fraud, duress, or
8 material mistake of fact, with the burden of
9 proof upon the challenger, and under which the
10 legal responsibilities (including child support
11 obligations) of any signatory arising from the
12 acknowledgment may not be suspended during
13 the challenge, except for good cause shown.

14 “(II) Procedures under which, after the
15 60-day period referred to in clause (i), a minor
16 who signs an acknowledgment of paternity
17 other than in the presence of a parent or court-
18 appointed guardian ad litem may rescind the
19 acknowledgment in a judicial or administrative
20 proceeding, until the earlier of—

21 “(aa) attaining the age of majority; or

22 “(bb) the date of the first judicial or
23 administrative proceeding brought (after
24 the signing) to establish a child support
25 obligation, visitation rights, or custody

1 rights with respect to the child whose pa-
2 ternity is the subject of the acknowledg-
3 ment, and at which the minor is rep-
4 resented by a parent, guardian ad litem, or
5 attorney.”;

6 (5) by striking subparagraph (E) and inserting
7 the following:

8 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
9 CATION PROCEEDINGS.—Procedures under
10 which no judicial or administrative proceedings
11 are required or permitted to ratify an unchal-
12 lenged acknowledgment of paternity.”;

13 (6) by striking subparagraph (F) and inserting
14 the following:

15 “(F) ADMISSIBILITY OF GENETIC TESTING
16 RESULTS.—Procedures—

17 “(i) requiring that the State admit
18 into evidence, for purposes of establishing
19 paternity, results of any genetic test that
20 is—

21 “(I) of a type generally acknowl-
22 edged, by accreditation bodies des-
23 igned by the Secretary, as reliable
24 evidence of paternity; and

1 “(II) performed by a laboratory
2 approved by such an accreditation
3 body;

4 “(ii) that any objection to genetic
5 testing results must be made in writing not
6 later than a specified number of days be-
7 fore any hearing at which such results may
8 be introduced into evidence (or, at State
9 option, not later than a specified number
10 of days after receipt of such results); and

11 “(iii) that, if no objection is made, the
12 test results are admissible as evidence of
13 paternity without the need for foundation
14 testimony or other proof of authenticity or
15 accuracy.”; and

16 (7) by adding after subparagraph (H) the
17 following new subparagraphs:

18 “(I) NO RIGHT TO JURY TRIAL.—Proce-
19 dures providing that the parties to an action to
20 establish paternity are not entitled to jury trial.

21 “(J) TEMPORARY SUPPORT ORDER BASED
22 ON PROBABLE PATERNITY IN CONTESTED
23 CASES.—Procedures which require that a tem-
24 porary order be issued, upon motion by a party,
25 requiring the provision of child support pending

1 an administrative or judicial determination of
2 parentage, where there is clear and convincing
3 evidence of paternity (on the basis of genetic
4 tests or other evidence).

5 “(K) PROOF OF CERTAIN SUPPORT AND
6 PATERNITY ESTABLISHMENT COSTS.—Proce-
7 dures under which bills for pregnancy, child-
8 birth, and genetic testing are admissible as evi-
9 dence without requiring third-party foundation
10 testimony, and shall constitute prima facie evi-
11 dence of amounts incurred for such services and
12 testing on behalf of the child.

13 “(L) WAIVER OF STATE DEBTS FOR CO-
14 OPERATION.—At the option of the State, proce-
15 dures under which the tribunal establishing pa-
16 ternity and support has discretion to waive
17 rights to all or part of amounts owed to the
18 State (but not to the mother) for costs related
19 to pregnancy, childbirth, and genetic testing
20 and for public assistance paid to the family
21 where the father cooperates or acknowledges
22 paternity before or after genetic testing.

23 “(M) STANDING OF PUTATIVE FATHERS.—
24 Procedures ensuring that the putative father

1 has a reasonable opportunity to initiate a pater-
2 nity action.”.

3 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
4 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
5 amended by inserting “, and develop an affidavit to be
6 used for the voluntary acknowledgment of paternity which
7 shall include the social security account number of each
8 parent” before the semicolon.

9 (c) TECHNICAL AMENDMENT.—Section 468 (42
10 U.S.C. 668) is amended by striking “a simple civil process
11 for voluntarily acknowledging paternity and”.

12 **SEC. 447. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
13 **LISHMENT.**

14 (a) STATE PLAN REQUIREMENT.—Section 454(23)
15 (42 U.S.C. 654(23)) is amended by adding at the end the
16 following new subparagraph:

17 “(C) publicize the availability and encour-
18 age the use of procedures for voluntary estab-
19 lishment of paternity and child support through
20 a variety of means, which—

21 “(i) include distribution of written
22 materials at health care facilities (includ-
23 ing hospitals and clinics), and other loca-
24 tions such as schools;

1 “(ii) may include pre-natal programs
2 to educate expectant couples on individual
3 and joint rights and responsibilities with
4 respect to paternity (and may require all
5 expectant recipients of assistance under
6 part A to participate in such pre-natal pro-
7 grams, as an element of cooperation with
8 efforts to establish paternity and child sup-
9 port);

10 “(iii) include, with respect to each
11 child discharged from a hospital after birth
12 for whom paternity or child support has
13 not been established, reasonable follow-up
14 efforts (including at least one contact of
15 each parent whose whereabouts are known,
16 except where there is reason to believe
17 such follow-up efforts would put mother or
18 child at risk), providing—

19 “(I) in the case of a child for
20 whom paternity has not been estab-
21 lished, information on the benefits of
22 and procedures for establishing pater-
23 nity; and

24 “(II) in the case of a child for
25 whom paternity has been established

1 but child support has not been estab-
2 lished, information on the benefits of
3 and procedures for establishing a
4 child support order, and an applica-
5 tion for child support services;”.

6 (b) ENHANCED FEDERAL MATCHING.—Section
7 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

8 (1) by inserting “(i)” before “laboratory costs”,
9 and

10 (2) by inserting before the semicolon “, and (ii)
11 costs of outreach programs designed to encourage
12 voluntary acknowledgment of paternity”.

13 (c) EFFECTIVE DATES.—(1) The amendments made
14 by subsection (a) shall become effective October 1, 1997.

15 (2) The amendments made by subsection (b) shall be
16 effective with respect to calendar quarters beginning on
17 and after October 1, 1996.

18 **Subtitle F—Establishment and** 19 **Modification of Support Orders**

20 **SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-** 21 **SION.**

22 (a) ESTABLISHMENT.—There is hereby established a
23 commission to be known as the “National Child Support
24 Guidelines Commission” (in this section referred to as the
25 “Commission”).

1 (b) GENERAL DUTIES.—The Commission shall de-
2 velop a national child support guideline for consideration
3 by the Congress that is based on a study of various guide-
4 line models, the benefits and deficiencies of such models,
5 and any needed improvements.

6 (c) MEMBERSHIP.—

7 (1) NUMBER; APPOINTMENT.—

8 (A) IN GENERAL.—The Commission shall
9 be composed of 12 individuals appointed jointly
10 by the Secretary of Health and Human Services
11 and the Congress, not later than January 15,
12 1997, of which—

13 (i) 2 shall be appointed by the Chair-
14 man of the Committee on Finance of the
15 Senate, and 1 shall be appointed by the
16 ranking minority member of the Commit-
17 tee;

18 (ii) 2 shall be appointed by the Chair-
19 man of the Committee on Ways and Means
20 of the House of Representatives, and 1
21 shall be appointed by the ranking minority
22 member of the Committee; and

23 (iii) 6 shall be appointed by the Sec-
24 retary of Health and Human Services.

1 (B) QUALIFICATIONS OF MEMBERS.—

2 Members of the Commission shall have exper-
3 tise and experience in the evaluation and devel-
4 opment of child support guidelines. At least 1
5 member shall represent advocacy groups for
6 custodial parents, at least 1 member shall rep-
7 resent advocacy groups for noncustodial par-
8 ents, and at least 1 member shall be the direc-
9 tor of a State program under part D of title IV
10 of the Social Security Act.

11 (2) TERMS OF OFFICE.—Each member shall be
12 appointed for a term of 2 years. A vacancy in the
13 Commission shall be filled in the manner in which
14 the original appointment was made.

15 (d) COMMISSION POWERS, COMPENSATION, ACCESS
16 TO INFORMATION, AND SUPERVISION.—The first sentence
17 of subparagraph (C), the first and third sentences of sub-
18 paragraph (D), subparagraph (F) (except with respect to
19 the conduct of medical studies), clauses (ii) and (iii) of
20 subparagraph (G), and subparagraph (H) of section
21 1886(e)(6) of the Social Security Act shall apply to the
22 Commission in the same manner in which such provisions
23 apply to the Prospective Payment Assessment Commis-
24 sion.

1 (e) REPORT.—Not later than 2 years after the ap-
2 pointment of members, the Commission shall submit to
3 the President, the Committee on Ways and Means of the
4 House of Representatives, and the Committee on Finance
5 of the Senate, a recommended national child support
6 guideline and a final assessment of issues relating to such
7 a proposed national child support guideline.

8 (f) TERMINATION.—The Commission shall terminate
9 6 months after the submission of the report described in
10 subsection (e).

11 **SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
12 **MENT OF CHILD SUPPORT ORDERS.**

13 (a) IN GENERAL.—Section 466(a)(10) (42 U.S.C.
14 666(a)(10)) is amended to read as follows:

15 “(10) PROCEDURES FOR MODIFICATION OF
16 SUPPORT ORDERS.—

17 “(A)(i) Procedures under which—

18 “(I) every 3 years, at the request of
19 either parent subject to a child support
20 order, the State shall review and, as appro-
21 priate, adjust the order in accordance with
22 the guidelines established under section
23 467(a) if the amount of the child support
24 award under the order differs from the
25 amount that would be awarded in accord-

1 ance with such guidelines, without a re-
2 quirement for any other change in cir-
3 cumstances; and

4 “(II) upon request at any time of ei-
5 ther parent subject to a child support
6 order, the State shall review and, as appro-
7 priate, adjust the order in accordance with
8 the guidelines established under section
9 467(a) based on a substantial change in
10 the circumstances of either such parent.

11 “(ii) Such procedures shall require both
12 parents subject to a child support order to be
13 notified of their rights and responsibilities pro-
14 vided for under clause (i) at the time the order
15 is issued and in the annual information ex-
16 change form provided under subparagraph (B).

17 “(B) Procedures under which each child
18 support order issued or modified in the State
19 after the effective date of this subparagraph
20 shall require the parents subject to the order to
21 provide each other with a complete statement of
22 their respective financial condition annually on
23 a form which shall be established by the Sec-
24 retary and provided by the State. The Secretary

1 shall establish regulations for the enforcement
2 of such exchange of information.”.

3 **Subtitle G—Enforcement of** 4 **Support Orders**

5 **SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.**

6 (a) CHANGED ORDER OF REFUND DISTRIBUTION
7 UNDER INTERNAL REVENUE CODE.—Section 6402(c) of
8 the Internal Revenue Code of 1986 is amended by striking
9 the 3rd sentence.

10 (b) ELIMINATION OF DISPARITIES IN TREATMENT
11 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—(1)
12 Section 464(a) (42 U.S.C. 664(a)) is amended—

13 (A) by striking “(a)” and inserting “(a) OFF-
14 SET AUTHORIZED.—”;

15 (B) in paragraph (1)—

16 (i) in the first sentence, by striking “which
17 has been assigned to such State pursuant to
18 section 402(a)(26) or section 471(a)(17)”;

19 (ii) in the second sentence, by striking “in
20 accordance with section 457 (b)(4) or (d)(3)”
21 and inserting “as provided in paragraph (2)”;

22 (C) in paragraph (2), to read as follows:

23 “(2) The State agency shall distribute amounts
24 paid by the Secretary of the Treasury pursuant to
25 paragraph (1)—

1 “(A) in accordance with section 457 (a)(4)
2 or (d)(3), in the case of past-due support as-
3 signed to a State pursuant to section
4 402(a)(26) or section 471(a)(17); and

5 “(B) to or on behalf of the child to whom
6 the support was owed, in the case of past-due
7 support not so assigned.”;

8 (D) in paragraph (3)—

9 (i) by striking “or (2)” each place it ap-
10 pears; and

11 (ii) in subparagraph (B), by striking
12 “under paragraph (2)” and inserting “on ac-
13 count of past-due support described in para-
14 graph (2)(B)”.

15 (2) Section 464(b) (42 U.S.C. 664(b)) is
16 amended—

17 (A) by striking “(b)(1)” and inserting “(b)
18 REGULATIONS.—”; and

19 (B) by striking paragraph (2).

20 (3) Section 464(c) (42 U.S.C. 664(c)) is
21 amended—

22 (A) by striking “(c)(1) Except as provided
23 in paragraph (2), as” and inserting “(c) DEFINI-
24 TION.—As”; and

25 (B) by striking paragraphs (2) and (3).

1 (c) TREATMENT OF LUMP-SUM TAX REFUND
2 UNDER AFDC.—

3 (1) EXEMPTION FROM LUMP-SUM RULE.—Sec-
4 tion 402(a)(17) (42 U.S.C. 602(a)(17)) is amended
5 by adding at the end the following: “but this para-
6 graph shall not apply to income received by a family
7 that is attributable to a child support obligation
8 owed with respect to a member of the family and
9 that is paid to the family from amounts withheld
10 from a Federal income tax refund otherwise payable
11 to the person owing such obligation, to the extent
12 that such income is placed in a qualified asset ac-
13 count (as defined in section 406(j)) the total
14 amounts in which, after such placement, does not
15 exceed \$10,000;”.

16 (2) QUALIFIED ASSET ACCOUNT DEFINED.—
17 Section 406 (42 U.S.C. 606), as amended by section
18 402(g)(2) of this Act, is amended by adding at the
19 end the following:

20 “(j)(1) The term ‘qualified asset account’ means a
21 mechanism approved by the State (such as individual re-
22 tirement accounts, escrow accounts, or savings bonds) that
23 allows savings of a family receiving aid to families with
24 dependent children to be used for qualified distributions.

1 “(2) The term ‘qualified distribution’ means a dis-
2 tribution from a qualified asset account for expenses di-
3 rectly related to 1 or more of the following purposes:

4 “(A) The attendance of a member of the family
5 at any education or training program.

6 “(B) The improvement of the employability (in-
7 cluding self-employment) of a member of the family
8 (such as through the purchase of an automobile).

9 “(C) The purchase of a home for the family.

10 “(D) A change of the family residence.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall become effective October 1, 1999.

13 **SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF**
14 **ARREARS.**

15 (a) AMENDMENT TO INTERNAL REVENUE CODE.—
16 Section 6305(a) of the Internal Revenue Code of 1986 is
17 amended—

18 (1) in paragraph (1), by inserting “except as
19 provided in paragraph (5)” after “collected”;

20 (2) by striking “and” at the end of paragraph
21 (3);

22 (3) by striking the period at the end of para-
23 graph (4) and inserting a comma;

24 (4) by adding after paragraph (4) the following
25 new paragraph:

1 “(5) no additional fee may be assessed for ad-
2 justments to an amount previously certified pursu-
3 ant to such section 452(b) with respect to the same
4 obligor.”; and

5 (5) by striking “Secretary of Health, Edu-
6 cation, and Welfare” each place it appears and in-
7 serting “Secretary of Health and Human Services”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall become effective October 1, 1997.

10 **SEC. 463. AUTHORITY TO COLLECT SUPPORT FROM FED-**
11 **ERAL EMPLOYEES.**

12 (a) CONSOLIDATION AND STREAMLINING OF AU-
13 THORITIES.—

14 (1) Section 459 (42 U.S.C. 659) is amended in
15 the caption by inserting “INCOME WITHHOLDING,”
16 before “GARNISHMENT”.

17 (2) Section 459(a) (42 U.S.C. 659(a)) is
18 amended—

19 (A) by striking “(a)” and inserting “(a)
20 CONSENT TO SUPPORT ENFORCEMENT.—

21 (B) by striking “section 207” and insert-
22 ing “section 207 of this Act and 38 U.S.C.
23 5301”; and

24 (C) by striking all that follows “a private
25 person,” and inserting “to withholding in ac-

1 cordance with State law pursuant to subsections
2 (a)(1) and (b) of section 466 and regulations of
3 the Secretary thereunder, and to any other legal
4 process brought, by a State agency administer-
5 ing a program under this part or by an individ-
6 ual obligee, to enforce the legal obligation of
7 such individual to provide child support or ali-
8 mony.”.

9 (3) Section 459(b) (42 U.S.C. 659(b)) is
10 amended to read as follows:

11 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
12 PRIVATE PERSON.— Except as otherwise provided herein,
13 each entity specified in subsection (a) shall be subject,
14 with respect to notice to withhold income pursuant to sub-
15 section (a)(1) or (b) of section 466, or to any other order
16 or process to enforce support obligations against an indi-
17 vidual (if such order or process contains or is accompanied
18 by sufficient data to permit prompt identification of the
19 individual and the moneys involved), to the same require-
20 ments as would apply if such entity were a private per-
21 son.”.

22 (4) Section 459(c) (42 U.S.C. 659(c)) is redес-
23 igned and relocated as paragraph (2) of subsection
24 (f), and is amended—

1 (A) by striking “responding to interrog-
2 atories pursuant to requirements imposed by
3 section 461(b)(3)” and inserting “taking ac-
4 tions necessary to comply with the requirements
5 of subsection (A) with regard to any individ-
6 ual”; and

7 (B) by striking “any of his duties” and all
8 that follows and inserting “such duties.”.

9 (5) Section 461 (42 U.S.C. 661) is amended by
10 striking subsection (b), and section 459 (42 U.S.C.
11 659) is amended by inserting after subsection (b)
12 (as added by paragraph (3) of this subsection) the
13 following:

14 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
15 OR PROCESS.—(1) The head of each agency subject to the
16 requirements of this section shall—

17 “(A) designate an agent or agents to receive or-
18 ders and accept service of process; and

19 “(B) publish (i) in the appendix of such regula-
20 tions, (ii) in each subsequent republication of such
21 regulations, and (iii) annually in the Federal Reg-
22 ister, the designation of such agent or agents, identi-
23 fied by title of position, mailing address, and tele-
24 phone number.”.

1 (6) Section 459 (42 U.S.C. 659) is amended by
2 striking subsection (d) and by inserting after sub-
3 section (c)(1) (as added by paragraph (5) of this
4 subsection) the following:

5 “(2) Whenever an agent designated pursuant to para-
6 graph (1) receives notice pursuant to subsection (a)(1) or
7 (b) of section 466, or is effectively served with any order,
8 process, or interrogatories, with respect to an individual’s
9 child support or alimony payment obligations, such agent
10 shall—

11 “(A) as soon as possible (but not later than fif-
12 teen days) thereafter, send written notice of such no-
13 tice or service (together with a copy thereof) to such
14 individual at his duty station or last-known home
15 address;

16 “(B) within 30 days (or such longer period as
17 may be prescribed by applicable State law) after re-
18 ceipt of a notice pursuant to subsection (a)(1) or (b)
19 of section 466, comply with all applicable provisions
20 of such section 466; and

21 “(C) within 30 days (or such longer period as
22 may be prescribed by applicable State law) after ef-
23 fective service of any other such order, process, or
24 interrogatories, respond thereto.”.

1 (7) Section 461 (42 U.S.C. 661) is amended by
2 striking subsection (c), and section 459 (42 U.S.C.
3 659) is amended by inserting after subsection (c) (as
4 added by paragraph (5) and amended by paragraph
5 (6) of this subsection) the following:

6 “(d) PRIORITY OF CLAIMS.—In the event that a gov-
7 ernmental entity receives notice or is served with process,
8 as provided in this section, concerning amounts owed by
9 an individual to more than one person—

10 “(1) support collection under section 466(b)
11 must be given priority over any other process, as
12 provided in section 466(b)(7);

13 “(2) allocation of moneys due or payable to an
14 individual among claimants under section 466(b)
15 shall be governed by the provisions of such section
16 466(b) and regulations thereunder; and

17 “(3) such moneys as remain after compliance
18 with subparagraphs (A) and (B) shall be available to
19 satisfy any other such processes on a first-come,
20 first-served basis, with any such process being satis-
21 fied out of such moneys as remain after the satisfac-
22 tion of all such processes which have been previously
23 served.”.

1 (8) Section 459(e) (42 U.S.C. 659(e)) is
2 amended by striking “(e)” and inserting the follow-
3 ing:

4 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—”.

5 (9) Section 459(f) (42 U.S.C. 659(f)) is amend-
6 ed by striking “(f)” and inserting the following:

7 “(f) RELIEF FROM LIABILITY.—(1)”.

8 (10) Section 461(a) (42 U.S.C. 661(a)) is re-
9 designated and relocated as section 459(g), and is
10 amended—

11 (A) by striking “(g)” and inserting the fol-
12 lowing:

13 “(g) REGULATIONS.—”; and

14 (B) by striking “section 459” and insert-
15 ing “this section”.

16 (11) Section 462 (42 U.S.C. 662) is amended
17 by striking subsection (f), and section 459 (42
18 U.S.C. 659) is amended by inserting the following
19 after subsection (g) (as added by paragraph (10) of
20 this subsection):

21 “(h) MONEYS SUBJECT TO PROCESS.—(1) Subject to
22 subsection (i), moneys paid or payable to an individual
23 which are considered to be based upon remuneration for
24 employment, for purposes of this section—

25 “(A) consist of—

1 “(i) compensation paid or payable for per-
2 sonal services of such individual, whether such
3 compensation is denominated as wages, salary,
4 commission, bonus, pay, allowances, or other-
5 wise (including severance pay, sick pay, and in-
6 centive pay);

7 “(ii) periodic benefits (including a periodic
8 benefit as defined in section 228(h)(3)) or other
9 payments—

10 “(I) under the insurance system es-
11 tablished by title II;

12 “(II) under any other system or fund
13 established by the United States which
14 provides for the payment of pensions, re-
15 tirement or retired pay, annuities, depend-
16 ents’ or survivors’ benefits, or similar
17 amounts payable on account of personal
18 services performed by the individual or any
19 other individual;

20 “(III) as compensation for death
21 under any Federal program;

22 “(IV) under any Federal program es-
23 tablished to provide ‘black lung’ benefits;
24 or

1 “(V) by the Secretary of Veterans Af-
2 fairs as pension, or as compensation for a
3 service-connected disability or death (ex-
4 cept any compensation paid by such Sec-
5 retary to a former member of the Armed
6 Forces who is in receipt of retired or re-
7 tainer pay if such former member has
8 waived a portion of his retired pay in order
9 to receive such compensation); and

10 “(iii) worker’s compensation benefits paid
11 under Federal or State law; but

12 “(B) do not include any payment—

13 “(i) by way of reimbursement or otherwise,
14 to defray expenses incurred by such individual
15 in carrying out duties associated with his em-
16 ployment; or

17 “(ii) as allowances for members of the uni-
18 formed services payable pursuant to chapter 7
19 of title 37, United States Code, as prescribed
20 by the Secretaries concerned (defined by section
21 101(5) of such title) as necessary for the effi-
22 cient performance of duty.”.

23 (12) Section 462(g) (42 U.S.C. 662(g)) is re-
24 designated and relocated as section 459(i) (42
25 U.S.C. 659(i)).

1 (13)(A) Section 462 (42 U.S.C. 662) is amend-
2 ed—

3 (i) in subsection (e)(1), by redesignating
4 subparagraphs (A), (B), and (C) as clauses (i),
5 (ii), and (iii); and

6 (ii) in subsection (e), by redesignating
7 paragraphs (1) and (2) as subparagraphs (A)
8 and (B).

9 (B) Section 459 (42 U.S.C. 659) is amended by
10 adding at the end the following:

11 “(j) DEFINITIONS.—For purposes of this sec-
12 tion—”.

13 (C) Subsections (a) through (e) of section 462
14 (42 U.S.C. 662), as amended by subparagraph (A)
15 of this paragraph, are relocated and redesignated as
16 paragraphs (1) through (4), respectively of section
17 459(j) (as added by subparagraph (B) of this para-
18 graph, (42 U.S.C. 659(j))), and the left margin of
19 each of such paragraphs (1) through (4) is indented
20 2 ems to the right of the left margin of subsection
21 (i) (as added by paragraph (12) of this subsection).

22 (b) CONFORMING AMENDMENTS.—

23 (1) TO PART D OF TITLE IV.—Sections 461 and
24 462 (42 U.S.C. 661), as amended by subsection (a)
25 of this section, are repealed.

1 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
2 tion 5520a of title 5, United States Code, is amend-
3 ed, in subsections (h)(2) and (i), by striking “sec-
4 tions 459, 461, and 462 of the Social Security Act
5 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
6 tion 459 of the Social Security Act (42 U.S.C.
7 659)”.

8 (c) MILITARY RETIRED AND RETAINER PAY.—(1)
9 DEFINITION OF COURT.—Section 1408(a)(1) of title 10,
10 United States Code, is amended—

11 (A) by striking “and” at the end of subpara-
12 graph (B);

13 (B) by striking the period at the end of sub-
14 paragraph (C) and inserting “; and”; and

15 (C) by adding after subparagraph (C) the fol-
16 lowing new paragraph:

17 “(D) any administrative or judicial tribu-
18 nal of a State competent to enter orders for
19 support or maintenance (including a State
20 agency administering a State program under
21 part D of title IV of the Social Security Act).”;

22 (2) DEFINITION OF COURT ORDER.—Section
23 1408(a)(2) of such title is amended by inserting “or a
24 court order for the payment of child support not included

1 in or accompanied by such a decree or settlement," before
2 "which—".

3 (3) PUBLIC PAYEE.—Section 1408(d) of such title is
4 amended—

5 (A) in the heading, by striking "to spouse" and
6 inserting "to (or for benefit of)"; and

7 (B) in paragraph (1), in the first sentence, by
8 inserting "(or for the benefit of such spouse or
9 former spouse to a State central collections unit or
10 other public payee designated by a State, in accord-
11 ance with part D of title IV of the Social Security
12 Act, as directed by court order, or as otherwise di-
13 rected in accordance with such part D)" before "in
14 an amount sufficient".

15 (4) RELATIONSHIP TO PART D OF TITLE IV.—Sec-
16 tion 1408 of such title is amended by adding at the end
17 the following new subsection:

18 "(j) RELATIONSHIP TO OTHER LAWS.—In any case
19 involving a child support order against a member who has
20 never been married to the other parent of the child, the
21 provisions of this section shall not apply, and the case
22 shall be subject to the provisions of section 459 of the
23 Social Security Act."

1 order as well as to amounts of child support that currently
2 become due.”.

3 **SEC. 465. MOTOR VEHICLE LIENS.**

4 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amend-
5 ed—

6 (1) by striking “(4) Procedures” and inserting
7 the following:

8 “(4) LIENS.—

9 “(A) IN GENERAL.—Procedures”; and

10 (2) by adding at the end the following new sub-
11 paragraph:

12 “(B) MOTOR VEHICLE LIENS.—Procedures
13 for placing liens for arrears of child support on
14 motor vehicle titles of individuals owing such
15 arrears equal to or exceeding two months of
16 support, under which—

17 “(i) any person owed such arrears
18 may place such a lien;

19 “(ii) the State agency administering
20 the program under this part shall system-
21 atically place such liens;

22 “(iii) expedited methods are provided
23 for—

24 “(I) ascertaining the amount of
25 arrears;

1 “(II) affording the person owing
2 the arrears or other titleholder to con-
3 test the amount of arrears or to ob-
4 tain a release upon fulfilling the sup-
5 port obligation;

6 “(iv) such a lien has precedence over
7 all other encumbrances on a vehicle title
8 other than a purchase money security in-
9 terest; and

10 “(v) the individual or State agency
11 owed the arrears may execute on, seize,
12 and sell the property in accordance with
13 State law.”.

14 **SEC. 466. VOIDING OF FRAUDULENT TRANSFERS.**

15 Section 466(a) (42 U.S.C. 666(a)), as amended by
16 sections 401(a), 426(a), 431, and 442 of this Act, is
17 amended by inserting after paragraph (15) the following:

18 “(16) FRAUDULENT TRANSFERS.—Procedures
19 under which—

20 “(A) the State has in effect—

21 “(i) the Uniform Fraudulent Convey-
22 ance Act of 1981,

23 “(ii) the Uniform Fraudulent Trans-
24 fer Act of 1984, or

1 “(iii) another law, specifying indicia of
2 fraud which create a prima facie case that
3 a debtor transferred income or property to
4 avoid payment to a child support creditor,
5 which the Secretary finds affords com-
6 parable rights to child support creditors;
7 and

8 “(B) in any case in which the State knows
9 of a transfer by a child support debtor with re-
10 spect to which such a prima facie case is estab-
11 lished, the State must—

12 “(i) seek to void such transfer; or

13 “(ii) obtain a settlement in the best
14 interests of the child support creditor.”.

15 **SEC. 467. STATE LAW AUTHORIZING SUSPENSION OF LI-**
16 **CENSES.**

17 Section 466(a) (42 U.S.C. 666(a)), as amended by
18 sections 401(a), 426(a), 431, 442, and 466 of this Act,
19 is amended by inserting after paragraph (16) the follow-
20 ing:

21 “(17) **AUTHORITY TO WITHHOLD OR SUSPEND**
22 **LICENSES.**—Procedures under which the State has
23 (and uses in appropriate cases) authority (subject to
24 appropriate due process safeguards) to withhold or
25 suspend, or to restrict the use of driver’s licenses,

1 and professional and occupational licenses of individ-
2 uals owing overdue child support or failing, after re-
3 ceiving appropriate notice, to comply with subpoenas
4 or warrants relating to paternity or child support
5 proceedings.”.

6 **SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.**

7 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
8 to read as follows:

9 “(7) REPORTING ARREARAGES TO CREDIT BU-
10 REAUS.—(A) Procedures (subject to safeguards pur-
11 suant to subparagraph (B)) requiring the State to
12 report periodically to consumer reporting agencies
13 (as defined in section 603(f) of the Fair Credit Re-
14 porting Act (15 U.S.C. 1681a(f)) the name of any
15 absent parent who is delinquent by 90 days or more
16 in the payment of support, and the amount of over-
17 due support owed by such parent.

18 “(B) Procedures ensuring that, in carrying out
19 subparagraph (A), information with respect to an
20 absent parent is reported—

21 “(i) only after such parent has been af-
22 farded all due process required under State law,
23 including notice and a reasonable opportunity
24 to contest the accuracy of such information;
25 and

1 “(ii) only to an entity that has furnished
2 evidence satisfactory to the State that the en-
3 tity is a consumer reporting agency.”.

4 **SEC. 469. EXTENDED STATUTE OF LIMITATION FOR COL-**
5 **LECTION OF ARREARAGES.**

6 (a) **AMENDMENTS.**—Section 466(a)(9) (42 U.S.C.
7 666(a)(9)) is amended—

8 (1) by striking “(9) Procedures” and inserting
9 the following:

10 “(9) **LEGAL TREATMENT OF ARREARS.**—

11 “(A) **FINALITY.**—Procedures”;

12 (2) by redesignating subparagraphs (A), (B),
13 and (C) as clauses (i), (ii), and (iii), respectively,
14 and by indenting each of such clauses 2 additional
15 ems to the right; and

16 (3) by adding after and below subparagraph
17 (A), as redesignated, the following new subpara-
18 graph:

19 “(B) **STATUTE OF LIMITATIONS.**—Proce-
20 dures under which the statute of limitations on
21 any arrearages of child support extends at least
22 until the child owed such support is 30 years of
23 age.”.

24 (b) **APPLICATION OF REQUIREMENT.**—The amend-
25 ment made by this section shall not be read to require

1 any State law to revive any payment obligation which had
2 lapsed prior to the effective date of such State law.

3 **SEC. 470. CHARGES FOR ARREARAGES.**

4 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
5 U.S.C. 666(a)), as amended by sections 401(a), 426(a),
6 431, 442, 466, and 467 of this Act, is amended by insert-
7 ing after paragraph (17) the following:

8 “(18) CHARGES FOR ARREARAGES.—Proce-
9 dures providing for the calculation and collection of
10 interest or penalties for arrearages of child support,
11 and for distribution of such interest or penalties col-
12 lected for the benefit of the child (except where the
13 right to support has been assigned to the State).”.

14 (b) REGULATIONS.—The Secretary of Health and
15 Human Services shall establish by regulation a rule to re-
16 solve choice of law conflicts arising in the implementation
17 of the amendment made by subsection (a).

18 (c) CONFORMING AMENDMENT.—Section 454(21)
19 (42 U.S.C. 654(21)) is repealed.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall be effective with respect to arrearages
22 accruing on or after October 1, 1998.

23 **SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
24 **CHILD SUPPORT.**

25 (a) HHS CERTIFICATION PROCEDURE.—

1 (1) SECRETARIAL RESPONSIBILITY.—Section
2 452 (42 U.S.C. 652), as amended by sections
3 415(a)(3) and 417 of this Act, is amended by adding
4 at the end the following new subsection:

5 “(1) CERTIFICATIONS FOR PURPOSES OF PASSPORT
6 RESTRICTIONS.—

7 “(1) IN GENERAL.—Where the Secretary re-
8 ceives a certification by a State agency in accord-
9 ance with the requirements of section 454(28) that
10 an individual owes arrearages of child support in an
11 amount exceeding \$5,000 or in an amount exceeding
12 24 months’ worth of child support, the Secretary
13 shall transmit such certification to the Secretary of
14 State for action (with respect to denial, revocation,
15 or limitation of passports) pursuant to section
16 471(b) of the Individual Responsibility Act of 1995.

17 “(2) LIMIT ON LIABILITY.—The Secretary shall
18 not be liable to an individual for any action with re-
19 spect to a certification by a State agency under this
20 section.”.

21 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
22 tion 454 (42 U.S.C. 654), as amended by sections
23 404(a), 414(b), and 422(a) of this Act, is amend-
24 ed—

1 (A) by striking “and” at the end of para-
2 graph (26);

3 (B) by striking the period at the end of
4 paragraph (27) and inserting “; and”; and

5 (C) by adding after paragraph (27) the fol-
6 lowing new paragraph:

7 “(28) provide that the State agency will have in
8 effect a procedure (which may be combined with the
9 procedure for tax refund offset under section 464)
10 for certifying to the Secretary, for purposes of the
11 procedure under section 452(l) (concerning denial of
12 passports) determinations that individuals owe ar-
13 rearages of child support in an amount exceeding
14 \$5,000 or in an amount exceeding 24 months’ worth
15 of child support, under which procedure—

16 “(A) each individual concerned is afforded
17 notice of such determination and the con-
18 sequences thereof, and an opportunity to con-
19 test the determination; and

20 “(B) the certification by the State agency
21 is furnished to the Secretary in such format,
22 and accompanied by such supporting docu-
23 mentation, as the Secretary may require.”

24 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
25 OF PASSPORTS.—

1 (1) IN GENERAL.—The Secretary of State,
2 upon certification by the Secretary of Health and
3 Human Services, in accordance with section 452(i)
4 of the Social Security Act, that an individual owes
5 arrearages of child support in excess of \$5,000, shall
6 refuse to issue a passport to such individual, and
7 may revoke, restrict, or limit a passport issued pre-
8 viously to such individual.

9 (2) LIMIT ON LIABILITY.—The Secretary of
10 State shall not be liable to an individual for any ac-
11 tion with respect to a certification by a State agency
12 under this section.

13 (c) EFFECTIVE DATE.—This section and the amend-
14 ments made by this section shall become effective October
15 1, 1996.

16 **SEC. 472. INTERNATIONAL CHILD SUPPORT ENFORCE-**
17 **MENT.**

18 (a) SENSE OF THE CONGRESS THAT THE UNITED
19 STATES SHOULD RATIFY THE UNITED NATIONS CON-
20 VENTION OF 1956.—It is the sense of the Congress that
21 the United States should ratify the United Nations Con-
22 vention of 1956.

23 (b) TREATMENT OF INTERNATIONAL CHILD SUP-
24 PORT CASES AS INTERSTATE CASES.—Section 454 (42

1 U.S.C. 654), as amended by sections 404(a), 414(b),
2 422(a), and 471(a)(2) of this Act, is amended—

3 (1) by striking “and” at the end of paragraph
4 (27);

5 (2) by striking the period at the end of para-
6 graph (28) and inserting “; and”; and

7 (3) by inserting after paragraph (28) the fol-
8 lowing:

9 “(29) provide that the State must treat inter-
10 national child support cases in the same manner as
11 the State treats interstate child support cases.”.

12 **SEC. 473. SEIZURE OF LOTTERY WINNINGS, SETTLEMENTS,**
13 **PAYOUTS, AWARDS, AND BEQUESTS, AND**
14 **SALE OF FORFEITED PROPERTY, TO PAY**
15 **CHILD SUPPORT ARREARAGES.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by
17 sections 401(a), 426(a), 431, 442, 466, 467, and 470(a)
18 of this Act, is amended by inserting after paragraph (18)
19 the following:

20 “(19) Procedures, in addition to other income
21 withholding procedures, under which a lien is im-
22 posed against property with the following effect:

23 “(A) The distributor of the winnings from
24 a State lottery or State-sanctioned or tribal-
25 sanctioned gambling house or casino shall—

1 “(i) suspend payment of the winnings
2 from the person otherwise entitled to the
3 payment until an inquiry is made to and a
4 response is received from the State child
5 support enforcement agency as to whether
6 the person owes a child support arrearage;
7 and

8 “(ii) if there is such an arrearage,
9 withhold from the payment the lesser of
10 the amount of the payment or the amount
11 of the arrearage, and pay the amount with-
12 held to the agency for distribution.

13 “(B) The person required to make a pay-
14 ment under a policy of insurance or a settle-
15 ment of a claim made with respect to the policy
16 shall—

17 “(i) suspend the payment until an in-
18 quiry is made to and a response received
19 from the agency as to whether the person
20 otherwise entitled to the payment owes a
21 child support arrearage; and

22 “(ii) if there is such an arrearage,
23 withhold from the payment the lesser of
24 the amount of the payment or the amount

1 of the arrearage, and pay the amount with-
2 held to the agency for distribution.

3 “(C) The payor of any amount pursuant to
4 an award, judgment, or settlement in any ac-
5 tion brought in Federal or State court shall—

6 “(i) suspend the payment of the
7 amount until an inquiry is made to and a
8 response is received from the agency as to
9 whether the person otherwise entitled to
10 the payment owes a child support arrear-
11 age; and

12 “(ii) if there is such an arrearage,
13 withhold from the payment the lesser of
14 the amount of the payment or the amount
15 of the arrearage, and pay the amount with-
16 held to the agency for distribution.

17 “(D) If the State seizes property forfeited
18 to the State by an individual by reason of a
19 criminal conviction, the State shall—

20 “(i) hold the property until an inquiry
21 is made to and a response is received from
22 the agency as to whether the individual
23 owes a child support arrearage; and

24 “(ii) if there is such an arrearage, sell
25 the property and, after satisfying the

1 claims of all other private or public claim-
2 ants to the property and deducting from
3 the proceeds of the sale the attendant costs
4 (such as for towing, storage, and the sale),
5 pay the lesser of the remaining proceeds or
6 the amount of the arrearage directly to the
7 agency for distribution.

8 “(E) Any person required to make a pay-
9 ment in respect of a decedent shall—

10 “(i) suspend the payment until an in-
11 quiry is made to and a response received
12 from the agency as to whether the person
13 otherwise entitled to the payment owes a
14 child support arrearage; and

15 “(ii) if there is such an arrearage,
16 withhold from the payment the lesser of
17 the amount of the payment or the amount
18 of the arrearage, and pay the amount with-
19 held to the agency for distribution.”.

20 **SEC. 474. LIABILITY OF GRANDPARENTS FOR FINANCIAL**
21 **SUPPORT OF CHILDREN OF THEIR MINOR**
22 **CHILDREN.**

23 Section 466(a) (42 U.S.C. 666(a)), as amended by
24 sections 401(a), 426(a), 431, 442, 466, 467, 470(a), and

1 473 of this Act, is amended by inserting after paragraph
2 (19) the following:

3 “(20) Procedures under which each parent of
4 an individual who has not attained 18 years of age
5 is liable for the financial support of any child of the
6 individual to the extent that the individual is unable
7 to provide such support. The preceding sentence
8 shall not apply to the State if the State plan explic-
9 itly provides for such inapplicability.”.

10 **SEC. 475. SENSE OF THE CONGRESS REGARDING PRO-**
11 **GRAMS FOR NONCUSTODIAL PARENTS UN-**
12 **ABLE TO MEET CHILD SUPPORT OBLIGA-**
13 **TIONS.**

14 It is the sense of the Congress that the States should
15 develop programs, such as the program of the State of
16 Wisconsin known as the “Children’s First Program”, that
17 are designed to work with noncustodial parents who are
18 unable to meet their child support obligations.

19 **Subtitle H—Medical Support**

20 **SEC. 481. TECHNICAL CORRECTION TO ERISA DEFINITION**
21 **OF MEDICAL CHILD SUPPORT ORDER.**

22 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
23 ployee Retirement Income Security Act of 1974 (29
24 U.S.C. 1169(a)(2)(B)) is amended—

1 (1) by striking “issued by a court of competent
2 jurisdiction”;

3 (2) by striking the period at the end of clause
4 (ii) and inserting a comma; and

5 (3) by adding, after and below clause (ii), the
6 following:

7 “if such judgment, decree, or order (I) is issued
8 by a court of competent jurisdiction or (II) is
9 issued by an administrative adjudicator and has
10 the force and effect of law under applicable
11 State law.”.

12 (b) EFFECTIVE DATE.—

13 (1) IN GENERAL.—The amendments made by
14 this section shall take effect on the date of the en-
15 actment of this Act.

16 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
17 JANUARY 1, 1996.—Any amendment to a plan re-
18 quired to be made by an amendment made by this
19 section shall not be required to be made before the
20 first plan year beginning on or after January 1,
21 1996, if—

22 (A) during the period after the date before
23 the date of the enactment of this Act and be-
24 fore such first plan year, the plan is operated

1 in accordance with the requirements of the
2 amendments made by this section, and

3 (B) such plan amendment applies retro-
4 actively to the period after the date before the
5 date of the enactment of this Act and before
6 such first plan year.

7 A plan shall not be treated as failing to be operated
8 in accordance with the provisions of the plan merely
9 because it operates in accordance with this para-
10 graph.

11 **SEC. 482. EXTENSION OF MEDICAID ELIGIBILITY FOR FAMI-**
12 **LIES LOSING AFDC DUE TO INCREASED**
13 **CHILD SUPPORT COLLECTIONS.**

14 Section 402(a) (42 U.S.C. 602(a)), as amended by
15 the other provisions of this Act, is amended—

16 (1) by striking “and” at the end of paragraph
17 (55);

18 (2) by striking the period at the end of para-
19 graph (56) and inserting “; and”; and

20 (3) by inserting after paragraph (56) the fol-
21 lowing:

22 “(57) provide that each member of a family
23 which would be eligible for aid under the State plan
24 but for the receipt of child support payments shall
25 be considered to be receiving such aid for purposes

1 of eligibility for medical assistance under the State
2 plan approved under title XIX for so long as the
3 family would (but for such receipt) be eligible for
4 such aid.”

5 **Subtitle I—Effect of Enactment**

6 **SEC. 491. EFFECTIVE DATES.**

7 (a) IN GENERAL.—Except as otherwise specifically
8 provided (but subject to subsections (b) and (c))—

9 (1) provisions of this title requiring enactment
10 or amendment of State laws under section 466 of
11 the Social Security Act, or revision of State plans
12 under section 454 of such Act, shall be effective with
13 respect to periods beginning on and after October 1,
14 1996; and

15 (2) all other provisions of this title shall become
16 effective upon enactment.

17 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
18 provisions of this title shall become effective with respect
19 to a State on the later of—

20 (1) the date specified in this title, or

21 (2) the effective date of laws enacted by the leg-
22 islature of such State implementing such provisions,
23 but in no event later than the first day of the first cal-
24 endar quarter beginning after the close of the first regular
25 session of the State legislature that begins after the date

1 of enactment of this Act. For purposes of the previous
2 sentence, in the case of a State that has a 2-year legisla-
3 tive session, each year of such session shall be deemed to
4 be a separate regular session of the State legislature.

5 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
6 AMENDMENT.—A State shall not be found out of compli-
7 ance with any requirement enacted by this title if it is
8 unable to comply without amending the State constitution
9 until the earlier of—

10 (1) the date one year after the effective date of
11 the necessary State constitutional amendment, or

12 (2) the date five years after enactment of this
13 title.

14 **SEC. 492. SEVERABILITY.**

15 If any provision of this title or the application thereof
16 to any person or circumstance is held invalid, the invalid-
17 ity shall not affect other provisions or applications of this
18 title which can be given effect without regard to the invalid
19 provision or application, and to this end the provisions of
20 this title shall be severable.

1 **TITLE V—TEEN PREGNANCY**
2 **AND FAMILY STABILITY**
3 **Subtitle A—Federal Role**

4 **SEC. 501. STATE OPTION TO DENY AFDC FOR ADDITIONAL**
5 **CHILDREN.**

6 (a) IN GENERAL.—Section 402(a) (42 U.S.C.
7 602(a)), as amended by sections 101, 102, 211(a), 232,
8 and 301(a) of this Act, is amended—

9 (1) by striking “and” at the end of paragraph
10 (49);

11 (2) by striking the period at the end of para-
12 graph (50) and inserting “; and”; and

13 (3) by inserting after paragraph (50) the fol-
14 lowing:

15 “(51) at the option of the State, provide that—

16 “(A)(i) notwithstanding paragraph (7)(A),
17 the needs of a child will not be taken into ac-
18 count in making the determination under para-
19 graph (7) with respect to the family of the child
20 if the child was born (other than as a result of
21 rape or incest) to a member of the family—

22 “(I) while the family was a recipient
23 of aid under the State plan; or

1 “(II) during the 6-month period end-
2 ing with the date the family applied for
3 such aid; and

4 “(ii) if the amount of aid payable to a fam-
5 ily under the State plan is reduced by reason of
6 subparagraph (A), each member of the family
7 shall be considered to be receiving such aid for
8 purposes of eligibility for medical assistance
9 under the State plan approved under title XIX
10 for so long as such aid would otherwise not be
11 so reduced; and

12 “(B) if the State exercises the option, the State
13 may provide the family with vouchers, in amounts
14 not exceeding the amount of any such reduction in
15 aid, that may be used only to pay for particular
16 goods and services specified by the State as suitable
17 for the care of the child of the parent (such as dia-
18 pers, clothing, or school supplies).”.

19 (b) APPLICABILITY.—The amendments made by sub-
20 section (a) shall apply to payments under a State plan
21 approved under part A of title IV of the Social Security
22 Act for months beginning after the date of the enactment
23 of this Act, and to payments to States under such part
24 for quarters beginning after such date.

1 **SEC. 502. MINORS RECEIVING AFDC REQUIRED TO LIVE**
2 **UNDER RESPONSIBLE ADULT SUPERVISION.**

3 Section 402(a)(43) (42 U.S.C. 602(a)(43)) is amend-
4 ed by striking “at the option of the State.”.

5 **SEC. 503. NATIONAL CLEARINGHOUSE ON ADOLESCENT**
6 **PREGNANCY.**

7 (a) IN GENERAL.—Title XX (42 U.S.C. 1397–
8 1397f), as amended by section 222(b) of this Act, is
9 amended by adding at the end the following:

10 **“SEC. 2010. NATIONAL CLEARINGHOUSE ON ADOLESCENT**
11 **PREGNANCY.**

12 **“(a) NATIONAL CLEARINGHOUSE ON ADOLESCENT**
13 **PREGNANCY.—**

14 **“(1) ESTABLISHMENT.—**The responsible Fed-
15 eral officials shall establish, through grant or con-
16 tract, a national center for the collection and provi-
17 sion of programmatic information and technical as-
18 sistance that relates to adolescent pregnancy preven-
19 tion programs, to be known as the ‘National Clear-
20 ingtonhouse on Adolescent Pregnancy Prevention Pro-
21 grams’.

22 **“(2) FUNCTIONS.—**The national center estab-
23 lished under paragraph (1) shall serve as a national
24 information and data clearinghouse, and as a train-
25 ing, technical assistance, and material development

1 source for adolescent pregnancy prevention pro-
2 grams. Such center shall—

3 “(A) develop and maintain a system for
4 disseminating information on all types of ado-
5 lescent pregnancy prevention program and on
6 the state of adolescent pregnancy prevention
7 program development, including information
8 concerning the most effective model programs;

9 “(B) develop and sponsor a variety of
10 training institutes and curricula for adolescent
11 pregnancy prevention program staff;

12 “(C) identify model programs representing
13 the various types of adolescent pregnancy pre-
14 vention programs;

15 “(D) develop technical assistance materials
16 and activities to assist other entities in estab-
17 lishing and improving adolescent pregnancy
18 prevention programs;

19 “(E) develop networks of adolescent preg-
20 nancy prevention programs for the purpose of
21 sharing and disseminating information; and

22 “(F) conduct such other activities as the
23 responsible Federal officials find will assist in
24 developing and carrying out programs or activi-
25 ties to reduce adolescent pregnancy.

1 “(b) FUNDING.—The responsible Federal officials
2 shall make grants to eligible entities for the establishment
3 and operation of a National Clearinghouse on Adolescent
4 Pregnancy Prevention Programs under subsection (a) so
5 that in the aggregate the expenditures for such grants do
6 not exceed \$2,000,000 for fiscal year 1996, \$4,000,000
7 for fiscal year 1997, \$8,000,000 for fiscal year 1998, and
8 \$10,000,000 for fiscal year 1999 and each subsequent fis-
9 cal year.

10 “(c) DEFINITIONS.—As used in this section:

11 “(1) ADOLESCENTS.—The term ‘adolescents’
12 means youth who are ages 10 through 19.

13 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
14 tity’ means a partnership that includes—

15 “(A) a local education agency, acting on
16 behalf of one or more schools, together with

17 “(B) one or more community-based organi-
18 zations, institutions of higher education, or
19 public or private agencies or organizations.

20 “(3) ELIGIBLE AREA.—The term ‘eligible area’
21 means a school attendance area in which—

22 “(A) at least 75 percent of the children are
23 from low-income families as that term is used
24 in part A of title I of the Elementary and Sec-
25 ondary Education Act of 1965; or

1 “(B) the number of children receiving Aid
2 to Families with Dependent Children under
3 part A of title IV is substantial as determined
4 by the responsible Federal officials; or

5 “(C) the unmarried adolescent birth rate is
6 high, as determined by the responsible Federal
7 officials.

8 “(4) SCHOOL.—The term ‘school’ means a pub-
9 lic elementary, middle, or secondary school.

10 “(5) RESPONSIBLE FEDERAL OFFICIALS.—The
11 term ‘responsible Federal officials’ means the Sec-
12 retary of Education, the Secretary of Health and
13 Human Services, and the Chief Executive Officer of
14 the Corporation for National and Community Serv-
15 ice.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall become effective October 1, 1994.

18 **SEC. 504. INCENTIVE FOR TEEN PARENTS TO ATTEND**
19 **SCHOOL.**

20 Section 402(a) (42 U.S.C. 602(a)), as amended by
21 sections 101, 102, 211(a), 232, 301(a), and 501(a) of this
22 Act, is amended—

23 (1) by striking “and” at the end of paragraph
24 (50);

1 (2) by striking the period at the end of para-
2 graph (51) and inserting “; and”; and

3 (3) by inserting after paragraph (51) the fol-
4 lowing:

5 “(52) provide that the amount of aid otherwise
6 payable under the plan for a month to a family that
7 includes a parent who has not attained 20 years of
8 age and has not completed secondary school (or re-
9 ceived a certificate of high school equivalency) may
10 be reduced by 25 percent if, during the immediately
11 preceding month, the parent has failed without good
12 cause (as defined by the State in consultation with
13 the Secretary) to maintain minimum attendance (as
14 defined by the State in consultation with the Sec-
15 retary) at an educational institution.”.

16 **SEC. 505. STATE OPTION TO DISREGARD 100-HOUR RULE**
17 **UNDER AFDC-UP PROGRAM.**

18 Section 407(a) (42 U.S.C. 607(a)) is amended—

19 (1) by inserting “(1)” after “(a)”; and

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

21 “(2) A standard prescribed pursuant to paragraph
22 (1) that imposes a limit on the amount of time during
23 which a parent who is the principal earner in a family
24 in which both parents are married may be employed dur-
25 ing a month shall not apply to a State if the State plan

1 under this part explicitly provides for such inapplicabil-
2 ity.”.

3 **SEC. 506. STATE OPTION TO DISREGARD 6-MONTH LIMITA-**
4 **TION ON AFDC-UP BENEFITS.**

5 Section 407(b)(2)(B) (42 U.S.C. 607(b)(2)(B)) is
6 amended by adding at the end the following:

7 “(iv) A regulation prescribed by the Secretary that
8 limits the length of time with respect to which a family
9 of a dependent child in which both parents are married
10 may receive aid to families with dependent children by rea-
11 son of this section shall not apply to a State if the State
12 plan under this part explicitly provides for such inapplica-
13 bility.”.

14 **SEC. 507. ELIMINATION OF QUARTERS OF COVERAGE RE-**
15 **QUIREMENT UNDER AFDC-UP PROGRAM FOR**
16 **FAMILIES IN WHICH BOTH PARENTS ARE**
17 **TEENS.**

18 Section 407(b)(1)(A)(iii) (42 U.S.C.
19 607(b)(1)(A)(iii)) is amended by striking “(iii)(I)” and in-
20 serting “(iii) neither of the child’s parents have attained
21 20 years of age, and (I)”.

1 **SEC. 508. DENIAL OF FEDERAL HOUSING BENEFITS TO MI-**
2 **NORS WHO BEAR CHILDREN OUT-OF-WED-**
3 **LOCK.**

4 (a) PROHIBITION OF ASSISTANCE.—Notwithstanding
5 any other provision of law, a household whose head of
6 household is an individual who has borne a child out-of-
7 wedlock before attaining 18 years of age may not be pro-
8 vided Federal housing assistance for a dwelling unit until
9 attaining such age, unless—

10 (1) after the birth of the child—

11 (A) the individual marries an individual
12 who has been determined by the relevant State
13 to be the biological father of the child; or

14 (B) the biological parent of the child has
15 legal custody of the child and marries an indi-
16 vidual who legally adopts the child;

17 (2) the individual is a biological and custodial
18 parent of another child who was not born out-of-
19 wedlock; or

20 (3) eligibility for such Federal housing assist-
21 ance is based in whole or in part on any disability
22 or handicap of a member of the household.

23 (b) DEFINITIONS.—For purposes of this section, the
24 following definitions shall apply:

25 (1) COVERED PROGRAM.—The term “covered
26 program” means—

1 (A) the program of rental assistance on be-
2 half of low-income families provided under sec-
3 tion 8 of the United States Housing Act of
4 1937 (42 U.S.C. 1437f);

5 (B) the public housing program under title
6 I of the United States Housing Act of 1937 (42
7 U.S.C. 1437 et seq.);

8 (C) the program of rent supplement pay-
9 ments on behalf of qualified tenants pursuant
10 to contracts entered into under section 101 of
11 the Housing and Urban Development Act of
12 1965 (12 U.S.C. 1701s);

13 (D) the program of interest reduction pay-
14 ments pursuant to contracts entered into by the
15 Secretary of Housing and Urban Development
16 under section 236 of the National Housing Act
17 (12 U.S.C. 1715z-1);

18 (E) the program for mortgage insurance
19 provided pursuant to sections 221(d) (3) or (4)
20 of the National Housing Act (12 U.S.C.
21 1715l(d)) for multifamily housing for low- and
22 moderate-income families;

23 (F) the rural housing loan program under
24 section 502 of the Housing Act of 1949 (42
25 U.S.C. 1472);

1 (G) the rural housing loan guarantee pro-
2 gram under section 502(h) of the Housing Act
3 of 1949 (42 U.S.C. 1472(h));

4 (H) the loan and grant programs under
5 section 504 of the Housing Act of 1949 (42
6 U.S.C. 1474) for repairs and improvements to
7 rural dwellings;

8 (I) the program of loans for rental and co-
9 operative rural housing under section 515 of
10 the Housing Act of 1949 (42 U.S.C. 1485);

11 (J) the program of rental assistance pay-
12 ments pursuant to contracts entered into under
13 section 521(a)(2)(A) of the Housing Act of
14 1949 (42 U.S.C. 1490a(a)(2)(A));

15 (K) the loan and assistance programs
16 under sections 514 and 516 of the Housing Act
17 of 1949 (42 U.S.C. 1484, 1486) for housing for
18 farm labor;

19 (L) the program of grants and loans for
20 mutual and self-help housing and technical as-
21 sistance under section 523 of the Housing Act
22 of 1949 (42 U.S.C. 1490c);

23 (M) the program of grants for preservation
24 and rehabilitation of housing under section 533

1 of the Housing Act of 1949 (42 U.S.C.
2 1490m); and

3 (N) the program of site loans under sec-
4 tion 524 of the Housing Act of 1949 (42
5 U.S.C. 1490d).

6 (2) COVERED PROJECT.—The term “covered
7 project” means any housing for which Federal hous-
8 ing assistance is provided that is attached to the
9 project or specific dwelling units in the project.

10 (3) FEDERAL HOUSING ASSISTANCE.—The term
11 “Federal housing assistance” means—

12 (A) assistance provided under a covered
13 program in the form of any contract, grant,
14 loan, subsidy, cooperative agreement, loan or
15 mortgage guarantee or insurance, or other fi-
16 nancial assistance; or

17 (B) occupancy in a dwelling unit that is—

18 (i) provided assistance under a cov-
19 ered program; or

20 (ii) located in a covered project and
21 subject to occupancy limitations under a
22 covered program that are based on income.

23 (4) STATE.—The term “State” means the
24 States of the United States, the District of Colum-
25 bia, the Commonwealth of Puerto Rico, the Com-

1 monwealth of the Northern Mariana Islands, Guam,
2 the Virgin Islands, American Samoa, and any other
3 territory or possession of the United States.

4 (c) LIMITATIONS ON APPLICABILITY.—Subsection
5 (a) shall not apply to Federal housing assistance provided
6 for a household pursuant to an application or request for
7 such assistance made by such household before the effec-
8 tive date of this Act if the household was receiving such
9 assistance on the effective date of this Act.

10 **SEC. 509. STATE OPTION TO DENY AFDC TO MINOR**
11 **PARENTS.**

12 (a) IN GENERAL.—Section 402(a) (42 U.S.C.
13 602(a)), as amended by sections 101, 102, 211(a), 232,
14 301(a), 501(a), and 504 of this Act, is amended—

15 (1) by striking “and” at the end of paragraph
16 (51);

17 (2) by striking the period at the end of para-
18 graph (52) and inserting “; and”; and

19 (3) by inserting after paragraph (52) the fol-
20 lowing:

21 “(53)(A) at the option of the State, provide
22 that—

23 “(i) in making the determination under
24 paragraph (7) with respect to a family, the
25 State may disregard the needs of any family

1 member who is a parent and has not attained
2 18 years of age or such lesser age as the State
3 may prescribe; and

4 “(ii) if the amount of aid payable to a fam-
5 ily under the State plan is reduced by reason of
6 subparagraph (A), each member of the family
7 shall be considered to be receiving such aid for
8 purposes of eligibility for medical assistance
9 under the State plan approved under title XIX
10 for so long as such aid would otherwise not be
11 so reduced; and

12 “(B) if the State exercises the option, the State
13 may provide the family with vouchers, in amounts
14 not exceeding the amount of any such reduction in
15 aid, that may be used only to pay for—

16 “(i) particular goods and services specified
17 by the State as suitable for the care of the child
18 of the parent (such as diapers, clothing, or
19 cribs); and

20 “(ii) the costs associated with a maternity
21 home, foster home, or other adult-supervised
22 supportive living arrangement in which the par-
23 ent and the child live.”.

24 (b) APPLICABILITY.—The amendments made by sub-
25 section (a) shall apply to payments under a State plan

1 approved under part A of title IV of the Social Security
2 Act for months beginning on or after January 1, 1998,
3 and to payments to States under such part for quarters
4 beginning after such date.

5 **Subtitle B—State Role**

6 **SEC. 511. TEENAGE PREGNANCY PREVENTION AND FAMILY** 7 **STABILITY.**

8 (a) FINDINGS.—The Congress finds that—

9 (1) long-term welfare dependency is increasing
10 driven by illegitimate births;

11 (2) too many teens are becoming parents and
12 too few are able to responsibly care for and nurture
13 their children;

14 (3) new research has shown that spending time
15 in a single-parent family puts children at substan-
16 tially increased risk of dropping out of high school,
17 having a child out-of-wedlock, or being neither in
18 school nor at work; and

19 (4) between 1986 and 1991, the rate of births
20 to teens aged 15 to 19 rose 24 percent, from 50.2
21 to 62.1 births per 1,000 females.

22 (b) SENSE OF THE CONGRESS.—It is the sense of
23 the Congress that—

24 (1) children should be educated about the risks
25 involved in choosing parenthood at an early age;

1 (2) reproductive family planning and education
2 should be made available to every potential parent so
3 as to give such parents the opportunity to avoid un-
4 intended births;

5 (3) States should use funds provided under title
6 XX of the Social Security Act to provide comprehen-
7 sive services to youth in high risk neighborhoods,
8 through community organizations, churches, and
9 schools; and

10 (4) States should work with schools for the
11 early identification and referral of children at risk
12 for parenthood at an early age.

13 **SEC. 512. AVAILABILITY OF FAMILY PLANNING SERVICES.**

14 Section 402(a)(15)(A) (42 U.S.C. 602(a)(15)(A)) is
15 amended by striking “out of wedlock”.

16 **TITLE VI—PROGRAM**
17 **SIMPLIFICATION**

18 **Subtitle A—Increased State**
19 **Flexibility**

20 **SEC. 601. STATE OPTION TO PROVIDE AFDC THROUGH**
21 **ELECTRONIC BENEFIT TRANSFER SYSTEMS.**

22 Section 402(a) (42 U.S.C. 602(a)), as amended by
23 sections 101, 102, 211(a), 232, 301(a), 501(a), 504, and
24 509(a) of this Act, is amended—

1 (1) by striking “and” at the end of paragraph
2 (52);

3 (2) by striking the period at the end of para-
4 graph (53) and inserting “; and”; and

5 (3) by inserting after paragraph (53) the fol-
6 lowing:

7 “(54) at the option of the State, provide for the
8 payment of aid under the State plan through the use
9 of electronic benefit transfer systems.”.

10 **SEC. 602. DEADLINE FOR ACTION ON APPLICATION FOR**
11 **WAIVER OF REQUIREMENT APPLICABLE TO**
12 **PROGRAM OF AID TO FAMILIES WITH DE-**
13 **PENDENT CHILDREN.**

14 Section 1115 (42 U.S.C. 1315) is amended by adding
15 at the end the following:

16 “(e) The Secretary shall approve or deny an applica-
17 tion for a waiver under this section with respect to a re-
18 quirement of section 402, not later than 90 days after the
19 Secretary receives the application, unless otherwise agreed
20 upon by the Secretary and the applicant.”.

1 **Subtitle B—Coordination of AFDC**
2 **and Food Stamp Programs**

3 **SEC. 611. AMENDMENTS TO PART A OF TITLE IV OF THE SO-**
4 **CIAL SECURITY ACT.**

5 (a) STATE OPTION TO USE INCOME AND ELIGI-
6 BILITY VERIFICATION SYSTEM.—Section 1137(b) (42
7 U.S.C. 1320b-7(b)) is amended—

8 (1) by striking paragraphs (1) and (4), and re-
9 designating paragraphs (2), (3), and (5) as para-
10 graphs (1), (2), and (3), respectively; and

11 (2) in paragraph (2) (as so redesignated), by
12 adding “or” at the end.

13 (b) STATE OPTION TO USE RETROSPECTIVE BUDG-
14 ETING WITHOUT MONTHLY REPORTING.—Section
15 402(a)(13) (42 U.S.C. 602(a)(13)) is amended—

16 (1) by striking all that precedes subparagraph
17 (A) and inserting the following:

18 “(13) provide, at the option of the State and
19 with respect to such category or categories as the
20 State may select and identify in the State plan,
21 that—”; and

22 (2) in each of subparagraphs (A) and (B), by
23 striking “, in the case of families who are required
24 to report monthly to the State agency pursuant to
25 paragraph (14)”.

1 (c) EXCLUSION FROM INCOME OF ALL INCOME OF
2 DEPENDENT CHILD WHO IS A STUDENT.—Section
3 402(a)(8)(A)(i) (42 U.S.C. 602(a)(8)(A)(i)) is amended—

4 (1) by striking “earned”; and

5 (2) by inserting “applying for or” before “re-
6 ceiving”.

7 (d) EXCLUSION FROM INCOME OF CERTAIN ENERGY
8 ASSISTANCE PAYMENTS BASED ON NEED.—

9 (1) IN GENERAL.—Section 402(a)(8)(A) (42
10 U.S.C. 602(a)(8)(A)), as amended by sections 231
11 and 242(b)(1) of this Act, is amended—

12 (A) by striking “and” at the end of clause
13 (ix); and

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

15 “(xi) shall disregard any energy or utility-
16 cost assistance payment based on need, that is
17 paid to any member of the family under—

18 “(I) a State or local general assist-
19 ance program; or

20 “(II) another basic assistance pro-
21 gram comparable to general assistance (as
22 determined by the Secretary); and”.

23 (2) INCLUSION OF ENERGY ASSISTANCE PRO-
24 VIDED UNDER THE LIHEAP PROGRAM.—Section

1 402(a)(8)(B) (42 U.S.C. 602(a)(8)(B)) is amend-
2 ed—

3 (A) by striking “and” at the end of clause
4 (i); and

5 (B) by adding at the end the following:

6 “(iii) shall not disregard any assist-
7 ance provided directly to, or indirectly for
8 the benefit of, any person described in sub-
9 paragraph (A)(ii) under the Low-Income
10 Home Energy Assistance Act of 1981, not-
11 withstanding section 2605(f)(1) of such
12 Act; and”.

13 (e) APPLICABILITY TO AFDC OF FUTURE INCOME
14 EXCLUSIONS UNDER FOOD STAMP PROGRAM.—Section
15 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)), as amended by
16 sections 231, 242(b)(1) of this Act and by subsection
17 (d)(1) of this section, is amended—

18 (1) by striking “and” at the end of clause (x);

19 and

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

21 “(xii) shall disregard from the income of
22 any child, relative, or other individual described
23 in clause (ii) applying for aid under the State
24 plan, any child, relative, or other individual so
25 described receiving such aid, or both, any funds

1 that a Federal statute (enacted after the date
2 of the enactment of this clause) excludes from
3 income for purposes of determining eligibility
4 for benefits under the food stamp program
5 under the Food Stamp Act of 1977, the level
6 of benefits under the program, or both, respec-
7 tively.”.

8 (f) PERIODIC REVIEWS.—Section 402(a) (42 U.S.C.
9 602(a)), as amended by sections 101, 102, 211(a), 232,
10 301(a), 501(a), 504, 509(a), and 601 of this Act, is
11 amended—

12 (1) by striking “and” at the end of paragraph
13 (53);

14 (2) by striking the period at the end of para-
15 graph (54) and inserting “; and”; and

16 (3) by inserting after paragraph (54) the fol-
17 lowing:

18 “(55) provide that the State shall, not less fre-
19 quently than annually review each determination
20 made under the State plan with respect to the eligi-
21 bility of each recipient of aid under the State plan;”.

22 (g) EXCLUSION FROM RESOURCES OF ES-
23 SENTIAL EMPLOYMENT-RELATED PROPERTY.—Section
24 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)), as amended by
25 section 242(a) of this Act, is amended—

1 (1) by striking “or” at the end of clause (iv);
2 and

3 (2) by inserting “, or (vi) the value of real and
4 tangible personal property (other than currency,
5 commercial paper, and similar property) of a family
6 member that is essential to the employment or self-
7 employment of the member, until the expiration of
8 the 1-year period beginning on the date the member
9 ceases to be so employed or so self-employed” before
10 the semicolon.

11 (h) EXCLUSION FROM RESOURCES OF EQUITY IN
12 CERTAIN INCOME-PRODUCING REAL PROPERTY.—Sec-
13 tion 402(a)(7)(B) (42 U.S.C. 602(a)(7)(B)), as amended
14 by section 242(a) of this Act and by subsection (g) of this
15 section, is amended—

16 (1) by striking “or” at the end of clause (v);
17 and

18 (2) by inserting “, or (vii) the equity of any
19 member of the family in real property to which 1 or
20 more members of the family have sole and clear title,
21 that the State agency determines is producing in-
22 come consistent with the fair market value of the
23 property” before the semicolon.

24 (i) EXCLUSION FROM RESOURCES OF LIFE INSUR-
25 ANCE POLICIES.—Section 402(a)(7)(B) (42 U.S.C.

1 602(a)(7)(B)), as amended by section 242(a) of this Act
2 and by subsections (g) and (h) of this section, is amend-
3 ed—

4 (1) by striking “or” at the end of clause (vi);
5 and

6 (2) by inserting “, or (viii) any life insurance
7 policy” before the semicolon.

8 (j) EXCLUSION FROM RESOURCES OF REAL PROP-
9 erty THAT THE FAMILY IS MAKING A GOOD FAITH EF-
10 FORT TO SELL.—Section 402(a)(7)(B)(iii) (42 U.S.C.
11 602(a)(7)(B)(iii)) is amended—

12 (1) by striking “for such period or periods of
13 time as the Secretary may prescribe”; and

14 (2) by striking “any such period” and inserting
15 “any period during which the family is making such
16 an effort”.

17 (k) PROMPT RESTORATION OF BENEFITS WRONG-
18 FULLY DENIED.—Section 402(a) (42 U.S.C. 602(a)), as
19 amended by sections 101, 102, 211(a), 232, 301(a),
20 501(a), 504, 509(a), and 601 of this Act and by sub-
21 section (f) of this section, is amended—

22 (1) by striking “and” at the end of paragraph
23 (54);

24 (2) by striking the period at the end of para-
25 graph (55) and inserting “; and”; and

1 (3) by inserting after paragraph (55) the fol-
2 lowing:

3 “(56) provide that, upon receipt of a request
4 from a family for the payment of any amount of aid
5 under the State plan the payment of which to the
6 family has been wrongfully denied or terminated, the
7 State shall promptly pay the amount to the family
8 if the wrongful denial or termination occurred not
9 more than 1 year before the date of the request or
10 the date the State agency is notified or otherwise
11 discovers the wrongful denial or termination.”.

12 **SEC. 612. AMENDMENTS TO THE FOOD STAMP ACT OF 1977.**

13 (a) CERTIFICATION PERIOD.—(1) Section 3(c) of the
14 Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended
15 to read as follows:

16 “(c) ‘Certification period’ means the period specified
17 by the State agency for which households shall be eligible
18 to receive authorization cards, except that such period
19 shall be—

20 “(1) 24 months for households in which all
21 adult members are elderly or disabled; and

22 “(2) not more than 12 months for all other
23 households.”.

24 (2) Section 6(c)(1)(C) of the Food Stamp Act of
25 1977 (7 U.S.C. 2015(c)(1)(C)) is amended—

1 (A) in clause (ii) by adding “and” at the end;

2 (B) in clause (iii) by striking “; and” at the end

3 and inserting a period; and

4 (C) by striking clause (iv).

5 (b) INCLUSION OF ENERGY ASSISTANCE IN IN-
6 COME.—

7 (1) AMENDMENTS TO THE FOOD STAMP ACT
8 OF 1977.—Section 5 of the Food Stamp Act of
9 1977 (7 U.S.C. 2014) is amended—

10 (A) in subsection (d)—

11 (i) by striking paragraph (11); and

12 (ii) by redesignating paragraphs (12)
13 through (16) as paragraphs (11) through (15),
14 respectively; and

15 (B) in subsection (k)—

16 (i) in paragraph (1)(B) by striking “, not
17 including energy or utility-cost assistance,”; and

18 (ii) in paragraph (2)—

19 (I) by striking subparagraph (C); and

20 (II) by redesignating subparagraphs
21 (D) through (H) as subparagraphs (C)
22 through (J), respectively.

23 (2) AMENDMENTS TO THE LOW-INCOME HOME
24 ENERGY ASSISTANCE ACT OF 1981.—Section

1 2605(f) of the Low-Income Home Energy Assistance
2 Act of 1981 (42 U.S.C. 8624(f)) is amended—

3 (A) in paragraph (1) by striking “food
4 stamps,”; and

5 (B) by amending paragraph (2) to read as
6 follows:

7 “(2) Paragraph (1) shall not apply for any purpose
8 under the Food Stamp Act of 1977.”.

9 (c) EXCLUSION OF CERTAIN JTPA INCOME.—Sec-
10 tion 5(d) of the Food Stamp Act of 1977 (7 U.S.C.
11 2014(d)), as amended by subsection (b), is amended—

12 (1) by striking “and (15)” and inserting
13 “(15)”; and

14 (2) by inserting before the period the following:
15 “, and (16) income received under the Job Training Part-
16 nership Act by a household member who is less than 19
17 years of age”.

18 (d) EXCLUSION OF EDUCATIONAL ASSISTANCE
19 FROM INCOME.—Section 5(d) of the Food Stamp Act of
20 1977 (7 U.S.C. 2014(d)) is amended—

21 (1) by amending paragraph (3) to read as follows:
22 “(3) all educational loans on which payment is deferred
23 (including any loan origination fees or insurance pre-
24 miums associated with such loans), grants, scholarships,
25 fellowships, veterans’ educational benefits, and the like

1 awarded to a household member enrolled at a recognized
2 institution of post-secondary education, at a school for the
3 handicapped, in a vocational education program, or in a
4 program that provides for completion of a secondary
5 school diploma or obtaining the equivalent thereof,"; and

6 (2) in paragraph (5) by striking "and no portion"
7 and all that follows through "reimbursement".

8 (e) LIMITATION ON ADDITIONAL EARNED INCOME
9 DEDUCTION.—The 3rd sentence of section 5(e) of the
10 Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended
11 by striking "earned income that" and all that follows
12 through "report", and inserting "determining an
13 overissuance due to the failure of a household to report
14 earned income".

15 (f) EXCLUSION OF ESSENTIAL EMPLOYMENT-RE-
16 LATED PROPERTY.—Section 5(g)(3) of the Food Stamp
17 Act of 1977 (7 U.S.C. 2014(g)(3)) is amended to read
18 as follows:

19 "(3) The value of real and tangible personal property
20 (other than currency, commercial paper, and similar prop-
21 erty) of a household member that is essential to the em-
22 ployment or self-employment of such member shall be ex-
23 cluded by the Secretary from financial resources until the
24 expiration of the 1-year period beginning on the date such
25 member ceases to be so employed or so self-employed."

1 (g) EXCLUSION OF LIFE INSURANCE POLICIES.—
2 Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C.
3 2014(g)) is amended by adding at the end the following:

4 “(6) The Secretary shall exclude from financial re-
5 sources the cash value of any life insurance policy owned
6 by a member of a household.”.

7 (h) IN-TANDEM EXCLUSIONS FROM INCOME.—Sec-
8 tion 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014)
9 is amended by adding at the end the following:

10 “(n) Whenever a Federal statute enacted after the
11 date of the enactment of this Act excludes funds from in-
12 come for purposes of determining eligibility, benefit levels,
13 or both under State plans approved under part A of title
14 IV of the Social Security Act, then such funds shall be
15 excluded from income for purposes of determining eligi-
16 bility, benefit levels, or both, respectively, under the food
17 stamp program of households all of whose members re-
18 ceive benefits under a State plan approved under part A
19 of title IV of the Social Security Act.”.

20 (i) APPLICATION OF AMENDMENTS.—The amend-
21 ments made by this section shall not apply with respect
22 to certification periods beginning before the effective date
23 of this section.

1 **Subtitle C—Fraud Reduction**

2 **SEC. 631. SENSE OF THE CONGRESS IN SUPPORT OF THE**
3 **EFFORTS OF THE ADMINISTRATION TO AD-**
4 **DRESS THE PROBLEMS OF FRAUD AND**
5 **ABUSE IN THE SUPPLEMENTAL SECURITY IN-**
6 **COME PROGRAM.**

7 The Congress hereby expresses support for the efforts
8 of the Social Security Administration to reduce fraud and
9 abuse in the supplemental security income program under
10 title XVI of the Social Security Act by implementing a
11 structured approach to disability decisionmaking that
12 takes into consideration the large number of disability
13 claims received while providing a basis for consistent, equi-
14 table decisionmaking by claims adjudicators at each level,
15 that provides for the following:

16 (1) A simplification of the monetary guidelines
17 for determining whether an individual (except those
18 filing for benefits based on blindness) is engaging in
19 substantial gainful activity.

20 (2) The replacement of a threshold severity re-
21 quirement for determining whether a claimant has a
22 medically determinable impairment with a threshold
23 inquiry as to whether the claimant has a medically
24 determinable physical or mental impairment that

1 can be demonstrated by acceptable clinical and lab-
2 oratory diagnostic techniques.

3 (3) The comparison of an impairment referred
4 to in paragraph (2) with an index of disabling im-
5 pairments that contains fewer impairments, has less
6 detail and complexity, and does not rely on the con-
7 cept of "medical equivalence".

8 (4)(A) The consideration of whether an individ-
9 ual has the ability to perform substantial gainful ac-
10 tivity despite any functional loss caused by a medi-
11 cally determinable physical or mental impairment.

12 (B) The definition of the physical and mental
13 requirements of substantial gainful activity.

14 (C) The objective measurement, to the extent
15 possible, of whether an individual meets such re-
16 quirements.

17 (D) The development, with the assistance of the
18 medical community and other outside experts from
19 disability programs, of standardized criteria which
20 can be used to measure an individual's functional
21 ability.

22 (E) The assumption by the Social Security Ad-
23 ministration of primary responsibility for document-
24 ing functional ability using the standardized meas-
25 urement criteria, with the goal of developing func-

1 tional assessment instruments that are standardized,
2 accurately measure an individual's functional abili-
3 ties, and are universally accepted by the public, the
4 advocacy community, and health care professionals.

5 (F) The use of the results of the standardized
6 functional measurement with a new standard to de-
7 scribe basic physical and mental demands of a base-
8 line of work that represents substantial gainful ac-
9 tivity and that exists in significant numbers in the
10 national economy.

11 (5)(A) An evaluation of whether a child is en-
12 gaging in substantial gainful activity, whether a
13 child has a medically determinable physical or men-
14 tal impairment that will meet the duration require-
15 ment, and whether a child has an impairment that
16 meets the criteria in the index of disabling impair-
17 ments.

18 (B) The development, with the assistance of the
19 medical community and educational experts, of
20 standardized criteria which can be used to measure
21 a child's functional ability to perform a baseline of
22 functions that are comparable to the baseline of oc-
23 cupational demands for an adult.

24 (C) The conduct of research to specifically iden-
25 tify a skill acquisition threshold to measure broad

1 areas required to develop the ability to perform sub-
2 stantial gainful activity.

3 **SEC. 632. STUDY ON FEASIBILITY OF SINGLE TAMPER-**
4 **PROOF IDENTIFICATION CARD TO SERVE**
5 **PROGRAMS UNDER BOTH THE SOCIAL SECU-**
6 **RITY ACT AND HEALTH REFORM LEGISLA-**
7 **TION.**

8 (a) STUDY.—As soon as practicable after the date of
9 the enactment of this Act, the Commissioner of Social Se-
10 curity shall conduct a study of the feasibility of issuing,
11 in counterfeit-resistant form, a single identification card
12 which would combine the features of the social security
13 card now issued pursuant to section 205 of the Social Se-
14 curity Act and any health security card which may be pro-
15 vided for in health reform legislation enacted in the 104th
16 Congress. In such study, the Commissioner shall devote
17 particular consideration to—

18 (1) employment in such card of finger-print
19 identification, bar code validation, a photograph, a
20 hologram, or any other identifiable feature,

21 (2) the efficiencies and economies which may be
22 achieved by combining the features of the social se-
23 curity card as currently issued and the features of
24 any health security card which might be issued
25 under health reform legislation, and

1 (3) any costs and risks which might result from
2 combining such features in a single identification
3 card and possible means of alleviating any such
4 costs and risks.

5 (b) REPORT.—The Commissioner of Social Security
6 shall, not later than 1 year after the date of the enactment
7 of this Act, transmit a report to each House of the Con-
8 gress setting forth the Commissioner's findings from the
9 study conducted pursuant to subsection (a). Such report
10 may include such recommendations for administrative or
11 legislative changes as the Commissioner considers appro-
12 priate.

13 **Subtitle D—Additional Provisions**

14 **SEC. 641. STATE OPTIONS REGARDING UNEMPLOYED PAR-** 15 **ENT PROGRAM.**

16 (a) DURATION OF UNEMPLOYMENT AND RECENCY-
17 OF-WORK TESTS.—Section 407(b)(1)(A) (42 U.S.C.
18 607(b)(1)(A)), as amended by section 507 of this Act, is
19 amended—

20 (1) by striking the matter preceding clause (i)
21 and inserting the following:

22 “(A) subject to paragraph (2), shall provide for
23 the payment of aid to families with dependent chil-
24 dren with respect to a dependent child within the
25 meaning of subsection (a)—”.

1 (2) in clause (i), by striking “whichever” and
2 inserting “when, if the State chooses to so require
3 (and specifies in its State plan), whichever”;

4 (3) in clause (ii), by inserting “when” before
5 such parent; and

6 (4) in clause (iii), by inserting “when, if the
7 State chooses to so require (and so specifies in its
8 State plan)” after “(iii)”.

9 (b) STATE OPTION TO EXPAND PROGRAM.—Section
10 407(a) (42 U.S.C. 607(a)) is amended by inserting “or
11 the unemployment (as defined (if at all) by the State in
12 the State plan approved under section 402)” before “of
13 the parent”.

14 (c) EFFECTIVE DATE.—Subsection (b) and the
15 amendments made by subsection (a) shall become effective
16 October 1, 1996.

17 **SEC. 642. DEFINITION OF ESSENTIAL PERSON.**

18 (a) GENERAL REQUIREMENT.—Section 402 (42
19 U.S.C. 602), as amended by section 222(a)(1)(A) of this
20 Act, is amended by inserting after subsection (f) the fol-
21 lowing:

22 “(g) In order that the State may include the needs
23 of an individual in determining the needs of the dependent
24 child and relative with whom the child is living, such indi-

1 vidual must be living in the same home as such child and
2 relative, and—

3 “(1) furnishing personal services required be-
4 cause of the relative’s physical or mental inability to
5 provide care necessary for herself or himself or for
6 the dependent child (which, for purposes of this sub-
7 section only, includes a child receiving supplemental
8 security income benefits under title XVI); or

9 “(2) furnishing child care services, or care for
10 an incapacitated member of the family, that is nec-
11 essary to permit the caretaker relative—

12 “(A) to engage in full or part-time employ-
13 ment outside the home, or

14 “(B) to attend a course of education de-
15 signed to lead to a high school diploma (or its
16 equivalent) or a course of training on a full or
17 part-time basis, or to participate in the pro-
18 gram under part G on a full or part-time
19 basis.”.

20 **SEC. 643. “FILL-THE-GAP” BUDGETING.**

21 (a) IN GENERAL.—Section 402(a)(8)(A) (42 U.S.C.
22 602(a)(8)(A)), as amended by sections 231, 242(b)(1),
23 and 611(d)(1) of this Act, is amended—

24 (1) by striking “and” at the end of clause (xi);

25 and

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

2 “(xiii) in addition to any other amounts re-
3 quired or permitted by this paragraph to be dis-
4 regarded in a month, may exempt countable in-
5 come identified in the State plan by type or
6 source and by amount, but in an amount not
7 exceeding the difference between the State’s
8 standard of need applicable to the family and
9 the amount from which all remaining
10 nonexempt income is subtracted to determine
11 the amount of aid payable under the State plan
12 to a family of the same size with no other in-
13 come;”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall take effect on October 1, 1997.

16 **SEC. 644. REPEAL OF REQUIREMENT TO MAKE CERTAIN**
17 **SUPPLEMENTAL PAYMENTS IN STATES PAY-**
18 **ING LESS THAN THEIR NEEDS STANDARDS.**

19 Section 402(a)(28) (42 U.S.C. 602(a)(28)) is hereby
20 repealed.

21 **SEC. 645. COLLECTION OF AFDC OVERPAYMENTS FROM**
22 **FEDERAL TAX REFUNDS.**

23 (a) AUTHORITY TO INTERCEPT TAX REFUND.—(1)
24 Part A of title IV (42 U.S.C. 601–617) is amended by
25 adding at the end the following:

1 "COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX
2 REFUNDS

3 "SEC. 418. (a) Upon receiving notice from a State
4 agency administering a plan approved under this part that
5 a named individual has been overpaid under the State plan
6 approved under this part, the Secretary of the Treasury
7 shall determine whether any amounts as refunds of Fed-
8 eral taxes paid are payable to such individual, regardless
9 of whether such individual filed a tax return as a married
10 or unmarried individual. If the Secretary of the Treasury
11 finds that any such amount is payable, he shall withhold
12 from such refunds an amount equal to the overpayment
13 sought to be collected by the State and pay such amount
14 to the State agency.

15 "(b) The Secretary of the Treasury shall issue regula-
16 tions, approved by the Secretary of Health and Human
17 Services, that provide—

18 "(1) that a State may only submit under sub-
19 section (a) requests for collection of overpayments
20 with respect to individuals (A) who are no longer re-
21 ceiving aid under the State plan approved under this
22 part, (B) with respect to whom the State has al-
23 ready taken appropriate action under State law
24 against the income or resources of the individuals or
25 families involved as required under section

1 402(a)(22) (B), and (C) to whom the State agency
2 has given notice of its intent to request withholding
3 by the Secretary of the Treasury from their income
4 tax refunds;

5 “(2) that the Secretary of the Treasury will
6 give a timely and appropriate notice to any other
7 person filing a joint return with the individual whose
8 refund is subject to withholding under subsection
9 (a); and

10 “(3) the procedures that the State and the Sec-
11 retary of the Treasury will follow in carrying out
12 this section which, to the maximum extent feasible
13 and consistent with the specific provisions of this
14 section, will be the same as those issued pursuant to
15 section 464(b) applicable to collection of past-due
16 child support.”.

17 (2) Section 6402 of the Internal Revenue Code of
18 1986 (as amended by section 443(a) of this Act) is amend-
19 ed—

20 (A) in subsection (a), by striking “(c) and (d)”
21 and inserting “(c), (d), and (e)”;

22 (B) by redesignating subsections (e) through (i)
23 as subsections (f) through (j), respectively; and

24 (C) by inserting after subsection (d) the follow-
25 ing:

1 “(g) COLLECTION OF OVERPAYMENTS UNDER TITLE
2 IV-A OF THE SOCIAL SECURITY ACT.—The amount of
3 any overpayment to be refunded to the person making the
4 overpayment shall be reduced (after reductions pursuant
5 to subsections (c) and (d), but before a credit against fu-
6 ture liability for an internal revenue tax) in accordance
7 with section 418 of the Social Security Act (concerning
8 recovery of overpayments to individuals under State plans
9 approved under part A of title IV of such Act).”.

10 (b) CONFORMING AMENDMENT.—Section
11 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is
12 amended by striking “section 464 or 1137 of the Social
13 Security Act” and inserting “section 419, 464, or 1137
14 of the Social Security Act.”

15 **SEC. 646. TERRITORIES.**

16 (a) IN GENERAL.—Section 1108(a) (42 U.S.C.
17 1308(a)) is amended by striking paragraphs (1), (2), and
18 (3) and inserting the following:

19 “(1) for payment to Puerto Rico shall not ex-
20 ceed—

21 “(A) \$82,000,000 with respect to fiscal
22 years 1994, 1995, and 1996, and

23 “(B) \$102,500,000 or, if greater, such
24 amount adjusted by the CPI (as prescribed in

1 subsection (f) for fiscal year 1997 and each
2 fiscal year thereafter;

3 “(2) for payment to the Virgin Islands shall not
4 exceed—

5 “(A) \$2,800,000 with respect to fiscal
6 years 1994, 1995, and 1996, and

7 “(B) \$3,500,000 or, if greater, such
8 amount adjusted by the CPI (as prescribed in
9 subsection (f)) for fiscal year 1997 and each
10 fiscal year thereafter; and

11 “(3) for payment to Guam shall not exceed—

12 “(A) \$3,800,000 with respect to fiscal year
13 1994, 1995, and 1996, and

14 “(B) \$4,750,000 or, if greater, such
15 amount adjusted by the CPI (as prescribed in
16 subsection (f)), for fiscal year 1997 and each
17 fiscal year thereafter.”.

18 (b) CPI ADJUSTMENT.—Section 1108 (42 U.S.C.
19 1308) is amended by adding at the end the following:

20 “(f) For purposes of subsection (a), an amount is ‘ad-
21 justed by the CPI’ for months in calendar year by mul-
22 tipling that amount by the ratio of the Consumer Price
23 Index as prepared by the Department of Labor for—

24 “(1) the third quarter of the preceding calendar
25 year, to

1 “(2) the third quarter of calendar year 1996,
2 and rounding the product, if not a multiple of
3 \$10,000, to the nearer multiple of \$10,000.”.

4 **SEC. 647. DISREGARD OF STUDENT INCOME.**

5 (a) **IN GENERAL.**—Section 402(a)(8)(A)(i) (42
6 U.S.C. 602(a)(8)(A)(i)) is amended by striking “depend-
7 ent child” and all that follows and inserting “individual
8 who has not attained 19 years of age and is an elementary
9 or secondary school student”.

10 (b) **CONFORMING AMENDMENTS.**—Section 402(a)
11 (42 U.S.C. 602(a)) is amended—

12 (1) in paragraph (8)(A)(vii)—

13 (A) by striking “a dependent child who is
14 a full-time student” and inserting “an individ-
15 ual who has not attained 19 years of age and
16 is an elementary or secondary school student”;
17 and

18 (B) by striking “such child” and inserting
19 “such individual”; and

20 (2) in paragraph (18), by striking “of a de-
21 pendent child” and inserting “of an individual under
22 age 19”.

1 **SEC. 648. LUMP-SUM INCOME.**

2 Section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)), as
 3 amended by sections 231, 242(b)(1), 611(d)(1), and
 4 643(a) of this Act, is amended—

5 (1) by striking “and” at the end of clause (xii);

6 and

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

8 “(xiv) shall disregard from the income of
 9 any family member any amounts of income re-
 10 ceived in the form of nonrecurring lump-sum
 11 payments other than payments made pursuant
 12 to an order for child or spousal support being
 13 enforced by the agency administering the State
 14 plan approved under part D;”.

15 **TITLE VII—CHILD PROTECTION**
 16 **BLOCK GRANT PROGRAM**

17 **SEC. 701. ESTABLISHMENT OF PROGRAMS.**

18 Part B of title IV (42 U.S.C. 620–635) is amended
 19 to read as follows:

20 **PART B—CHILD PROTECTION BLOCK GRANT**
 21 **PROGRAM**

22 **“SEC. 420. PURPOSES; AUTHORIZATIONS OF APPROPRIA-**
 23 **TIONS.**

24 “The purpose of this part is to enable States to carry
 25 out a program of child welfare and child protection serv-
 26 ices which includes—

1 (e) FOSTER CARE.—Section 472(d) (42 U.S.C.
2 672(d)) is amended by striking “422(b)(9)” and inserting
3 “425”.

4 **SEC. 703. EFFECTIVE DATE.**

5 The amendments and repeals made by this title shall
6 take effect on October 1, 1995, and shall apply with re-
7 spect to activities under State programs on and after that
8 date.

9 **TITLE VIII—SSI REFORM**
10 **Subtitle A—Eligibility of Children**
11 **for Benefits**

12 **SEC. 801. RESTRICTIONS ON ELIGIBILITY.**

13 (a) IN GENERAL.—Section 1614(a)(3)(A) (42 U.S.C.
14 1382c(a)(3)(A)) is amended—

15 (1) by inserting “(i)” after “(3)(A)”;

16 (2) by inserting “who has attained 18 years of
17 age” before “shall be considered”;

18 (3) by striking “he” and inserting “the individ-
19 ual”;

20 (4) by striking “(or, in the case of an individual
21 under the age of 18, if he suffers from any medically
22 determinable physical or mental impairment of com-
23 parable severity)”;

24 (5) by adding after and below the end the fol-
25 lowing:

1 “(ii) An individual who has not attained 18 years of
2 age shall be considered to be disabled for purposes of this
3 title for a month if the individual has any medically deter-
4 minable physical or mental impairment (or combination
5 of impairments) that meets the requirements, applicable
6 to individuals who have not attained 18 years of age, of
7 the Listings of Impairments set forth in appendix 1 of
8 subpart P of part 404 of title 20, Code of Federal Regula-
9 tions, or the individual has a combination of impairments
10 the effect of which should be considered disabling for pur-
11 poses of this title. In applying this clause, such Listings
12 shall not include maladaptive behavior or psychoactive
13 substance dependence disorder (as specified in the appen-
14 dix setting forth such Listings).”.

15 (b) TRANSITION TO NEW ELIGIBILITY CRITERIA.—
16 Within 3 months after the date of the enactment of this
17 Act, the Commissioner of Social Security shall establish
18 a functional equivalency standard separate from the List-
19 ing of Impairments (set forth in appendix 1 of subpart
20 P of part 404 of title 20, Code of Federal Regulations
21 (revised as of April 1, 1994)) under which a child with
22 a combination of impairments should be considered dis-
23 abled for purposes of the supplemental security income
24 program under title XVI of the Social Security Act. With-
25 in 10 months after the date of the enactment of this Act,

1 the Commissioner shall review the case of each individual
2 who, immediately before such date of enactment, qualified
3 for benefits under such program by reason of an individ-
4 ualized functional assessment in order to determine eligi-
5 bility under such Listings and the criteria established
6 under such standard.

7 **SEC. 802. CONTINUING DISABILITY REVIEWS FOR CERTAIN**
8 **CHILDREN.**

9 Section 1614(a)(3)(G) (42 U.S.C. 1382c(a)(3)(G)) is
10 amended—

11 (1) by inserting “(i)” after “(G)”; and

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

13 “(ii)(I) Not less frequently than once every 3 years,
14 the Commissioner shall redetermine the eligibility for ben-
15 efits under this title of each individual who has not at-
16 tained 18 years of age and is eligible for such benefits
17 by reason of disability.

18 “(II) Subclause (I) shall not apply to an individual
19 if the individual has an impairment (or combination of im-
20 pairments) which is (or are) not expected to improve.

21 “(III) Subject to recommendations made by the Com-
22 missioner, parents or guardians of recipients whose cases
23 are reviewed under this clause shall present, at the time
24 of review, evidence demonstrating that funds provided
25 under this title have been used to assist the recipient in

1 improving the condition which was the basis for providing
2 benefits under this title.”.

3 **SEC. 803. DISABILITY REVIEW REQUIRED FOR SSI RECIPI-**
4 **ENTS WHO ARE 18 YEARS OF AGE.**

5 (a) IN GENERAL.—Section 1614(a)(3)(G) (42 U.S.C.
6 1382c(a)(3)(G)), as amended by section 802 of this sub-
7 title, is amended by adding at the end the following:

8 “(iii)(I) The Commissioner shall redetermine the eli-
9 gibility of a qualified individual for supplemental security
10 income benefits under this title by reason of disability, by
11 applying the criteria used in determining eligibility for
12 such benefits of applicants who have attained 18 years of
13 age.

14 “(II) The redetermination required by subclause (I)
15 with respect to a qualified individual shall be conducted
16 during the 1-year period that begins on the date the quali-
17 fied individual attains 18 years of age.

18 “(III) As used in this clause, the term ‘qualified indi-
19 vidual’ means an individual who attains 18 years of age
20 and is a recipient of benefits under this title by reason
21 of disability.

22 “(IV) A redetermination under subclause (I) of this
23 clause shall be considered a substitute for a review re-
24 quired under any other provision of this subparagraph.”.

1 (b) REPORT TO THE CONGRESS.—Not later than Oc-
2 tober 1, 1998, the Commissioner of Social Security shall
3 submit to the Committee on Ways and Means of the
4 House of Representatives and the Committee on Finance
5 of the Senate a report on the activities conducted under
6 section 1614(a)(3)(G)(iii) of the Social Security Act.

7 (c) CONFORMING REPEAL.—Section 207 of the So-
8 cial Security Independence and Program Improvements
9 Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is
10 hereby repealed.

11 **SEC. 804. APPLICABILITY.**

12 (a) NEW ELIGIBILITY STANDARDS AND DISABILITY
13 REVIEWS FOR CHILDREN.—

14 (1) IN GENERAL.—Except as provided in para-
15 graph (2), the amendments made by sections 801
16 and 802 shall apply to benefits for months beginning
17 more than 9 months after the date of the enactment
18 of this Act, without regard to whether regulations
19 have been issued to implement such amendments.

20 (2) TRANSITIONAL RULE.—

21 (A) IN GENERAL.—For months beginning
22 after the date of the enactment of this Act and
23 before the first month to which the amend-
24 ments made by section 801 apply under para-
25 graph (1) and subject to subparagraph (B), no

1 individual who has not attained 18 years of age
2 shall be considered to be disabled for purposes
3 of the supplemental security income program
4 under title XVI of the Social Security Act solely
5 on the basis of maladaptive behavior or
6 psychoactive substance dependence disorder.

7 (B) EXCEPTION FOR CURRENT BENE-
8 FICIARIES.—Subparagraph (A) shall not apply
9 in the case of an individual who is a recipient
10 of supplemental security income benefits under
11 such title for the month in which this Act be-
12 comes law.

13 (b) DISABILITY REVIEWS FOR 18-YEAR OLD RECIPI-
14 ENTS.—The amendments made by section 803 shall apply
15 to benefits for months beginning after the date of the en-
16 actment of this Act.

17 **Subtitle B—Denial of SSI Benefits**
18 **by Reason of Disability to Drug**
19 **Addicts and Alcoholics**

20 **SEC. 811. DENIAL OF SSI BENEFITS BY REASON OF DISABIL-**
21 **ITY TO DRUG ADDICTS AND ALCOHOLICS.**

22 (a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C.
23 1382c(a)(3)) is amended by adding at the end the follow-
24 ing:

1 “(I) Notwithstanding subparagraph (A), an individ-
2 ual shall not be considered to be disabled for purposes of
3 this title if alcoholism or drug addiction would (but for
4 this subparagraph) be a contributing factor material to
5 the Commissioner’s determination that the individual is
6 disabled.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 1611(e) (42 U.S.C. 1382(e)) is
9 amended by striking paragraph (3).

10 (2) Section 1631(a)(2)(A)(ii) (42 U.S.C.
11 1383(a)(2)(A)(ii)) is amended—

12 (A) by striking “(I)”; and

13 (B) by striking subclause (II).

14 (3) Section 1631(a)(2)(B) (42 U.S.C.
15 1383(a)(2)(B)) is amended—

16 (A) by striking clause (vii);

17 (B) in clause (viii), by striking “(ix)” and
18 inserting “(viii)”;

19 (C) in clause (ix)—

20 (i) by striking “(viii)” and inserting
21 “(vii)”; and

22 (ii) in subclause (II), by striking all
23 that follows “15 years” and inserting a pe-
24 riod;

25 (D) in clause (xiii)—

1 (i) by striking “(xii)” and inserting
2 “(xi)”; and

3 (ii) by striking “(xi)” and inserting
4 “(x)”; and

5 (E) by redesignating clauses (viii) through
6 (xiii) as clauses (vii) through (xii), respectively.

7 (4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C.
8 1383(a)(2)(D)(i)(II)) is amended by striking all that
9 follows “\$25.00 per month” and inserting a period.

10 (5) Section 1634 (42 U.S.C. 1383c) is amended
11 by striking subsection (e).

12 (6) Section 201(c)(1) of the Social Security
13 Independence and Program Improvements Act of
14 1994 (42 U.S.C. 425 note) is amended—

15 (A) by striking “—” and all that follows
16 through “(A)” the 1st place such term appears;

17 (B) by striking “and” the 3rd place such
18 term appears;

19 (C) by striking subparagraph (B);

20 (D) by striking “either subparagraph (A)
21 or subparagraph (B)” and inserting “the pre-
22 ceding sentence”; and

23 (E) by striking “subparagraph (A) or (B)”
24 and inserting “the preceding sentence”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on October 1, 1995, and shall
3 apply with respect to months beginning on or after such
4 date.

5 (d) FUNDING OF CERTAIN PROGRAMS FOR DRUG
6 ADDICTS AND ALCOHOLICS.—Out of any money in the
7 Treasury of the United States not otherwise appropriated,
8 the Secretary of the Treasury shall pay to the Director
9 of the National Institute on Drug Abuse—

10 (1) \$95,000,000, for each of fiscal years 1997,
11 1998, 1999, and 2000, for expenditure through the
12 Federal Capacity Expansion Program to expand the
13 availability of drug treatment; and

14 (2) \$5,000,000 for each of fiscal years 1997,
15 1998, 1999, and 2000 to be expended solely on the
16 medication development project to improve drug
17 abuse and drug treatment research.

18 TITLE IX—FINANCING

19 Subtitle A—Treatment of Aliens

20 SEC. 901. EXTENSION OF DEEMING OF INCOME AND RE-
21 SOURCES UNDER AFDC, SSI, AND FOOD
22 STAMP PROGRAMS.

23 (a) IN GENERAL.—Except as provided in subsections
24 (b) and (c), in applying sections 415 and 1621 of the So-
25 cial Security Act and section 5(i) of the Food Stamp Act

1 of 1977, the period in which each respective section other-
2 wise applies with respect to an alien shall be extended
3 through the date (if any) on which the alien becomes a
4 citizen of the United States (under chapter 2 of title III
5 of the Immigration and Nationality Act).

6 (b) EXCEPTION.—Subsection (a) shall not apply to
7 an alien if—

8 (1) the alien has been lawfully admitted to the
9 United States for permanent residence, has attained
10 75 years of age, and has resided in the United
11 States for at least 5 years;

12 (2) the alien—

13 (A) is a veteran (as defined in section 101
14 of title 38, United States Code) with a dis-
15 charge characterized as an honorable discharge,

16 (B) is on active duty (other than active
17 duty for training) in the Armed Forces of the
18 United States, or

19 (C) is the spouse or unmarried dependent
20 child of an individual described in subparagraph
21 (A) or (B);

22 (3) the alien is the subject of domestic violence
23 by the alien's spouse and a divorce between the alien
24 and the alien's spouse has been initiated through the

1 filing of an appropriate action in an appropriate
2 court; or

3 (4) there has been paid with respect to the self-
4 employment income or employment of the alien, or
5 of a parent or spouse of the alien, taxes under chap-
6 ter 2 or chapter 21 of the Internal Revenue Code of
7 1986 in each of 20 different calendar quarters.

8 (c) HOLD HARMLESS FOR MEDICAID ELIGIBILITY.—
9 Subsection (a) shall not apply with respect to determina-
10 tions of eligibility for benefits under part A of title IV of
11 the Social Security Act or under the supplemental income
12 security program under title XVI of such Act but only in-
13 sofar as such determinations provide for eligibility for
14 medical assistance under title XIX of such Act.

15 (d) EFFECTIVE DATE.—This section shall take effect
16 on October 1, 1995.

17 **SEC. 902. REQUIREMENTS FOR SPONSOR'S AFFIDAVITS OF**
18 **SUPPORT.**

19 (a) IN GENERAL.—Title II of the Immigration and
20 Nationality Act is amended by inserting after section 213
21 the following new section:

22 "REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

23 "SEC. 213A. (a) ENFORCEABILITY.—

24 "(1) IN GENERAL.—No affidavit of support
25 may be accepted by the Attorney General or by any
26 consular officer to establish that an alien is not ex-

1 cludable under section 212(a)(4) unless such affida-
2 vit is executed as a contract—

3 “(A) which is legally enforceable against
4 the sponsor by the Federal Government, by a
5 State, or by any political subdivision of a State,
6 providing cash benefits under a public cash as-
7 sistance program (as defined in subsection
8 (f)(2)), but not later than 5 years after the date
9 the alien last receives any such cash benefit;
10 and

11 “(B) in which the sponsor agrees to submit
12 to the jurisdiction of any Federal or State court
13 for the purpose of actions brought under sub-
14 section (e)(2).

15 “(2) EXPIRATION OF LIABILITY.—Such con-
16 tract shall only apply with respect to cash benefits
17 described in paragraph (1)(A) provided to an alien
18 before the earliest of the following:

19 “(A) CITIZENSHIP.—The date the alien be-
20 comes a citizen of the United States under
21 chapter 2 of title III.

22 “(B) VETERAN.—The first date the alien
23 is described in section 901(b)(2)(A).

24 “(C) PAYMENT OF SOCIAL SECURITY
25 TAXES.—The first date as of which the condi-

1 tion described in section 901(b)(4) is met with
2 respect to the alien.

3 “(3) NONAPPLICATION DURING CERTAIN PERI-
4 ODS.—Such contract also shall not apply with re-
5 spect to cash benefits described in paragraph (1)(A)
6 provided during any period in which the alien is de-
7 scribed in section 901(b)(2)(B) or 901(b)(2)(C).

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) NOTIFICATION OF CHANGE OF ADDRESS.—

15 “(1) REQUIREMENT.—The sponsor shall notify
16 the Federal Government and the State in which the
17 sponsored alien is currently resident within 30 days
18 of any change of address of the sponsor during the
19 period specified in subsection (a)(1)(A).

20 “(2) ENFORCEMENT.—Any person subject to
21 the requirement of paragraph (1) who fails to satisfy
22 such requirement shall be subject to a civil penalty
23 of—

24 “(A) not less than \$250 or more than
25 \$2,000, or

1 “(B) if such failure occurs with knowledge
2 that the sponsored alien has received any bene-
3 fit under any means-tested public benefits pro-
4 gram, not less than \$2,000 or more than
5 \$5,000.

6 “(d) REIMBURSEMENT OF GOVERNMENT EX-
7 PENSES.—

8 “(1) REQUEST FOR REIMBURSEMENT.—

9 “(A) IN GENERAL.—Upon notification that
10 a sponsored alien has received any cash benefits
11 described in subsection (a)(1)(A), the appro-
12 priate Federal, State, or local official shall re-
13 quest reimbursement by the sponsor in the
14 amount of such cash benefits.

15 “(B) REGULATIONS.—The Attorney Gen-
16 eral, in consultation with the Secretary of
17 Health and Human Services, shall prescribe
18 such regulations as may be necessary to carry
19 out subparagraph (A).

20 “(2) INITIATION OF ACTION.—If within 45 days
21 after requesting reimbursement, the appropriate
22 Federal, State, or local agency has not received a re-
23 sponse from the sponsor indicating a willingness to
24 commence payments, an action may be brought

1 against the sponsor pursuant to the affidavit of sup-
2 port.

3 “(3) FAILURE TO ABIDE BY REPAYMENT
4 TERMS.—If the sponsor fails to abide by the repay-
5 ment terms established by such agency, the agency
6 may, within 60 days of such failure, bring an action
7 against the sponsor pursuant to the affidavit of sup-
8 port.

9 “(4) LIMITATION ON ACTIONS.—No cause of
10 action may be brought under this subsection later
11 than 5 years after the date the alien last received
12 any cash benefit described in subsection (a)(1)(A).

13 “(f) DEFINITIONS.—For the purposes of this section:

14 “(1) SPONSOR.—The term ‘sponsor’ means an
15 individual who—

16 “(A) is a citizen or national of the United
17 States or an alien who is lawfully admitted to
18 the United States for permanent residence;

19 “(B) is 18 years of age or over; and

20 “(C) is domiciled in any State.

21 “(2) PUBLIC CASH ASSISTANCE PROGRAM.—
22 The term ‘public cash assistance program’ means a
23 program of the Federal Government or of a State or
24 political subdivision of a State that provides direct
25 cash assistance for the purpose of income mainte-

1 nance and in which the eligibility of an individual,
2 household, or family eligibility unit for cash benefits
3 under the program, or the amount of such cash ben-
4 efits, or both are determined on the basis of income,
5 resources, or financial need of the individual, house-
6 hold, or unit. Such term does not include any pro-
7 gram insofar as it provides medical, housing, edu-
8 cation, job training, food, or in-kind assistance or
9 social services.”.

10 (b) CLERICAL AMENDMENT.—The table of contents
11 of such Act is amended by inserting after the item relating
12 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

13 (c) EFFECTIVE DATE.—Subsection (a) of section
14 213A of the Immigration and Nationality Act, as inserted
15 by subsection (a) of this section, shall apply to affidavits
16 of support executed on or after a date specified by the
17 Attorney General, which date shall be not earlier than 60
18 days (and not later than 90 days) after the date the Attor-
19 ney General formulates the form for such affidavits under
20 subsection (b) of such section 213A.

1 **SEC. 903. EXTENDING REQUIREMENT FOR AFFIDAVITS OF**
2 **SUPPORT TO FAMILY-RELATED AND DIVER-**
3 **SITY IMMIGRANTS.**

4 (A) IN GENERAL.—Section 212(a)(4) of the Immi-
5 gration and Nationality Act (8 U.S.C. 1182(a)(4)) is
6 amended to read as follows:

7 “(4) PUBLIC CHARGE AND AFFIDAVITS OF SUP-
8 PORT.—

9 “(A) PUBLIC CHARGE.—Any alien who, in
10 the opinion of the consular officer at the time
11 of application for a visa, or in the opinion of
12 the Attorney General at the time of application
13 for admission or adjustment of status, is likely
14 at any time to become a public charge is exclud-
15 able.

16 “(B) AFFIDAVITS OF SUPPORT.—Any im-
17 migrant who seeks admission or adjustment of
18 status as any of the following is excludable un-
19 less there has been executed with respect to the
20 immigrant an affidavit of support pursuant to
21 section 213A:

22 “(i) As an immediate relative (under
23 section 201(b)(2)).

24 “(ii) As a family-sponsored immigrant
25 under section 203(a) (or as the spouse or

1 child under section 203(d) of such an im-
2 migrant).

3 “(iii) As the spouse or child (under
4 section 203(d)) of an employment-based
5 immigrant under section 203(b).

6 “(iv) As a diversity immigrant under
7 section 203(c) (or as the spouse or child
8 under section 203(d) of such an immi-
9 grant).”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall apply to aliens with respect to whom
12 an immigrant visa is issued (or adjustment of status is
13 granted) after the date specified by the Attorney General
14 under section 902(c).

15 **Subtitle B—Limitation on Emer-** 16 **gency Assistance Expenditures**

17 **SEC. 911. LIMITATION ON EXPENDITURES FOR EMERGENCY** 18 **ASSISTANCE.**

19 (a) IN GENERAL.—Section 403(a)(5) (42 U.S.C.
20 602(a)(5)) is amended to read as follows:

21 “(5) in the case of any State, an amount equal
22 to the lesser of—

23 “(A) 50 percent of the total amount ex-
24 pended under the State plan during such quar-

1 ter as emergency assistance to needy families
2 with children; or

3 “(B) the greater of—

4 “(i) the total amount expended under
5 the State plan during the fiscal year that
6 immediately precedes the fiscal year in
7 which the quarter occurs; multiplied by

8 “(I) 4 percent, if the national un-
9 employment rate for the United
10 States (as determined by the Sec-
11 retary of Labor) for the 3rd or 4th
12 quarter of the immediately preceding
13 fiscal year is at least 7 percent; or

14 “(II) 3 percent, otherwise; or

15 “(ii) the total amount expended under
16 the State plan during fiscal year 1995 as
17 emergency assistance to needy families
18 with children.”.

19 (b) AUTHORITY OF STATES TO DEFINE EMERGENCY
20 ASSISTANCE.—Section 406(e)(1) (42 U.S.C. 606(e)(1)) is
21 amended to read as follows:

22 “(e)(1)(A) The term ‘emergency assistance to needy
23 families with children’ means emergency assistance fur-
24 nished by an eligible State with respect to an eligible needy

1 child to avoid destitution of the child or to provide living
2 arrangements in a home for the child.

3 “(B) As used in this paragraph:

4 “(i) The term ‘emergency assistance’ means
5 emergency assistance as provided for in the State
6 plan approved under section 402 of an eligible State,
7 but shall not include care for an eligible needy child
8 or other member of the household in which the child
9 is living to the extent that the child or other member
10 is entitled to such care as medical assistance under
11 the State plan under title XIX.

12 “(ii) The term ‘eligible needy child’ means a
13 needy child—

14 “(I) who has not attained 21 years of age;

15 “(II) who is or (within such period as the
16 Secretary may specify) has been living with any
17 relative specified in subsection (a)(1) in a place
18 of residence maintained by 1 or more of such
19 relatives as the home of the relative or relatives;

20 “(III) who is without available resources;

21 and

22 “(IV) whose requirement for emergency as-
23 sistance did not arise because the child or rel-
24 ative refused without good cause to accept em-
25 ployment or training for employment.

1 “(iii) The term “eligible State” means a State
2 whose State plan approved under section 402 in-
3 cludes provision for emergency assistance.”.

4 **Subtitle C—Tax Provisions**

5 **SEC. 921. CERTAIN FEDERAL ASSISTANCE INCLUDIBLE IN** 6 **GROSS INCOME.**

7 (a) IN GENERAL.—Part II of subchapter B of chap-
8 ter 1 of the Internal Revenue Code of 1986 (relating to
9 items specifically included in gross income) is amended by
10 adding at the end the following new section:

11 **“SEC. 91. CERTAIN FEDERAL ASSISTANCE.**

12 “(a) IN GENERAL.—Gross income shall include an
13 amount equal to the specified Federal assistance received
14 by the taxpayer during the taxable year.

15 “(b) SPECIFIED FEDERAL ASSISTANCE.—For pur-
16 poses of this section—

17 “(1) IN GENERAL.—The term ‘specified Federal
18 assistance’ means—

19 “(A) aid provided under a State plan ap-
20 proved under part A of title IV of the Social
21 Security Act (relating to aid to families with de-
22 pendent children), and

23 “(B) assistance provided under any food
24 stamp program.

1 “(2) SPECIAL RULE.—In the case of assistance
2 provided under a program described in subsection
3 (d)(2), such term shall include only the assistance
4 required to be provided under section 21 or 22 (as
5 the case may be) of the Food Stamp Act of 1977.

6 “(c) INDIVIDUALS SUBJECT TO TAX.—For purposes
7 of this section—

8 “(1) AFDC.—Aid described in subsection
9 (b)(1)(A) shall be treated as received by the relative
10 with whom the dependent child is living (within the
11 meaning of section 406(c) of the Social Security
12 Act).

13 “(2) FOOD STAMPS.—In the case of assistance
14 described in subsection (b)(1)(B)—

15 “(A) IN GENERAL.—Except as provided in
16 subparagraph (B), such assistance shall be
17 treated as received ratably by each of the indi-
18 viduals taken into account in determining the
19 amount of such assistance for the benefit of
20 such individuals.

21 “(B) ASSISTANCE TO CHILDREN TREATED
22 AS RECEIVED BY PARENTS, ETC.—The amount
23 of assistance which would (but for this subpara-
24 graph) be treated as received by a child shall be
25 treated as received as follows:

1 “(i) If there is an includible parent,
2 such amount shall be treated as received
3 by the includible parent (or if there is
4 more than 1 includible parent, as received
5 ratably by each includible parent).

6 “(ii) If there is no includible parent
7 and there is an includible grandparent,
8 such amount shall be treated as received
9 by the includible grandparent (or if there
10 is more than 1 includible grandparent, as
11 received ratably by each includible grand-
12 parent).

13 “(iii) If there is no includible parent
14 or grandparent, such amount shall be
15 treated as received ratably by each includ-
16 ible adult.

17 “(C) DEFINITIONS.—For purposes of sub-
18 paragraph (B)—

19 “(i) CHILD.—The term ‘child’ means
20 any individual who has not attained age 16
21 as of the close of the taxable year. Such
22 term shall not include any individual who
23 is an includible parent of a child (as de-
24 fined in the preceding sentence).

1 “(ii) ADULT.—The term ‘adult’ means
2 any individual who is not a child.

3 “(iii) INCLUDIBLE.—The term ‘in-
4 cludible’ means, with respect to any indi-
5 vidual, an individual who is included in de-
6 termining the amount of assistance paid to
7 the household which includes the child.

8 “(iv) PARENT.—The term ‘parent’ in-
9 cludes the stepfather and stepmother of
10 the child.

11 “(v) GRANDPARENT.—The term
12 ‘grandparent’ means any parent of a par-
13 ent of the child.

14 “(d) FOOD STAMP PROGRAM.—For purposes of sub-
15 section (b), the term ‘food stamp program’ means—

16 “(1) the food stamp program (as defined in sec-
17 tion 3(h) of the Food Stamp Act of 1977), and

18 “(2) the portion of the program under sections
19 21 and 22 of such Act which provides food assist-
20 ance.”

21 (b) REPORTING.—

22 (1) IN GENERAL.—Subpart B of part III of
23 subchapter A of chapter 61 of such Code is amended
24 by adding at the end the following new section:

1 "SEC. 6050Q. PAYMENTS OF CERTAIN FEDERAL ASSIST-
2 ANCE.

3 "(a) REQUIREMENT OF REPORTING.—The appro-
4 priate official shall make a return, according to the forms
5 and regulations prescribed by the Secretary, setting
6 forth—

7 "(1) the aggregate amount of specified Federal
8 assistance paid to any individual during any cal-
9 endar year, and

10 "(2) the name, address, and TIN of such indi-
11 vidual.

12 "(b) STATEMENTS TO BE FURNISHED TO PERSONS
13 WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—
14 Every person required to make a return under subsection
15 (a) shall furnish to each individual whose name is re-
16 quired to be set forth in such return a written statement
17 showing—

18 "(1) the name of the agency making the pay-
19 ments, and

20 "(2) the aggregate amount of payments made
21 to the individual which are required to be shown on
22 such return.

23 The written statement required under the preceding sen-
24 tence shall be furnished to the individual on or before Jan-
25 uary 31 of the year following the calendar year for which
26 the return under subsection (a) was required to be made.

1 “(c) DEFINITIONS AND SPECIAL RULE.—For pur-
2 poses of this section—

3 “(1) APPROPRIATE OFFICIAL.—The term ‘ap-
4 propriate official’ means—

5 “(A) in the case of specified Federal as-
6 sistance described in section 91(b)(1)(A), the
7 head of the State agency administering the plan
8 under which such assistance is provided,

9 “(B) in the case of specified Federal as-
10 sistance described in section 91(b)(1)(B), the
11 head of the State agency administering the pro-
12 gram under which such assistance is provided,
13 and

14 “(C) in the case of specified Federal assist-
15 ance described in section 91(b)(1)(C), the head
16 of the State public housing agency administering
17 the program under which such assistance is
18 provided.

19 “(2) SPECIFIED FEDERAL ASSISTANCE.—The
20 term ‘specified Federal assistance’ has the meaning
21 given such term by section 91(b).

22 “(3) AMOUNTS TREATED AS PAID.—The rules
23 of section 91(c) shall apply for purposes of deter-
24 mining to whom specified Federal assistance is
25 paid.”

1 (2) PENALTIES.—

2 (A) Subparagraph (B) of section
3 6724(b)(1) of such Code is amended by redesignig-
4 nating clauses (ix) through (xiv) as clauses (x)
5 through (xv), respectively, and by inserting
6 after clause (viii) the following new clause:

7 “(ix) section 6050Q (relating to pay-
8 ments of certain Federal assistance),”.

9 (B) Paragraph (2) of section 6724(d) of
10 such Code is amended by redesignating sub-
11 paragraphs (Q) through (T) as subparagraphs
12 (R) through (U), respectively, and by inserting
13 after subparagraph (P) the following new sub-
14 paragraph:

15 “(Q) section 6050Q(b) (relating to pay-
16 ments of certain Federal assistance),”.

17 (c) CLERICAL AMENDMENTS.—

18 (1) The table of sections for part II of sub-
19 chapter B of chapter 1 of such Code is amended by
20 adding at the end the following new item:

“Sec. 91. Certain Federal assistance.”

21 (2) The table of sections for subpart B of part
22 III of subchapter A of chapter 61 of such Code is
23 amended by adding at the end the following new
24 item:

“Sec. 6050Q. Payments of certain Federal assistance.”

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to benefits received after December
3 31, 1995.

4 **SEC. 922. EARNED INCOME TAX CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.**

7 (a) IN GENERAL.—Section 32(c)(1) of the Internal
8 Revenue Code of 1986 (relating to individuals eligible to
9 claim the earned income tax credit) is amended by adding
10 at the end the following new subparagraph:

11 “(F) IDENTIFICATION NUMBER REQUIRE-
12 MENT.—The term ‘eligible individual’ does not
13 include any individual who does not include on
14 the return of tax for the taxable year—

15 “(i) such individual’s taxpayer identi-
16 fication number, and

17 “(ii) if the individual is married (with-
18 in the meaning of section 7703), the tax-
19 payer identification number of such indi-
20 vidual’s spouse.”

21 (b) SPECIAL IDENTIFICATION NUMBER.—Section 32
22 of such Code is amended by adding at the end the follow-
23 ing new subsection:

24 “(k) IDENTIFICATION NUMBERS.—Solely for pur-
25 poses of subsections (c)(1)(F) and (c)(3)(D), a taxpayer

1 identification number means a social security number is-
2 sued to an individual by the Social Security Administra-
3 tion (other than a social security number issued pursuant
4 to clause (II) (or that portion of clause (III) that relates
5 to clause (II)) of section 205(c)(2)(B)(i) of the Social Se-
6 curity Act).”

7 (c) EXTENSION OF PROCEDURES APPLICABLE TO
8 MATHEMATICAL OR CLERICAL ERRORS.—Section
9 6213(g)(2) of such Code (relating to the definition of
10 mathematical or clerical errors) is amended by striking
11 “and” at the end of subparagraph (D), by striking the
12 period at the end of subparagraph (E) and inserting “,
13 and”, and by inserting after subparagraph (E) the follow-
14 ing new subparagraph:

15 “(F) an omission of a correct taxpayer
16 identification number required under section 32
17 (relating to the earned income tax credit) to be
18 included on a return.”

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 1995.

1 **SEC. 923. PHASEOUT OF EARNED INCOME CREDIT FOR IN-**
2 **INDIVIDUALS HAVING MORE THAN \$2,500 OF**
3 **TAXABLE INTEREST AND DIVIDENDS.**

4 (a) IN GENERAL.—Section 32 of the Internal Reve-
5 nue Code of 1986 is amended by redesignating subsections
6 (i) and (j) as subsections (j) and (k), respectively, and by
7 inserting after subsection (h) the following new subsection:

8 “(i) PHASEOUT OF CREDIT FOR INDIVIDUALS HAV-
9 ING MORE THAN \$2,500 OF TAXABLE INTEREST AND
10 DIVIDENDS.—If the aggregate amount of interest and
11 dividends includible in the gross income of the taxpayer
12 for the taxable year exceeds \$2,500, the amount of the
13 credit which would (but for this subsection) be allowed
14 under this section for such taxable year shall be reduced
15 (but not below zero) by an amount which bears the same
16 ratio to such amount of credit as such excess bears to
17 \$650.”

18 (b) INFLATION ADJUSTMENT.—Subsection (j) of sec-
19 tion 32 of such Code (relating to inflation adjustments),
20 as redesignated by subsection (a), is amended by striking
21 paragraph (2) and by inserting the following new para-
22 graphs:

23 “(2) INTEREST AND DIVIDEND INCOME LIMITA-
24 TION.—In the case of a taxable year beginning in a
25 calendar year after 1996, each dollar amount con-

1 tained in subsection (i) shall be increased by an
2 amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, deter-
7 mined by substituting ‘calendar year 1995’ for
8 ‘calendar year 1992’ in subparagraph (B)
9 thereof.

10 “(3) ROUNDING.—If any amount as adjusted
11 under paragraph (1) or (2) is not a multiple of \$10,
12 such dollar amount shall be rounded to the nearest
13 multiple of \$10.”

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 1995.

17 **SEC. 924. AFDC AND FOOD STAMP BENEFITS NOT TAKEN**
18 **INTO ACCOUNT FOR PURPOSES OF THE**
19 **EARNED INCOME TAX CREDIT.**

20 (a) IN GENERAL.—Section 32 of the Internal Reve-
21 nue Code of 1986 (relating to the earned income tax cred-
22 it), as amended by section 932(b) of this Act, is amended
23 by adding at the end the following new subsection:

24 “(I) ADJUSTED GROSS INCOME DETERMINED WITH-
25 OUT REGARD TO CERTAIN FEDERAL ASSISTANCE.—For

1 purposes of this section, adjusted gross income shall be
2 determined without regard to any amount which is includ-
3 ible in gross income solely by reason of section 91.”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to taxable years beginning after
6 December 31, 1995.

7 **TITLE X—FOOD ASSISTANCE** 8 **REFORM**

9 **Subtitle A—Food Stamp Program** 10 **Integrity and Reform**

11 **SEC. 1001. AUTHORITY TO ESTABLISH AUTHORIZATION** 12 **PERIODS.**

13 Section 9(a)(1) of the Food Stamp Act of 1977 (7
14 U.S.C. 2018(a)(1)) is amended by adding at the end the
15 following: “The Secretary is authorized to issue regula-
16 tions establishing specific time periods during which au-
17 thorization to accept and redeem coupons under the food
18 stamp program shall be valid.”.

19 **SEC. 1002. SPECIFIC PERIOD FOR PROHIBITING PARTICIPA-** 20 **TION OF STORES BASED ON LACK OF BUSI-** 21 **NESS INTEGRITY.**

22 Section 9(a)(1) of the Food Stamp Act of 1977 (7
23 U.S.C. 2018(a)(1)), as amended by section 1001, is
24 amended by adding at the end the following: “The Sec-
25 retary is authorized to issue regulations establishing spe-

1 **SEC. 1008. PERMANENT DEBARMENT OF RETAILERS WHO**
2 **INTENTIONALLY SUBMIT FALSIFIED APPLI-**
3 **CATIONS.**

4 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
5 2021), as amended by section 1007, is amended by adding
6 at the end the following:

7 “(h) The Secretary shall issue regulations providing
8 for the permanent disqualification of a retail food store
9 or wholesale food concern that is determined to have
10 knowingly submitted an application for approval to accept
11 and redeem coupons which contains false information
12 about one or more substantive matters which were the
13 basis for providing approval. Any disqualification imposed
14 under this subsection shall be subject to administrative
15 and judicial review pursuant to section 14, but such dis-
16 qualification shall remain in effect pending such review.”.

17 **SEC. 1009. EXPANDED CIVIL AND CRIMINAL FORFEITURE**
18 **FOR VIOLATIONS OF THE FOOD STAMP ACT.**

19 (a) **FORFEITURE OF ITEMS EXCHANGED IN FOOD**
20 **STAMP TRAFFICKING.**—Section 15(g) of the Food Stamp
21 Act of 1977 (7 U.S.C. 2024(g)) is amended by striking
22 “or intended to be furnished”.

23 (b) **CIVIL AND CRIMINAL FORFEITURE.**—Section 15
24 of the Food Stamp Act of 1977 (7 U.S.C. 2024)) is
25 amended by adding at the end the following:

1 “(h)(1) CIVIL FORFEITURE FOR FOOD STAMP BENE-
2 FIT VIOLATIONS.—

3 “(A) Any food stamp benefits and any property,
4 real or personal—

5 “(i) constituting, derived from, or traceable
6 to any proceeds obtained directly or indirectly
7 from, or

8 “(ii) used, or intended to be used, to com-
9 mit, or to facilitate,

10 the commission of a violation of subsection (b) or
11 subsection (c) involving food stamp benefits having
12 an aggregate value of not less than \$5,000, shall be
13 subject to forfeiture to the United States.

14 “(B) The provisions of chapter 46 of title 18,
15 relating to civil forfeitures shall extend to a seizure
16 or forfeiture under this subsection, insofar as appli-
17 cable and not inconsistent with the provisions of this
18 subsection.

19 “(2) CRIMINAL FORFEITURE FOR FOOD STAMP BEN-
20 EFIT VIOLATIONS.—

21 “(A)(i) Any person convicted of violating sub-
22 section (b) or subsection (c) involving food stamp
23 benefits having an aggregate value of not less than
24 \$5,000, shall forfeit to the United States, irrespec-
25 tive of any State law—

1 “(I) any food stamp benefits and any prop-
2 erty constituting, or derived from, or traceable
3 to any proceeds such person obtained directly or
4 indirectly as a result of such violation; and

5 “(II) any food stamp benefits and any of
6 such person’s property used, or intended to be
7 used, in any manner or part, to commit, or to
8 facilitate the commission of such violation.

9 “(ii) In imposing sentence on such person, the
10 court shall order that the person forfeit to the
11 United States all property described in this sub-
12 section.

13 “(B) All food stamp benefits and any property
14 subject to forfeiture under this subsection, any sei-
15 zure and disposition thereof, and any administrative
16 or judicial proceeding relating thereto, shall be gov-
17 erned by subsections (b), (c), (e), and (g) through
18 (p) of section 413 of the Comprehensive Drug Abuse
19 Prevention and Control Act of 1970 (21 U.S.C.
20 853), insofar as applicable and not inconsistent with
21 the provisions of this subsection.

22 “(3) This subsection shall not apply to property spec-
23 ified in subsection (g) of this section.

1 “(4) The Secretary may prescribe such rules and reg-
2 ulations as may be necessary to carry out this sub-
3 section.”.

4 **SEC. 1010. EXPANDED AUTHORITY FOR SHARING INFORMA-**
5 **TION PROVIDED BY RETAILERS.**

6 (a) Section 205(c)(2)(C)(iii) (42 U.S.C.
7 405(c)(2)(C)(iii)) (as amended by section 316(a) of the
8 Social Security Administrative Reform Act of 1994 (Pub-
9 lic Law 103-296; 108 Stat. 1464) is amended—

10 (1) by inserting in the first sentence of
11 subclause (II) after “instrumentality of the United
12 States” the following: “, or State government offi-
13 cers and employees with law enforcement or inves-
14 tigative responsibilities, or State agencies that have
15 the responsibility for administering the Special Sup-
16 plemental Nutrition Program for Women, Infants
17 and Children (WIC)”;

18 (2) by inserting in the last sentence of
19 subclause (II) immediately after “other Federal” the
20 words “or State”; and

21 (3) by inserting “or a State” in subclause (III)
22 immediately after “United States”.

23 (b) Section 6109(f)(2) of the Internal Revenue Code
24 of 1986 (26 U.S.C. 6109(f)(2)) (as added by section
25 316(b) of the Social Security Administrative Reform

1 Act of 1994 (Public Law 103–296; 108 Stat. 1464)) is
2 amended—

3 (1) by inserting in subparagraph (A) after “in-
4 strumentality of the United States” the following: “,
5 or State government officers and employees with law
6 enforcement or investigative responsibilities, or State
7 agencies that have the responsibility for administer-
8 ing the Special Supplemental Nutrition Program for
9 Women, Infants and Children (WIC)”;

10 (2) in the last sentence of subparagraph (A) by
11 inserting “or State” after “other Federal”; and

12 (3) in subparagraph (B) by inserting “or a
13 State” after “United States”.

14 **SEC. 1011. EXPANDED DEFINITION OF “COUPON”.**

15 Section 3(d) of the Food Stamp Act of 1977 (7
16 U.S.C. 2012(d)) is amended by striking “or type of certifi-
17 cate” and inserting “type of certificate, authorization
18 cards, cash or checks issued of coupons or access devices,
19 including, but not limited to, electronic benefit transfer
20 cards and personal identification numbers”.

21 **SEC. 1012. DOUBLED PENALTIES FOR VIOLATING FOOD**
22 **STAMP PROGRAM REQUIREMENTS.**

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

25 (1) in clause (i)—

1 (A) by striking “six months” and inserting
2 “1 year”; and

3 (B) by adding “and” at the end; and

4 (2) striking clauses (ii) and (iii) and inserting
5 the following:

6 “(ii) permanently upon—

7 “(I) the second occasion of any such deter-
8 mination; or

9 “(II) the first occasion of a finding by a
10 Federal, State, or local court of the trading of
11 a controlled substance (as defined in section
12 102 of the Controlled Substances Act (21
13 U.S.C. 802)), firearms, ammunition, or explo-
14 sives for coupons.”.

15 **SEC. 1013. MANDATORY CLAIMS COLLECTION METHODS.**

16 (a) Section 11(e)(8) of the Food Stamp Act of 1977
17 (7 U.S.C. 2020(e)(8)) is amended by inserting “or refunds
18 of Federal taxes as authorized pursuant to 31 U.S.C.
19 3720A” before the semicolon at the end.

20 (b) Section 13(d) of the Food Stamp Act of 1977
21 (7 U.S.C. 2022(d)) is amended—

22 (1) by striking “may” and inserting “shall”;

23 and

1 (2) by inserting “or refunds of Federal taxes as
2 authorized pursuant to 31 U.S.C. 3720A” before the
3 period at the end.

4 (c) Section 6103(1) of the Internal Revenue Code (26
5 U.S.C. 6103(1)) is amended—

6 (1) by striking “officers and employees” in
7 paragraph (10)(A) and inserting “officers, employ-
8 ees or agents, including State agencies”; and

9 (2) by striking “officers and employees” in
10 paragraph (10)(B) and inserting “officers, employ-
11 ees or agents, including State agencies”.

12 **SEC. 1014. REDUCTION OF BASIC BENEFIT LEVEL.**

13 Section 3(o) of the Food Stamp Act of 1977 (7
14 U.S.C. 2012(o)) is amended—

15 (1) by striking “and (11)” and inserting
16 “(11)”;

17 (2) in clause (11) by inserting “through Octo-
18 ber 1, 1994” after “each October 1 thereafter”; and

19 (3) by inserting before the period at the end the
20 following:

21 “, and (12) on October 1, 1995, and on each October 1
22 thereafter, adjust the cost of such diet to reflect 102 per-
23 cent of the cost, in the preceding June (without regard
24 to any previous adjustment made under this clause or
25 clauses (4) through (11) of this subsection) and round the

1 result to the nearest lower dollar increment for each
2 household size”.

3 **SEC. 1015. PRO-RATING BENEFITS AFTER INTERRUPTIONS**
4 **IN PARTICIPATION.**

5 Section 8(c)(2)(B) of the Food Stamp Act of 1977
6 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more
7 than one month”.

8 **SEC. 1016. WORK REQUIREMENT FOR ABLE-BODIED RECIPI-**
9 **ENTS.**

10 (a) **WORK REQUIREMENT.**—Section 6(d) of the Food
11 Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by
12 adding at the end the following:

13 “(5)(A) Except as provided in subparagraphs (B),
14 (C), and (D), an individual who has received an allotment
15 for six consecutive months during which such individual
16 has not been employed a minimum of an average of 20
17 hours per week shall be disqualified if such individual is
18 not employed at least an average of 20 hours per week,
19 participating in a workfare program under section 20 (or
20 a comparable State or local workfare program), or partici-
21 pating in and complying with the requirements of an ap-
22 proved employment and training program under para-
23 graph (4).

24 “(B) The provisions of subparagraph (A) shall not
25 apply in the case of an individual who—

1 “(i) is under eighteen or over fifty years of age;

2 “(ii) is certified by a physician as physically or
3 mentally unfit for employment;

4 “(iii) is a parent or other member of a house-
5 hold that includes a minor child;

6 “(iv) is participating a minimum of an average
7 of 20 hours per week and is in compliance with the
8 requirements of—

9 “(I) a program under the Job Training
10 Partnership Act (29 U.S.C. 1501 et seq.);

11 “(II) a program under section 236 of the
12 Trade Act of 1974 (19 U.S.C. 2296); or

13 “(III) another program for the purpose of
14 employment and training operated by a State or
15 local government, as determined appropriate by
16 the Secretary; or

17 “(v) or would otherwise be exempt under sub-
18 section (d)(2).

19 “(C) The Secretary may waive the requirements of
20 subparagraph (A) in the case of some or all individuals
21 within all or part of State if the Secretary finds that such
22 area—

23 “(i) has an unemployment rate of over 7 per-
24 cent; or

1 “(ii) does not have a sufficient number of jobs
2 to provide employment for individuals subject to this
3 paragraph. The Secretary shall report to the Com-
4 mittee on Agriculture of the House of Representa-
5 tives and the Committee on Agriculture, Nutrition,
6 and Forestry of the Senate on the basis in which the
7 Secretary made this decision.

8 “(D) An individual who has been disqualified from
9 the food stamp program by reason of subparagraph (A)
10 may reestablish eligibility for assistance—

11 “(i) by meeting the requirements of subpara-
12 graph (A);

13 “(ii) by becoming exempt under subparagraph
14 (B); or

15 “(iii) if the Secretary grants a waiver under
16 subparagraph (C).

17 “(E) A household (as defined in section 3(i) of the
18 Food Stamp Act of 1977 (7 U.S.C. 2015(i)) that includes
19 an individual who refuses to work, refuses to look for
20 work, turns down a job, or refuses to participate in the
21 State program if the State places the individual in such
22 program shall be ineligible to receive food stamp benefits.
23 The State agency shall reduce, by such amount the State
24 considers appropriate, the amount otherwise payable to a
25 household that includes an individual who fails without

1 good cause to comply with other requirements of the indi-
2 vidual responsibility plan signed by the individual.

3 “(F) The State agency shall make an initial assess-
4 ment of the skills, prior work experience, and employ-
5 ability of each participant not exempted under subpara-
6 graph (B) within six months of initial certification. The
7 State agency shall use such assessment, in consultation
8 with the program participant, to develop an Individual Re-
9 sponsibility Plan for the participant. Such plan—

10 “(i) shall provide that participation in food
11 stamp employment and training activities shall be a
12 condition of eligibility for food stamp benefits, ex-
13 cept during any period of unsubsidized full-time em-
14 ployment in the private sector;

15 “(ii) shall establish an employment goal and a
16 plan for moving the individual into private sector
17 employment immediately;

18 “(iii) shall establish the obligations of the par-
19 ticipant, which shall include actions that will help
20 the individual obtain and keep private sector employ-
21 ment; and

22 “(iv) may require that the individual enter the
23 State program approved under part G or part H of
24 title IV of the Social Security Act if the caseworker
25 determines that the individual will need education,

1 training, job placement assistance, wage enhance-
2 ment, or other services to obtain private sector em-
3 ployment.”.

4 (b) ENHANCED EMPLOYMENT AND TRAINING PRO-
5 GRAM.—Section 16(h)(1) of the Food Stamp Act of 1977
6 (7 U.S.C. 2025 (h)(1)) is amended—

7 (1) in subparagraph (A)—

8 (A) by striking “\$75,000,000” and insert-
9 ing “\$150,000,000”; and

10 (B) by striking “1991 through 1995” and
11 inserting “1996 through 2000”;

12 (2) by striking subparagraphs (B), (C), (E) and
13 (F) and redesignating subparagraph (D) as subpara-
14 graph (B); and

15 (3) in subparagraph (B) (as so redesignated),
16 by striking “for each” and all that follows through
17 “of \$60,000,000” and inserting “the Secretary shall
18 allocate funding”.

19 (c) REQUIRED PARTICIPATION IN WORK AND TRAIN-
20 ING PROGRAMS.—Section 6(d)(4) of the Food Stamp Act
21 of 1977 (7 U.S.C. 2015(d)(4)), is amended by adding at
22 the end the following:

23 “(O) The State agency shall provide an opportunity
24 to participate in the employment and training program
25 under this paragraph to any individual who would other-

1 wise become subject to disqualification under paragraph
2 (5)(A).”.

3 (d) COORDINATING WORK REQUIREMENTS IN AFDC
4 AND FOOD STAMP PROGRAMS.—Section 6(d)(4) of the
5 Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)), as
6 amended by subsection (c), is amended by adding at the
7 end the following:

8 “(P)(i) Notwithstanding any other provision of this
9 paragraph, a State agency that meets the participation re-
10 quirements of paragraph (ii) may operate its employment
11 and training program for persons receiving allotments
12 under this Act as part of its Work First Program under
13 part F of title IV of the Social Security Act (42 U.S.C.
14 681 et seq.), except that sections 487(b) and 489(a)(4)
15 shall not apply to any months during which a person par-
16 ticipates in such program while not receiving income under
17 part A of subtitle IV of the Social Security Act (42 U.S.C.
18 601 et seq.). If a State agency exercises the option pro-
19 vided under this subparagraph, the operation of this pro-
20 gram shall be subject to the requirements of such part
21 F, except that any reference to ‘aid to families with de-
22 pendent children’ in such part shall be deemed a reference
23 to food stamp benefits for purposes of any person not re-
24 ceiving income under such part A.

1 “(ii) A State may exercise the option provided under
2 clause (i) if it provides any persons subject to the require-
3 ments of paragraph (5) who is not employed at least an
4 average of 20 hours per week or participating in a
5 workfare program under section 20 (or a comparable
6 State or local program) with the opportunity to participate
7 in an approved employment and training program. A State
8 agency shall be considered to have complied with the re-
9 quirements of this subparagraph in any area for which a
10 waiver under subsection (5)(4)(C) is in effect.”.

11 **SEC. 1017. EXTENDING CURRENT CLAIMS RETENTION**
12 **RATES.**

13 Section 16(a) of the Food Stamp Act of 1977 (7
14 U.S.C. 2025(a)) is amended by striking “September 30,
15 1995” each place it appears and inserting “September 30,
16 2000”.

17 **SEC. 1018. COORDINATION OF EMPLOYMENT AND TRAIN-**
18 **ING PROGRAMS.**

19 (a) Section 8(d) of the Food Stamp Act of 1977 (7
20 U.S.C. 2019(d)) is amended—

21 (1) by inserting “or any work requirement
22 under such program” after “assistance program”;
23 and

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

1 “If a household fails to comply with a work requirement
2 in the program under part A of title IV of the Social Secu-
3 rity Act (42 U.S.C. 601 et seq.), the household shall not
4 receive an increased allotment under this Act as a result
5 of a decrease in the household’s income caused by a pen-
6 alty imposed under such Act, and the State agency is au-
7 thorized to reduce the household’s allotment by no more
8 than 25 percent.”.

9 **SEC. 1019. PROMOTING EXPANSION OF ELECTRONIC BENE-**
10 **FITS TRANSFER.**

11 Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C.
12 2016(i)(1)) is amended—

13 (1) by amending paragraph (1) to read:

14 “(1)(A) State agencies are encouraged to implement
15 an on-line electronic benefit transfer system in which
16 household benefits determined under section 8(a) are is-
17 sued from and stored in a central data bank and electroni-
18 cally accessed by household members at the point-of-sale.

19 “(B) Subject to paragraph (2), a State agency is au-
20 thorized to procure and implement an electronic benefit
21 transfer system under the terms, conditions, and design
22 that the State agency deems appropriate.

23 “(C) The Secretary shall, upon request of a State
24 agency, waive any provision of this subsection prohibiting
25 the effective implementation of an electronic benefit trans-

1 fer system consistent with the purposes of this Act. The
2 Secretary shall act upon any request for such a waiver
3 within 90 days of receipt of a complete application.”;

4 (2) in paragraph (2), by striking “for the ap-
5 proval”; and

6 (3) in paragraph (3), by striking “the Secretary
7 shall not approve such a system unless” and insert-
8 ing “the State agency shall ensure that”.

9 **SEC. 1020. ONE-YEAR FREEZE OF STANDARD DEDUCTION.**

10 Section 5(e) of the Food Stamp Act of 1977 (7
11 U.S.C. 2014(e)) is amended in the second sentence by in-
12 serting “except October 1, 1995” after “thereafter”.

13 **SEC. 1021. NUTRITION ASSISTANCE FOR PUERTO RICO.**

14 Section 19(a)(1)(A) of the Food Stamp Act of 1977
15 (7 U.S.C. 2028(a)(1)(A)) is amended—

16 (1) by striking “1994, and” and inserting
17 “1994,”; and

18 (2) by inserting “and \$1,143,000,000 for fiscal
19 year 1996,” before “to finance”.

20 **SEC. 1022. OTHER AMENDMENTS TO THE FOOD STAMP ACT**
21 **OF 1977.**

22 (a) CERTIFICATION PERIOD.—(1) Section 3(c) of the
23 Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended
24 to read as follows:

1 “(c) ‘Certification period’ means the period specified
2 by the State agency for which households shall be eligible
3 to receive authorization cards, except that such period
4 shall be—

5 “(1) 24 months for households in which all
6 adult members are elderly or disabled; and

7 “(2) not more than 12 months for all other
8 households.”.

9 (2) Section 6(c)(1)(C) of the Food Stamp Act of
10 1977 (7 U.S.C. 2015(c)(1)(C)) is amended—

11 (A) in clause (ii) by adding “and” at the end;

12 (B) in clause (iii) by striking “; and” at the end
13 and inserting a period; and

14 (C) by striking clause (iv).

15 (b) INCLUSION OF ENERGY ASSISTANCE IN IN-
16 COME.—

17 (1) AMENDMENTS TO THE FOOD STAMP ACT OF
18 1977.—Section 5 of the Food Stamp Act of 1977 (7
19 U.S.C. 2014) is amended—

20 (A) in subsection (d)—

21 (i) by striking paragraph (11); and

22 (ii) by redesignating paragraphs (12)
23 through (16) as paragraphs (11) through
24 (15), respectively; and

25 (B) in subsection (k)—

1 (i) in paragraph (1)(B) by striking “,
2 not including energy or utility-cost assist-
3 ance,”; and

4 (ii) in paragraph (2)—

5 (I) by striking subparagraph (C);

6 and

7 (II) by redesignating subpara-
8 graphs (D) through (H) as subpara-
9 graphs (C) through (J), respectively.

10 (2) AMENDMENTS TO THE LOW-INCOME HOME
11 ENERGY ASSISTANCE ACT OF 1981.—Section 2605(f)
12 of the Low-Income Home Energy Assistance Act of
13 1981 (42 U.S.C. 8624(f)) is amended—

14 (A) in paragraph (1) by striking “food
15 stamps,”; and

16 (B) by amending paragraph (2) to read as
17 follows:

18 “(2) Paragraph (1) shall not apply for any purpose
19 under the Food Stamp Act of 1977.”.

20 (c) EXCLUSION OF CERTAIN JTPA INCOME.—Sec-
21 tion 5(d) of the Food Stamp Act of 1977 (7 U.S.C.
22 2014(d)), as amended by subsection (b), is amended—

23 (1) by striking “and (15)” and inserting
24 “(15)”;

25 (2) by inserting before the period the following:

1 “, and (16) income received under the Job Training Part-
2 nership Act by a household member who is less than 19
3 years of age”.

4 (d) EXCLUSION OF EDUCATIONAL ASSISTANCE
5 FROM INCOME.—Section 5(d) of the Food Stamp Act of
6 1977 (7 U.S.C. 2014(d)) is amended—

7 (1) by amending paragraph (3) to read as fol-
8 lows: “(3) all educational loans on which payment is
9 deferred (including any loan origination fees or in-
10 surance premiums associated with such loans),
11 grants, scholarships, fellowships, veterans’ edu-
12 cational benefits, and the like awarded to a house-
13 hold member enrolled at a recognized institution of
14 post-secondary education, at a school for the handi-
15 capped, in a vocational education program, or in a
16 program that provides for completion of a secondary
17 school diploma or obtaining the equivalent thereof,”;
18 and

19 (2) in paragraph (5) by striking “and no por-
20 tion” and all that follows through “reimbursement”.

21 (e) LIMITATION ON ADDITIONAL EARNED INCOME
22 DEDUCTION.—The 3rd sentence of section 5(e) of the
23 Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended
24 by striking “earned income that” and all that follows
25 through “report”, and inserting “determining an

1 overissuance due to the failure of a household to report
2 earned income”.

3 (f) EXCLUSION OF ESSENTIAL EMPLOYMENT-RE-
4 LATED PROPERTY.—Section 5(g)(3) of the Food Stamp
5 Act of 1977 (7 U.S.C. 2014(g)(3)) is amended to read
6 as follows:

7 “(3) The value of real and tangible personal property
8 (other than currency, commercial paper, and similar prop-
9 erty) of a household member that is essential to the em-
10 ployment or self-employment of such member shall be ex-
11 cluded by the Secretary from financial resources until the
12 expiration of the 1-year period beginning on the date such
13 member ceases to be so employed or so self-employed.”.

14 (g) EXCLUSION OF LIFE INSURANCE POLICIES.—
15 Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C.
16 2014(g)) is amended by adding at the end the following:

17 “(6) The Secretary shall exclude from financial re-
18 sources the cash value of any life insurance policy owned
19 by a member of a household.”.

20 (h) IN-TANDEM EXCLUSIONS FROM INCOME.—Sec-
21 tion 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014)
22 is amended by adding at the end the following:

23 “(n) Whenever a Federal statute enacted after the
24 date of the enactment of this Act excludes funds from in-
25 come for purposes of determining eligibility, benefit levels,

1 or both under State plans approved under part A of title
2 IV of the Social Security Act, then such funds shall be
3 excluded from income for purposes of determining eligi-
4 bility, benefit levels, or both, respectively, under the food
5 stamp program of households all of whose members re-
6 ceive benefits under a State plan approved under part A
7 of title IV of the Social Security Act.”.

8 (i) APPLICATION OF AMENDMENTS.—The amend-
9 ments made by this section shall not apply with respect
10 to certification periods beginning before the effective date
11 of this section.

12 **Subtitle B—Commodity** 13 **Distribution**

14 **SEC. 1051. SHORT TITLE.**

15 This subtitle may be cited as the “Commodity Dis-
16 tribution Act of 1995”.

17 **SEC. 1052. AVAILABILITY OF COMMODITIES.**

18 (a) Notwithstanding any other provision of law, the
19 Secretary of Agriculture (hereinafter in this subtitle re-
20 ferred to as the “Secretary”) is authorized during fiscal
21 years 1996 through 2000 to purchase a variety of nutri-
22 tious and useful commodities and distribute such commod-
23 ities to the States for distribution in accordance with this
24 subtitle.

1 (B) in subsection 4(c), by striking “the
2 Emergency Food Assistance Act of 1983” and
3 inserting “the Commodity Distribution Act of
4 1995”; and

5 (C) by striking section 5.

6 (6) The Food, Agriculture, Conservation, and
7 Trade Act of 1990 (7 U.S.C. 612c note) is amended
8 by striking section 1773(f).

9 **Title XI—DEFICIT REDUCTION**

10 **SEC. 1101. DEDICATION OF SAVINGS TO DEFICIT REDUC-** 11 **TION.**

12 (a) Upon the enactment of this Act, the Director of
13 the Office of Management and Budget shall make down-
14 ward adjustments in the discretionary spending limits
15 (new budget authority and outlays), as adjusted, set forth
16 in 601(a)(2) of the Congressional Budget Act of 1974 for
17 each of fiscal years 1996 through 1998 as follows:

18 (1) For fiscal year 1996, reduce new budget au-
19 thority by \$1,420,000,000 and reduce outlays by
20 \$1,420,000,000.

21 (2) For fiscal year 1997, reduce new budget au-
22 thority by \$1,420,000,000 and reduce outlays by
23 \$1,420,000,000.

1 (3) For fiscal year 1998, reduce new budget au-
2 thority by \$1,470,000,000 and reduce outlays by
3 \$1,470,000,000.

4 (b) Reductions in outlays resulting from the enact-
5 ment of this Act shall not be taken into account for pur-
6 poses of section 252 of the Balanced Budget and Emer-
7 gency Deficit Control Act of 1985.

8 **TITLE XII—EFFECTIVE DATE**

9 **SEC. 1201. EFFECTIVE DATE.**

10 Except as otherwise provided in this Act, this Act and
11 the amendments made by this Act shall take effect on Oc-
12 tober 1, 1996.

○

House Calendar No. 34

104TH CONGRESS
1ST SESSION

H. RES. 117

[Report No. 104-83]

Providing for the consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 1995

Mr. SOLOMON, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

Providing for the consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

1 *Resolved*, That at any time after the adoption of this
2 resolution the Speaker may, pursuant to clause 1(b) of
3 rule XXIII, declare the House resolved into the Committee
4 of the Whole House on the state of the Union for consider-
5 ation of the bill (H.R. 4) to restore the American family,
6 reduce illegitimacy, control welfare spending and reduce
7 welfare dependence. The first reading of the bill shall be

1 dispensed with. General debate shall be confined to the
2 bill and the text of the bill (H.R. 1214) to help children
3 by reforming the Nation's welfare system to promote
4 work, marriage, and personal responsibility, and shall not
5 exceed five hours, with two hours equally divided and con-
6 trolled by the chairman and ranking minority member of
7 the Committee on Ways and Means and three hours equal-
8 ly divided among and controlled by the chairmen and
9 ranking minority members of the Committee on Economic
10 and Educational Opportunities and the Committee on Ag-
11 riculture. After general debate the Committee of the
12 Whole shall rise without motion. No further consideration
13 of the bill shall be in order except pursuant to a subse-
14 quent order of the House.

PROVIDING FOR THE CONSIDERATION OF H.R. 4, THE
PERSONAL RESPONSIBILITY ACT OF 1995

MARCH 16, 1995.—Referred to the House Calendar and ordered to be printed

Mr. SOLOMON, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 117]

The Committee on Rules, having had under consideration House Resolution 117, by a non-record vote, report the same to the House with the recommendation that the resolution be adopted.

BRIEF SUMMARY OF PROVISIONS OF RESOLUTION

The resolution provides for the consideration of H.R. 4, the "Personal Responsibility Act". The rule provides five hours of general debate, with two hours allocated to the Committee on Ways and Means, and three hours of general debate are divided equally between the chairmen and ranking minority members of the Committee on Economic and Educational Opportunities and the Committee on Agriculture.

Debate must be confined to the bill and to H.R. 1214, which the Committee intends to make in order as original text.

After general debate, the rule provides for the Committee of the Whole to rise without motion. No further consideration of the bill shall be in order except by subsequent order of the House.

○

House Calendar No. 35

104TH CONGRESS
1ST SESSION

H. RES. 119

[Report No. 104-85]

RESOLUTION

Providing for further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

MARCH 21, 1995

Referred to the House Calendar and ordered to be printed

H. Res. 119

In the House of Representatives, U. S.,

March 22, 1995.

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence. No further general debate shall be in order. An amendment in the nature of a substitute consisting of the text of H.R. 1214 shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule. The bill, as amended, shall be considered as read. No further amendment shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution, amendments en bloc described in section 2 of this resolution, and the amendments designated in section 3 of this resolution. Except as specified in section 2, 3, or 4 of

this resolution, each amendment made in order by this resolution may be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for twenty minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment (except that the chairman and ranking minority member of the Committee on Ways and Means, or their designees, each may offer one pro forma amendment to any amendment printed in the report for the purpose of debate), and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against amendments made in order by this resolution are waived.

SEC. 2. It shall be in order at any time before the consideration of the amendments designated in section 3 of this resolution for the chairman of the Committee on Ways and Means or his designee to offer amendments en bloc consisting of amendments printed in the report of the Committee on Rules accompanying this resolution not earlier disposed of or germane modifications of any such amendment. Amendments en bloc offered pursuant to this section shall be considered as read (except that modifications shall be reported) and shall be debatable for twenty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means or their designees. For the

purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the discussion of the amendments en bloc.

SEC. 3. (a) After disposition of the amendments printed in the report of the Committee on Rules accompanying this resolution and any amendments en bloc offered pursuant to section 2 of this resolution, it shall be in order to consider the following amendments in the following order—

(1) a further amendment in the nature of a substitute consisting of the text of H.R. 1267, if offered by Representative Deal of Georgia or his designee;

(2) a further amendment in the nature of a substitute consisting of the text of H.R. 1250, if offered by Representative Mink of Hawaii or her designee; and

(3) a further amendment in the nature of a substitute consisting of the text of the bill, as it had been perfected before the consideration of amendments pursuant to this section, if offered by the chairman of the Committee on Ways and Means or his designee.

(b) Each of the amendments designated in subsection (a) of this section shall be debatable for one hour equally divided and controlled by the proponent and an opponent.

(c) The amendment designated in subparagraph (a)(3) of this section shall be subject to amendment by any amendment printed in the report of the Committee on Rules accompanying this resolution that was not earlier disposed of as an amendment to the bill, as amended pursuant to this resolution, before the consideration of amendments pursuant to this section. Amendments to the amendment designated in subparagraph (a)(3) of this section shall be considered under the same terms as if offered to the bill, as amended by this resolution, and shall be subject to the last sentence of section 4 of this resolution.

(d) If more than one of the amendments designated in subsection (a) of this section is adopted, then only the one receiving the greater number of affirmative votes shall be considered as finally adopted. In the case of a tie for the greater number of affirmative votes, then only the last amendment to receive that number of affirmative votes shall be considered as finally adopted.

SEC. 4. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by this resolution. The Chairman

of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. The Chairman of the Committee of the Whole may recognize for consideration of any amendment printed in the report of the Committee on Rules accompanying this resolution out of the order printed, but not sooner than one hour after the chairman of the Committee on Ways and Means or a designee announces from the floor a request to that effect.

SEC. 5. At the conclusion of the bill for amendment the Committee shall rise and report the bill, as amended pursuant to this resolution, to the House with such further amendments as may have been finally adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole either to the bill, as amended pursuant to this resolution, or as incorporated in a further amendment in the nature of a substitute designated in section 3(a)(3) of this resolution, unless replaced by a further amendment in the nature of a substitute designated in section 3(a)(1) or 3(a)(2) of this resolution. The previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening mo-

tion except one motion to recommit with or without instructions.

Attest:

Clerk.

PROVIDING FOR THE FURTHER CONSIDERATION OF H.R.
4, THE PERSONAL RESPONSIBILITY ACT OF 1995

MARCH 21, 1995.—Referred to the House Calendar and ordered to be printed

Mr. SOLOMON, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 119]

The Committee on Rules, having had under consideration House Resolution 119, by a record vote of 7 to 5, report the same to the House with the recommendation that the resolution be adopted.

BRIEF SUMMARY OF PROVISIONS OF RESOLUTION

The resolution provides for the further consideration of H.R. 4, the "Personal Responsibility Act of 1995." The rule provides for the adoption in the House and Committee of the Whole of an amendment in the nature of a substitute consisting of the text of H.R. 1214, for the bill as so amended to be considered an original bill for the purpose of amendment, and for the bill as so amended to be considered as read. Only amendments printed in the Rules Committee report or specified in the rule are in order, and the amendments are considered as read. Except as otherwise specified in the rule, amendments printed in the rule may only be offered in the order specified, by the Member designated, and debatable for 20 minutes each, equally divided between the proponent and an opponent, except that the chairman and ranking minority member of the Ways and Means Committee, or their designees, may offer one pro forma amendment each per amendment for debate purposes. All points of order are waived against the amendments made in order by the rule.

The Committee on Ways and Means or a designee may offer amendments en bloc consisting of amendments not previously disposed of which are printed in the Rules Committee report or germane modifications thereof. The amendments offered en bloc shall be considered as read (except that modifications shall be reported),

shall be debatable for 20 minutes equally divided between the chairman and ranking minority member of the Ways and Means Committee.

The rule permits the original proponent of an amendment included in an en bloc amendment to insert a statement in the Congressional Record immediately prior to the disposition of the amendments en bloc.

The rule permits the chairman of the Committee of the Whole to postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by the rule, and to reduce to five minutes the time for voting on any such postponed question following the first such vote if there is no intervening business. The chairman of the Committee of the Whole may recognize out of the order printed the consideration of any amendment made in order by the rule, provided it is not sooner than one hour after the chairman of the Ways and Means Committee or a designee announces from the floor a request to that effect.

Following the disposition of the amendments printed in the Rules Committee report and any en bloc combinations thereof, it shall be in order to consider three amendments in the nature of a substitute if offered by the named proponent or a designee, if offered in the following order, debatable for one hour each: (1) an amendment in the nature of a substitute consisting of the text of H.R. 1267 if offered by Representative Deal of Georgia; (2) an amendment in the nature of a substitute consisting of the text H.R. 1250 if offered by Representative Mink of Hawaii; and (3) an amendment in the nature of a substitute consisting of the text of the bill as amended prior to the consideration of the three substitutes if offered by the chairman of the Committee on Ways and Means or a designee. The amendments shall not be subject to further amendment except for the third amendment which may be amended by any amendment printed in the report not yet offered, but subject to the same conditions for debate and consideration out of order, including the one-hour notice requirement.

If more than one amendment in the nature of a substitute is adopted, the one receiving the most affirmative votes shall be considered as finally adopted and reported to the House. In the case of a tie, the last such amendment adopted receiving the most votes shall be reported.

It shall be in order in the House to demand a separate vote to any amendment adopted to the bill or incorporated in the third amendment in the nature of a substitute made in order unless it is replaced by another amendment in the nature of a substitute.

Finally, the rule provides one motion to recommit, with or without instructions.

COMMITTEE VOTES

Pursuant to clause 2(1)(2)(B) of House rule XI the results of each rollcall vote on an amendment or motion to report, together with the names of those voting for and against, are printed below (the numbers referred to in the amendments moved to be made in order are the numbers assigned to amendments in the order filed with

the Rules Committee; see the amendment summary following the rollcall votes for an explanation):

RULES COMMITTEE ROLLCALL NO. 99

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion By: Mr. Moakley.
 Summary of Motion: Make in order Neal amendment #44.
 Results: Rejected, 4 to 8.
 Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 100

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion By: Mr. Moakley.
 Summary of Motion: Make in order Volkmer amendment #96.
 Results: Rejected, 4 to 8.
 Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 101

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion By: Mr. Moakley.
 Summary of Motion: Make in order Stark/Volkmer amendment #114.
 Results: Rejected, 4 to 8.
 Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 102

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion By: Mr. Moakley.
 Summary of Motion: Make in order Berman amendment #159.
 Results: Rejected, 4 to 8.
 Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Yea.

RULES COMMITTEE ROLLCALL NO. 103

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Beilenson.

Summary of Motion: Make in order Stark amendment #113.

Results: Rejected, 5 to 7.

Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Yea; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 104

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Beilenson.

Summary of Motion: Make in order McDermott amendment #102.

Results: Rejected, 3 to 8.

Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 105

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Beilenson.

Summary of Motion: Make in order Kildee amendment #37.

Results: Rejected, 2 to 8.

Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—; Beilenson—Yea; Frost—Yea; Hall—; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 106

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Beilenson.

Summary of Motion: Make in order Reed amendment #73.

Results: Rejected, 3 to 8.

Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 107

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion by: Mr. Beilenson.
 Summary of Motion: Make in order Clayton amendment #9.
 Results: Rejected, 3 to 8.
 Vote by Members: Quillen—Nay; Drier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 108

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion by: Mr. Beilenson.
 Summary of Motion: Make in order Engel amendment #138.
 Results: Rejected, 3 to 8.
 Vote by Members: Quillen—Nay; Drier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 109

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion by: Mr. Beilenson.
 Summary of Motion: Make in order Hyde-Woolsey amendment #1.
 Results: Rejected, 3 to 8.
 Vote by Members: Quillen—Nay; Drier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Nay; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 110

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion by: Mr. Beilenson.
 Summary of Motion: Make in order Waters amendment #111.
 Results: Rejected, 3 to 8.
 Vote by Members: Quillen—Nay; Drier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 111

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion by: Mr. Frost.
 Summary of Motion: Make in order Stenholm amendments #39 and #40.
 Results: Rejected, 3 to 8.

Vote by Members: Quillen—Nay; Drier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 112

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Frost.

Summary of Motion: Make in order Kennelly/Hoyer amendment #30.

Results: Rejected, 4 to 8.

Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 113

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Frost.

Summary of Motion: Make in order Obey amendment #118.

Results: Rejected, 6 to 6.

Vote by Members: Quillen—Nay; Dreier—; Goss—Yea; Linder—Nay; Pryce—Nay; Diaz-Balart—Yea; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 114

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Frost.

Summary of Motion: Make in order Rivers amendment #84.

Results: Rejected, 4 to 8.

Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 115

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Frost.

Summary of Motion: Make in order Kleczka/Rangel amendment #88.

Results: Rejected, 4 to 8.

Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—

Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 116

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion By: Mr. Hall.
 Summary of Motion: Make in order Hall amendment #12.
 Results: Rejected, 4 to 8.
 Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 117

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion By: Mr. Hall.
 Summary of Motion: Make in order Hall amendment #13.
 Results: Rejected, 4 to 8.
 Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 118

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion By: Mr. Hall.
 Summary of Motion: Make in order Roemer amendment #150, #151, #157.
 Results: Rejected, 4 to 8.
 Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 119

Date: March 21, 1995.
 Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.
 Motion By: Mr. Hall.
 Summary of Motion: Make in order Rangel amendment #148; Matsui/Kennedy amendments #34, #53; Waxman amendment #79; Levin/Klecicka amendment #86; Mineta amendments #131, #132.
 Results: Rejected, 5 to 7.
 Vote by Members: Quillen—Nay; Dreier—; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Yea; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

RULES COMMITTEE ROLLCALL NO. 120

Date: March 21, 1995.

Measure: Rule for H.R. 4, The Personal Responsibility Act of 1995.

Motion By: Mr. Quillen.

Summary of Motion: Report rule to House.

Results: Adopted, 7 to 5.

Vote by Members: Quillen—Yea; Dreier—; Goss—Yea; Linder—Yea; Pryce—Yea; Diaz-Balart—Nay; McInnis—Yea; Waldholtz—Yea; Moakley—Nay; Beilenson—Nay; Frost—Nay; Hall—Nay; Solomon—Yea.

SUMMARY OF AMENDMENTS FILED WITH THE RULES COMMITTEE ON
H.R. 4

Listed below is a summary of the amendments filed with the Committee on Rules to H.R. 4 listed in the order filed:

AMENDMENTS SUBMITTED TO THE RULES COMMITTEE ON H.R. 4,
PERSONAL RESPONSIBILITY ACT OF 1995, TUESDAY, MARCH 21,
1995—9 P.M.

1. Hyde (IL)—Ends the current states-based child support enforcement scheme. Rescinds the present federal requirements as to state child support enforcement efforts. Federal payments to state programs would also be eliminated, however, states would still be responsible for paternity establishment, support order establishment, and the enforcement of medical support.
2. Ros-Lehtinen (FL)/Diaz-Balart (FL)—Exempts legal permanent residents who cannot take the U.S. naturalization exam because of physical or developmental disability or mental impairment from being denied Federal public benefits. (Revised)
3. Ros-Lehtinen (FL)/Diaz-Balart (FL)—Extends from one to two years the time for enactment of the provision restricting legal immigrants from receiving state and local public benefits. (Revised)
4. Ros-Lehtinen (FL)/Diaz-Balart (FL)—Exempts legal permanent residents who cannot take the U.S. naturalization exam because of physical or developmental disability or mental impairment from being denied state and local public benefits. (Revised)
5. Ros-Lehtinen (FL)/Diaz-Balart (FL)—Extends from one to two years the time for enactment of the provision restricting legal immigrants from receiving federal public benefits. (Revised)
6. Fields (LA)—Deletes the provision allowing states to transfer up to 20% of school nutrition block grants to other block grant programs. States may use school nutrition funds only on school-based meal programs.
7. Fields (LA)—Requires minimum nutrition standards for school meals under the bill.
8. Clayton (NC)—Inserts language that requires an individual employed or participating in a work or workfare program shall be paid at least the minimum wage.
9. Clayton (NC)—Conforming amendment to achieve same purpose as Clayton #8.
10. Clayton (NC)—Rejects Block Grants and restore Federal Food Assistance Programs.

11. Menendez (NJ)—Reforms the SSI program for disabled children. Provides SSI benefits in the form of vouchers in the case of a disabled child who is not institutionalized and whose disability is determined solely on the basis of an individualized functional assessment.

12. Hall (OH)—Preserves WIC and School Lunch and Breakfast programs. It would not turn them into a block grant and it would retain current law for the Child Nutrition Act of 1966 and the National School Lunch Act.

13. Hall (OH)—Preserves the School Lunch and Breakfast programs and not turn them into a block grant.

14. Bunn (OR)—Allows unwed mothers to continue to receive assistance if certain conditions are met.

15. Hastings (WA)—Substitute. Consolidates programs, empowers the states and increases the flexibility necessary to meet the needs of the local communities.

16. Cunningham (CA)—Bars legal aliens from higher education means-tested benefits as is the case for AFDC, Food Stamps SSI, Medicaid; Specifies that deeming shall not apply to higher education assistance, enforceability of affidavit of support would apply, among other things.

17. Cunningham (CA)—Adds an additional exception to AFDC, Food Stamps, SSI, Medicaid, Social Services Block Grant for legal aliens who have filed an application for naturalization. (Withdrawn)

18. Cunningham (CA)—Relating to higher education and application for naturalization. (Withdrawn)

19. Cunningham (CA)—Relating to approved applicants for naturalization.

20. Cunningham (CA)—Technical correction relating to nonimmigrants.

21. Hostettler (IN)—Block grant funds to the states based on the population of economically disadvantaged person in the state; require all grant funds to be used for food assistance; restricts administrative costs to 5% of the grant.

22. Morella (MD)—Adds to the paternity establishment provisions an exception for those cases in which there is a significant probability that paternity establishment will result in physical harm to the custodial parent or child.

23. Smith (NJ)—Modifies the "family cap" provision in the bill by giving states the option to provide vouchers for children born to families receiving assistance.

24. Traficant (OH)—Directs the state agencies to notify applicants of all appropriate entitlements to ensure that those individuals applying to benefits are notified of all of their options.

25. Traficant (OH)—Directs those states using an electronic benefit transfer card to include a photograph of the members of the household to which the food stamp card is issued.

26. Moran (VA)—Would give families that participate in a welfare reform work program priority preference for federal housing assistance. It would be transitional and limited to no more than 5 years per family. (Revised)

27. Kim (CA)—Allow legal immigrants to be eligible to receive welfare benefits if they have fulfilled naturalization requirements;

submitted a complete application for U.S. citizenship to the INS and that application has been accepted by the INS for approval.

28. Kim (CA)—Removes the prohibition of federal, state and local benefits from legal permanent residents for 5 years.

29. Bilbray (CA)—Provides the Secretaries of Agriculture and HHS with the authority to initiate negotiations with the State of California and the County of San Diego to establish the appropriate rules to govern the establishment and operation of a 5 year demonstration project that demonstrates the ability, efficiency, innovations, and cost savings that flexibility to administrate welfare programs at the county level provides.

30. Kennelly (CT)/Hoyer (MD)—States are required to have laws authorizing the suspending or restricting of professional, occupational and driver's licenses of individual's refusing to pay or enter into an agreement to pay child support. (Revised)

31. Kennelly (CT)—Child care must be made available for the children of parents required to participate in work, training or education programs.

32. Martinez (CA)—Relating to the health and safety, fee scales, required earmarks and repealers of the child care block grant.

33. Thurman (FL)—Prohibits the basic food stamp benefit level from falling below 102% of the current value of the thrifty food plan.

34. Matsui (CA)—Amends Title II to retain the entitlement status for Title IV-E foster care maintenance and adoption assistance payments. (Revised)

35. Pastor (AZ)—Makes children who reside here legally and who are 18 years old or young eligible for food stamp assistance. (Revised)

36. Pastor (AZ)—Makes children who are 18 years old or young and pregnant women who reside here legally eligible for food stamp assistance. (Revised)

37. Kildee (MI)—Requires states to continue to carry out competitive bidding to procure infant formula in the program to provide assistance for pregnant, postpartum, and breastfeeding women, infants and children.

38. Zimmer (NJ)—(en bloc) Clarifies the intent of the Ways and Means Committee language to ensure that the 10 year penalty covers the major means-tested programs in the Act and to clarify that the denial can be imposed administratively by states and not solely as a result of court convictions, as is consistent with current law.

39. Stenholm (TX)—Reductions in outlays resulting from the enactment of this Act shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

40. Stenholm (TX)—Requires that reductions in outlays resulting from the enactment of this Act shall not be taken into account for purposes of Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

41. Hoyer (MD)—Instructs the Secretaries of HHS, Agriculture, Labor, Education and HUD report to the Congress on legislative and regulatory barriers to providing one stop coordinated services.

42. Wyden (OR)—To insure that states give consideration to relatives when making foster care or adoption placements.

43. Durbin (IL)—Subjects to civil and criminal forfeiture any property used in or derived from the proceeds of food stamp trafficking.

44. Neal (MA)—Amends Title I, Block Grants for Temporary Assistance for Needy Families, by striking the language which allows states to count case load reductions towards participation requirements. Would not allow benefits to be paid to anyone who refuses to work, refuses to participate in work activities required by the State or turns down a job offer.

45. Talent (MO)—Increases the work participation rates.

46. Collins (IL)—Prevents States from eliminating temporary assistance to individuals if the unemployment level in the State in which the individual resides is more than 10% according to the most recent available date for the State. (Revised)

47. Talent (MO)—Amends the prohibition on the provision of cash aid to unmarried mothers under age 18 to clarify the States may provide vouchers for the purchase of certain commodities.

48. Burton (IN)—Sense of Congress to strongly urge States to allow sufficient funds under the Child Protection Block Grant towards adoption assistance in order to encourage families to adopt children and expediently place children in permanent homes.

49. Jackson-Lee (TX)—Provides job training assistance for welfare recipients so that they can obtain the necessary skills to enter the work force. Provides funding for transitional child care for a two year period from the date that such individuals cease to receive benefits. Provides tax incentives for the private sector to hire welfare recipients. (Revised)

50. Talent (MO)—Restores the Sense of Congress, contained in the original Personal Responsibility Act, which documents the societal effects of the current high rate of out of wedlock births.

51. Talent (MO)—Amends the Food Stamp program to provide States with the option to provide food commodities instead of food coupons to beneficiaries. Allows the States to retain any savings which result from the distribution of commodities and to use those savings to provide other benefits and services to low income Americans.

52. Salmon (AZ)/Waldholtz (UT)—Allows liens for past-due child support to attach to property automatically, without registration of the original child support order, in the State in which the property is located.

53. Kennedy (MA)—Protects the federal foster care and adoption assistance programs which now ensure a safe haven for children who cannot live safely at home. exempts Foster Care and Adoption Assistance Programs from the Child Protection block grant and continue them as entitlements under current law.

54. Clay (MO)—Increase the minimum wage for all workers by 90 cents over a 2 year period.

55. Gutierrez (IL)—Determines whether denying eligibility to federal means-tested public benefits programs to legal aliens will impose additional direct costs on states, local governments or tribal governments equal or exceeding \$50 million.

56. Smith (MI)—Excludes non-dairy beverages with less than 80% fruit and/or vegetable juice and candy (including candy-coated ice cream and chewing gum) from the definition of food under the

program. This would prevent the use of food stamps to purchase soda pop and candy.

57. Torres (CA)—Make legal immigrants with sponsors eligible for non-cash, in-kind emergency services.

58. Gutierrez (IL)—Allows aliens who have paid U.S. federal income taxes for at least 5 years to be eligible for any of the federal means-tested public benefits programs.

59. Engel (NY)—Requires that States maintain funding levels for working-poor families. (duplicate)

60. Roukema (NJ)—Requires States to enact criminal penalties (of their own design and choosing) for individuals who willfully refuse to pay child support orders.

61. Hyde (IL)—Adds language to Section 403 of the bill to ensure that no funds under the bill can be used for medical services.

62. Smith (MI)—Allows states to pass state laws to define eligibility between 120 percent and 140 percent of the poverty level. This allows the states to adjust the food stamp program to reflect the conditions in their states. (Revised)

63. Talent (MO)—Amends the state plan requirement to provide for stronger work requirements.

64. Orton (UT)—Restores the Secretary's waiver authority for the Aid to Families with Dependent Children program (AFDC) by deleting the section of the bill which strikes the AFDC program from being considered for federal waivers.

65. Stark (CA)—(Withdrawn)

66. Roemer (IN)—Requires a 25 percent state match for the portion of the Child Care Block Grant that is derived from the AFDC Child Care, At-Risk Child Care, and Transitional Child Care programs.

67. Roemer (IN)—Clarifies that any savings resulting from the bill's enactment would not be spent and, in effect, will be devoted to deficit reduction.

68. Smith (MI)—Allows states to decide which food products can be purchased with food stamps.

69. Ney (OH)—Changes the mandatory six month period of extended Medicaid coverage to 12 months (divided into two six month periods). Changes the state's required optional six month extension to twelve months (divided into two six month periods).

70. Roukema (NJ)—Requires states to adopt procedures of their own design and choosing under which parents who are delinquent in child support payments face the prospect of having a license (drivers, professional, occupational, etc) withheld, suspended or restricted.

71. Portman (OH)—Makes "Loans to Qualified States" under the "Federal Rainy Day Fund" a grant instead of a loan.

72. Portman (OH)—Deletes appropriation of \$1 billion and substitute \$2 billion under "Rainy Day Fund".

73. Reed (RI)—Makes the two nutrition block grants more responsive to changing economic conditions within states. Establishes a trigger based upon the rise in a state's unemployment. (Revised)

74. Torkildsen (MA)—Eliminates the imposition of liens by processing orders through the judicial system by ordering states to give full faith and credit to any lien imposed by another state in the pursuit of child collection.

75. Kleczka (WI)/Kennelly (CT)—Eliminates the provision mandating that a state reduce benefits to any mother who is cooperating with paternity establishment but for whose child paternity has not been established due to a state backlog or inefficiency.

76. Richardson (NM)—Provides tribal governments the opportunity to participate fully in the welfare reform process.

77. Blute (MA)—(en bloc) Prohibits fugitive felons from receiving benefits from three welfare programs and amends current law to allow social service agencies to share certain information with law enforcement officials. Prohibits benefits to parents or other caretaker relative for a child that is temporarily absent from home.

78. Engel (NY)—Requires states maintain adequate funding levels for school nutrition programs.

79. Waxman (CA)—Strikes the prohibition of eligibility of legal aliens for Medicaid, title XIX of the Social Security Act.

80. Waxman (CA)—Allows the continuation of Medicaid matching funds at state option for persons who would otherwise be disabled for purposes of SSI except that alcoholism or drug addiction is a contributing factor to their disability.

81. Cardin (MD)—Preserves the existing authorization of the National Center for the Prosecution of Child Abuse.

82. Cardin (MD)—Provides authority for two citizen review panels established under Title II to request a review by the Secretary of the Department of HHS of their state's child protection program.

83. Kaptur (OH)—Streamlines human service delivery at the local level, where implementation actually occurs, by involving counties (or analogous units) and states in programmatic partnerships.

84. Rivers (MI)—Establishes a new section, Section 803 to H.R. 4 to allow the Secretary of the Treasury to transfer all savings realized under H.R. 4 into the Deficit Reduction Fund.

85. Levin (MI)/Rivers (MI)—Strikes the provision denying benefits to children of minor mothers and allows aid if the minor parent is living at home with a legal guardian, such payment is made to person supervising minor and the school-age minor is in school and the minor parent fully cooperates with paternity establishment.

86. Levin (MI)/Kleczka (WI)—Grandfathers cash benefits for children losing SSI due to the repeal of the Individualized Functional Assessment eligibility if those children meet or equal the listings.

87. Levin (MI)—Requires all states to participate in a simplified, nationally uniform child-support credit-bureau reporting system. The states will report the status of all court-ordered child support accounts, whether or not they are in arrears on a monthly basis.

88. Kleczka (WI)/Rangel (NY)—Gives states the option of waiving the 5 year time limit for any individual who is willing to work, but for whom no job is available. States would have the discretion to determine what constitutes job availability.

89. Kleczka (WI)—Gives states the option of granting or denying benefits to teenage mothers. It removes the bill's mandatory denial of benefits to this group.

90-A. Roberts (KS)—(en bloc) Technical Corrections—typographical and correct effective dates.

90-B. Roberts (KS)—Adds criminal forfeiture authority to the actions of the Dept. of Justice and the Dept. of Agriculture in prosecuting violators of the Food Stamp Act.

91. Gutierrez (IL)—Allows aliens who have paid U.S. federal income taxes for at least 5 years in any ten year period to be eligible for any of the federal means-tested public benefits programs.

92. Volkmer (MO)—Reauthorizes the food stamp program through fiscal year 1999.

93. Volkmer (MO)—Modifies the work requirement provisions of the food stamp title of the bill to prevent the disqualification of individuals who were working 90 days after being certified eligible, but who subsequently lost their jobs, unless they fail to get work within 90 days.

94. Volkmer (MO)—Modifies the work requirement provisions of the food stamp title of the bill to limit disqualifications to those cases where an individual was not employed or in a training program for any 90-day period rather than just the first 90 days after certified eligible.

95. Volkmer (MO)—Eliminates the potential retroactive nature of the work requirement provisions of the food stamp title of the bill that would disqualify individuals who are not employed on the effective date if they have been certified eligible for food stamps for more than 90 days.

96. Volkmer (MO)—Clarifies that illness of injury that temporarily prevents an individual from working would not cause disqualification from the food stamp program.

97. Volkmer (MO)—Strikes section 551 of the bill. Section 551 replaces the current law requirement that the thrifty food plan be changed each year to reflect 103 percent of the cost of the plan with a provision for a 2 percent annual increase in the plan.

98. McDermott (WA)—Strikes the provisions in Title IV of H.R. 1214 that would make most legal immigrants ineligible for the Medicaid program.

99. McDermott (WA)—Exempts legal immigrant pregnant women and children from the H.R. 1214's provisions making legal immigrants ineligible for Medicaid. (Withdrawn)

100. McDermott (WA)—Exempts legal immigrant children from the H.R. 1214's provisions making legal immigrants ineligible for Medicaid. (Withdrawn)

101. McDermott (WA)—Requires a state not terminate a recipients benefits unless it had made available counseling, education, training, substance abuse treatment, and child care.

102. McDermott (WA)—Leaves to state discretion decisions about family caps and the eligibility of teen parents for cash assistance.

103. Torricelli (NJ)—Precludes states from providing welfare assistance to a family if a minor child in that family is absent from school in excess of the days allowed by the state. The assistance would be cut-off for the remainder of that academic semester.

104. Torricelli (NJ)—Precludes states from providing welfare assistance to a family unless the family has demonstrated that they have vaccinated their minor children.

105. Kleczka (WI)—Requires continuing disability reviews for child SSI recipients. Establishes a continuing disability review re-

volving fund to help finance the reviews required by the bill. (Withdrawn)

106. Kleczka (WI)—Restores the benefit eligibility for any legal alien who has paid federal income taxes for five or more consecutive years.

107. Kleczka (WI)—Prohibits states from transferring funds from the Title I state rainy day fund to the state general treasury, even after 120 percent of the allotment has been accumulated.

108. Dunn (WA)—Adds a provision requiring that the Social Security number of the deceased be recorded upon the issuance of a death certificate.

109. Andrews (NJ)—Makes the Childcare and Development Block Grant an entitlement to the States and freeze the aggregate amount of the entitlement at \$1,943,000,000, the amount authorized by the bill.

110. Waters (CA)—SoC to include a provision to require non-custodial parents to participate in supervised, structured activities with their children. Allows an income deduction for grandparents who are receiving old-age assistance in cases where the state places in the custody of the grandparents an eligible child, in lieu of foster care.

111. Water (CA)—Provides for a one-time refundable tax credit in the amount of \$1,000 for any AFDC parent who receives a high school diploma or equivalent. Provides a refundable tax credit in the amount of \$1,000 for a married AFDC household.

112. Lipinski (IL)—Allows law enforcement agencies to obtain addresses from welfare agencies distributing food stamps when searching for someone they have an arrest warrant for. (en bloc)

113. Stark (CA)—Strikes the illegitimacy ratio and rewards states who reduce teen pregnancies. (Withdrawn)

114. Stark (CA)—Strike the illegitimacy ratio.

115. Nadler (NY)—Provides for reimbursement to states for added costs due to future federal budget cuts. (Revised)

116. Volkmer (MO)—Reauthorizes the food stamp program through FY99 instead of FY95.

117. Nadler (NY)—Calls for a study of the costs of future budget cuts. (Revised)

118. Obey (WI)—Makes the federal government responsible for providing 100% of the AFDC benefits for the refugee population for the first 36 months after a refugee's arrival.

119. Stokes (OH)—Requires that states form a partnership with relevant businesses by collecting information from local job markets to ensure that the training meets the needs of that region.

120. Jefferson (LA)—A state will not provide assistance: for children whose identity of the father is not established; to a family unless at least one parent is employed full-time or in a job training program; and, to an individual who is employed for less than 30 hours a week. (Revised)

121. Nadler (NY)—Modifies an age requirement in the bill. (Revised)

122. Young (AK)—Makes the 3% set aside for Indian tribes uniform for the many block grants in the welfare proposal. Currently the Child Care and Development Block Grant is the only part of the welfare proposal that sets aside 3% for Indian tribes. (Revised)

123. Lipinski (IL)—Allows law enforcement agencies to obtain addresses from the state agency that distributes SSI benefits when they have a warrant out for an individual's arrest. (en bloc—revised)

124. Lipinski (IL)—Allows law enforcement agencies to obtain addresses from the state agency that handles AFDC benefits when they have a warrant out for an individual's arrest. (Withdrawn)

125. DeFazio (OR)—Each state receiving federal assistance under this Act shall measure certain outcomes to determine the effectiveness, of their state programs in addressing human needs each year, beginning in 1997.

126. Shaw (FL)—Addresses the Secretary's authority to grant waivers; Establishes a Centralized Disbursement Center, Technical amendments.

127. Kildee (MI)/Kennelly (CT)—Requires any state that receives Family Assistance Block Grant funds to provide day care that meets applicable state and local day care standards for children of parents required to participate in work, education, or training activities.

128. Cunningham (CA)—Provides for the equitable participation of child care programs located on military installations and operated by the Department of Defense in child care food programs operated in each state.

129. Clay (MO)—Deletes the nutrition block grants, thereby maintaining existing law. (Revised)

130. Miller (CA)—Requires that states continue to comply with national nutrition standards until they devise their own standards that the Secretary of Agriculture approves. (Revised)

131. Mineta (CA)—Certifies that in preparing the written document that outlines the block grants for child welfare, the state must consult with, and receive approval from, local governments in the state that will be participating in the administration of the state program.

132. Mineta (CA)—Certifies that in preparing the written document that outlines the state family assistance program, the state must consult with, and receive approval from, local government in the state that will be participating in the administration of the state program.

133. Gunderson (WI)—Modifies language in the bill which allows the Secretary of Agriculture to add additional reporting requirements to those already required under the Family Nutrition and School-Based Nutrition Block Grants.

134. Smith (TX)—Allows the state to determine in their definitions of child abuse and neglect what is proper health care for a child.

135. Mink (HI)—Substitute. Retain entitlement status of the program, denies benefits to those who refuse to work, does not deny benefits to teenage mothers or children who are born to families already of AFDC, rewards states for successfully moving welfare recipients into jobs, makes the investments necessary to prepare welfare recipients for work, allows families to retain health, child care, housing and food stamp benefits for up to two years, and does not finance welfare by denying benefits to legal immigrants.

136. Upton (MI)—Prohibits anyone who fails to pay child support from receiving food stamp assistance.

137. Emerson (MO)/Hall (OH)—Restores the "Option to Disregard Income and Resources Designated for education, training, and employability or related to self-employment." (Revised)

138. Engel (NY)—Requires that states maintain funding levels for working poor families.

139. Engel (NY)—Requires that states maintain adequate funding levels for school nutrition programs. (Duplicate)

140. Johnson (CT)—If a state chooses to do so, minor parents who are denied benefits under the bill may earn money by participating in a state-sponsored program of work, career preparation, or other state-devised program.

141. Johnson (CT)—The bill mandates that no additional benefits be provided to families who have additional children while on welfare. This amendment modifies it by allowing states to provide that benefit, provided that their state legislatures pass a law exempting themselves.

142. Coburn (OK)—Amends the single-year, cost-neutral rule to allow states more flexibility in implementing an Electronic Benefit Transfer, clarifies the measures a state must take to ensure maximum protection from fraud and abuse; and establishes a target date for states to electronically distinguish eligible food items from non-eligible food items.

143. Johnson (CT)—Deletes the provision encouraging states to assign the highest priority to requiring families with older preschool or school-age children to be engaged in work activities.

144. Johnson (CT)—Amends Title II to require states to certify that they have a program for the expedited adoption of abandoned children; a unit that specializes in the termination of parental rights; and an adoption assistance program that helps speed the adoption of special needs children.

145. Johnson (CT)/Pryce (OH)/Dunn (WA)/Waldholtz (UT)—Title I-states may not require an individual to participate in work activities unless affordable child care is provided. (en bloc)

146. Johnson (CT)/Pryce (OH)/Dunn (WA)/Waldholtz (UT)—Title II—Authorized amount of money for the child care block grant is increased by \$160 million each year for fiscal years 1996–2000, for a total increase in authorization of \$800 million over 5 years. (en bloc)

147. Rangel (NY)—Prohibits the use of federal funds to displace currently employed workers from their jobs.

148. Rangel (NY)—Establishes an annual review by the Secretary of HHS for states which have an abnormally high amount of state directed child abuse cases.

149. Bass (NH)—Changes the eligibility period for those disabled adults and children on SSI. (Revised—Withdrawn)

150. Roemer (IN)—Eliminate the 20% transfer authority provisions of the bill. (Revised)

151. Roemer (IN)—Eliminate the 20% transfer authority for States that have been penalized by the federal government for failing to meet the bill's work requirements. (Revised)

152. Tucker (CA)—No person meeting certain criteria may be denied welfare benefits without an appeal to the Department of HHS. (Revised)

153. Deal (GA)—Substitute. Similar to the text of H.R. 982, The Individual Responsibility Act of 1995. (Revised)

154. Roukema (NJ)—Requires States to carry out cost-containment systems for infant formula included in food packages provided under the Family nutrition block grant.

155. Roukema (NJ)—Prohibits any State that has an unemployment rate above 6% from transferring block grant funds to any other title under H.R. 1214 except between the school-based nutrition block grant and the Family nutrition block grant.

156. Roukema (NJ)—Appropriates an additional amount of up to 1.5% of the amount appropriated for the school-based nutrition block grant for each fiscal year 1996 through 2000; authorizes an additional amount of up to 1.5% of the amount authorized for the Family nutrition block grant for each fiscal year 1996 through 2000.

157. Roemer (IN)—Eliminates the bill's provisions that permit a State to transfer 20% of its (A) Family Nutrition Block Grant and (B) School-Based Nutrition Block Grant into other block grants, established by the bill, that it may receive. (Revised)

158. Arney (TX)—Identical to the text of H.R. 4605 from the 103rd Congress, the Clinton Welfare Reform Bill.

159. Berman (CA)—Strikes section of the bill that exempts non-immigrant temporary agricultural workers from denial of certain benefits. (Late)

160. Maloney (NY)—Allows parents to choose standby guardians without losing parental rights; guardians could be pre-approved by the courts and take on the responsibility of caring for the children immediately upon the death or incapacitation of the ill parent. (Late)

161. Woolsey (CA)—Relocates the authority for the Clearinghouse and Hotline on Missing and Runaway Children back to the agency where it currently exists. (Late)

AMENDMENTS MADE IN ORDER BY THE RULE

1. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE ARCHER OF TEXAS OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 4, strike the item relating to section 592 and insert the following:

Sec. 592. Sense of the Congress.

Page 18, strike line 19 and all that follows through line 5 on page 19 and insert the following:

"(3) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by 1 percent the amount of the grant that would (in the absence of this subsection, subsection (a)(1)(B) of this section, and sec-

tion 404(c)(2)) be payable to the State under subsection (a)(1)(A) for the fiscal year.

Page 32, line 20, strike "subsection (c)(1)" and insert "section 403(c)(1)".

Page 32, line 24, strike ", unless" and all that follows through line 13 on page 33 and insert "except consistent with title IV of the Personal Responsibility Act of 1995."

Page 33, line 16, strike "a State" and insert "A State".

Page 35, beginning on line 16, strike "subsection (c)(1)" and insert "section 403(c)(1)".

Page 36, line 3, strike "subsection (c)(1)" and insert "section 403(c)(1)".

Page 84, line 18, insert "(42 U.S.C. 13001-13004)" after "1990".

Page 123, line 23, strike "amount appropriated" and insert "school-based nutrition amount".

Page 124, line 6, strike "amount appropriated" and insert "school-based nutrition amount".

Page 125, beginning on line 22, strike "amount appropriated" and insert "school-based nutrition amount".

Page 125, line 25, strike "amount appropriated" and insert "school-based nutrition amount".

Page 126, beginning on line 6, strike "amount appropriated" and insert "school-based nutrition amount".

Page 126, line 9, strike "amount appropriated" and insert "school-based nutrition amount".

Page 126, beginning on line 22, strike "amount appropriated" and insert "school-based nutrition amount".

Page 127, beginning on line 3, strike "amount appropriated" and insert "school-based nutrition amount".

Page 127, beginning on line 11, strike "amount appropriated" and insert "school-based nutrition amount".

Page 127, beginning on line 16, strike "amount appropriated" and insert "school-based nutrition amount".

Page 131, line 9, strike "620" and insert "621".

Page 153, strike lines 8 through 14.

Page 153, line 15, strike "(4)" and insert "(3)".

Page 154, strike the parenthetical phrase beginning on line 20.

Page 154, line 18, strike "subsections (b) and (c)" and insert "subsection (b)".

Page 159, line 13, insert "or section 412" after "this section".

Page 159, strike the parenthetical phrase beginning on line 16.

Page 167, line 10, strike "individual" and insert "alien".

Page 169, line 9, insert "(a) LIMITATIONS ON ASSISTANCE.—" before "Section".

Page 170, after line 12, insert the following:

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

Page 193, line 4, insert "of title II" after "subtitle C".

Page 203, line 3, strike "Section (3)(o)" and insert "Section 3(o)".

Page 204, line 21, strike the comma after "households".

- Page 210, line 16, strike "42" and insert "7".
- Page 217, line 17, strike "2015(i)(6)" and insert "2016(i)(6)".
- Page 217, line 18, strike "17(e)" and insert "section 17(e)".
- Page 221, line 25, strike "the".
- Page 222, line 1, strike "year" and insert "years".
- Page 228, beginning on line 25, strike "Food Stamp Simplification and Reform" and insert "Personal Responsibility".
- Page 229, line 5, strike "Food Stamp Simplification and Reform" and insert "Personal Responsibility".
- Page 231, line 10, strike ", wherever possible," and on line 11, insert "wherever possible," after "Agriculture,".
- Page 236, line 4, strike "and (c)".
- Page 236, strike lines 7 and 8.
- Page 236, line 9, strike "(c)" and insert "(b)" and strike "section 560" and insert "section 559".
- Page 242, line 4, strike "601(d)(1)" and insert "601(d)(1)(A)".
- Page 245, line 10, strike "individials" and insert "individuals".
- Page 255, strike lines 19 and 20 and insert the following: "and for whom, for the month preceding the month in which the individual attained such age, a determination was in effect that the individual is a qualifying child under section 1646(3).".
- Page 262, line 9, insert "by reason of disability" after "Act,".
- Page 323, line 24, strike "(c)" and insert "(b)".
- Page 368, line 20, strike "subparagraphs (A) and (B)" and insert "paragraphs (1) and (2)".
- Page 387, line 25, strike "by an administrative adjudicator" and insert "through an administrative process established under State law".
- Page 393, strike line 4 and all that follows through line 7.
- Page 393, line 5, strike "(b) TECHNICAL AMENDMENT.—".

2. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE TALENT OF MISSOURI OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 6, after line 3, insert the following:

SEC. 100. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

- (1) marriage is the foundation of a successful society;
- (2) marriage is an essential social institution which promotes the interests of children and society at large;
- (3) the negative consequences of an out-of-wedlock birth on the child, the mother, and society are well documented as follows:
 - (A) the illegitimacy rate among black Americans was 26 percent in 1965, but today the rate is 68 percent and climbing;
 - (B) the illegitimacy rate among white Americans has risen tenfold, from 2.29 percent in 1960 to 22 percent today;
 - (C) the total of all out-of-wedlock births between 1970 and 1991 has risen from 10 percent to 30 percent and if

the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock;

(D) $\frac{3}{4}$ of illegitimate births among whites are to women with a high school education or less;

(E) the 1-parent family is 6 times more likely to be poor than the 2-parent family;

(F) children born into families receiving welfare assistance are 3 times more likely than children not born into families receiving welfare to be on welfare when they reach adulthood;

(G) teenage single parent mothering is the single biggest contributor to low birth weight babies;

(H) children born out-of-wedlock are more likely to experience low verbal cognitive attainment, child abuse, and neglect;

(I) young people from single parent or stepparent families are 2 to 3 times more likely to have emotional or behavioral problems than those from intact families;

(J) young white women who were raised in a single parent family are more than twice as likely to have children out-of-wedlock and to become parents as teenagers, and almost twice as likely to have their marriages end in divorce, as are children from 2-parent families;

(K) the younger the single parent mother, the less likely she is to finish high school;

(L) young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time;

(M) between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medic-aid program has been estimated at \$120,000,000,000;

(N) the absence of a father in the life of a child has a negative effect on school performance and peer adjustment;

(O) the likelihood that a young black man will engage in criminal activities doubles if he is raised without a father and triples if he lives in a neighborhood with a high concentration of single parent families; and

(P) the greater the incidence of single parent families in a neighborhood, the higher the incidence of violent crime and burglary; and

(4) in light of this demonstration of the crisis in our Nation, the reduction of out-of-wedlock births is an important government interest and the policy contained in provisions of this title address the crisis.

Amend the table of contents accordingly.

3. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE TALENT OF MISSOURI OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 7, strike line 24 and all that follows through line 3 on page 8 and insert the following:

“(B)(i) Require all adult recipients in a 1-parent family which includes only children age 5 or older and who have received benefits for more than 24 months (whether or not consecutive) under the program to engage in work activities (as defined in section 404(a)(1)(C)(iii)) for at least 30 hours per week. If a State classifies a family as such a 1-parent family on or after the date which is 10 months after the date of enactment of the Personal Responsibility Act of 1995, the family shall continue to be so classified regardless of whether an additional child under age 5 becomes a member of the family.

“(ii) Provide exemptions at the option of the State for not more than 20 percent of the adult recipients of assistance under the program who are described in clause (i) from the requirement set forth in clause (i) for reasons set forth by the State.

“(C)(i) Require 1 adult recipient in any 2-parent family who has received assistance under the program for more than 24 months (whether or not consecutive) to engage in work activities (as defined in section 404(a)(1)(C)(iii)) for at least 30 hours per week.

“(ii) States may exempt up to 10 percent of the adult recipients described in clause (i) from the requirement set forth in clause (i) for reasons determined by the State.

Page 8, line 4, strike “(C)” and insert “(D)”.

Page 8, line 7, strike “(D)” and insert “(E)”.

Page 8, line 10, strike “(E)” and insert “(F)”.

Page 8, line 14, strike “(F)” and insert “(G)”.

Page 8, line 22, strike “(G)” and insert “(H)”.

4. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE HYDE OF ILLINOIS OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 8, line 15, strike “births”, and insert “pregnancies.”

Page 8, strike lines 22–25.

Page 14, line 18, strike “costs.” and insert “costs. Notwithstanding any other provision of this act, a state to which a grant is made under section 403 may not use any part of the grant to provide medical services.”

5. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE KLECZKA OF WISCONSIN OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 16, strike line 8 and all that follows through line 15.

6. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE TALENT OF MISSOURI OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 22, strike the table that begins after line 2 and insert the following:

"If the fiscal year is:	The minimum participation rate is:
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50.

7. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE TALENT OF MISSOURI OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 33, after line 25, insert the following:

(C) STATE OPTION.—Nothing in subparagraph (A) shall be construed to prohibit state from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the state as suitable for the care of the child such as diapers, clothing, and school supplies.

8. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE SMITH OF NEW JERSEY OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 34, strike line 1 and all that follows through line 15 and insert the following:

"(5) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for a minor child who is born to—

"(i) a recipient of benefits under the program operated under this part; or

"(ii) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

"(B) EXCEPTION FOR VOUCHERS.—Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(C) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

9. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE WYDEN OF OREGON OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 60, line 8, insert ", using adult relatives as the preferred placement for children separated from their parents if such relatives meet all State child protection standards" before the semicolon.

Page 72, line 4, insert "(a) IN GENERAL.—" before "Each State".

Page 72, after line 20, insert the following:

"(b) PLACEMENT OF CHILDREN WITH RELATIVES.—A State to which a grant is made under this part may consider—

"(1) establishing a new type of foster care placement, which could be considered a permanent placement, for children who are separated from their parents (in this subsection referred to as 'kinship care') under which—

"(A) adult relatives of such children would be the preferred placement option if such relatives meet all relevant child protection standards established by the State;

"(B) the State would make a needs-based payment and provide supportive services, as appropriate, with respect to children placed in a kinship care arrangement; and

"(2) in placing children for adoption, giving preference to adult relatives who meet applicable adoption standards (including those acting as foster parents of such children).

10. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE SMITH OF TEXAS OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 65, line 2, insert after the period: "The Secretary may not require a state to alter its child protection law regarding determination of the adequacy, type and timing of health care (whether medical, non-medical or spiritual)."

11. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE WOOLSEY OF CALIFORNIA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 74, line 8, strike "Secretary" and insert "Attorney General of the United States".

Page 74, line 9, insert "by contract" after "operate".

Page 74, line 15, strike "Secretary" and insert "Attorney General of the United States".

12. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE BURTON OF INDIANA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 85, after line 15, insert the following:

SEC. 205. SENSE OF THE CONGRESS REGARDING TIMELY ADOPTION OF CHILDREN.

It is the sense of the Congress that—

(1) too many children who wish to be adopted are spending inordinate amounts of time in foster care;

(2) there is an urgent need for States to increase the number of waiting children being adopted in a timely and lawful manner;

(3) States should allocate sufficient funds under this title for adoption assistance and medical assistance to encourage more families to adopt children who otherwise would languish in the

foster care system for a period that many experts consider detrimental to their development;

(4) when it is necessary for a State to remove a child from the home of the child's biological parents, the State should strive—

(A) to provide the child with a single foster care placement and a single coordinated case team; and

(B) to conclude an adoption of the child, when adoption is the goal of the child and the State, within one year of the child's placement in foster care; and

(5) States should participate in local, regional, or national programs to enable maximum visibility of waiting children to potential parents.

13. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE JOHNSON OF CONNECTICUT OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 87, line 3, strike "\$1,943,000,000" and insert "\$2,093,000,000".

14. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE CUNNINGHAM OF CALIFORNIA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 114, strike line 4, and insert the following:

"(b) ADDITIONAL REQUIREMENTS WITH RESPECT TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

"(1) MINIMUM AMOUNT OF ASSISTANCE.—The State shall

Page 114, after line 11, insert the following (and make appropriate conforming amendments):

"(2) ASSISTANCE FOR MEMBERS OF THE ARMED FORCES AND THEIR DEPENDENTS.—The State shall ensure that assistance described in subsection (a)(1) is provided to members of the Armed Forces and dependents of such members (regardless of the State of residence of such members or dependents) who meet the requirements of such subsection on an equitable basis with assistance provided to all other individuals under such subsection in such State.

"(c) ADDITIONAL REQUIREMENT WITH RESPECT TO CHILD CARE ASSISTANCE ON MILITARY INSTALLATIONS.—

"(1) IN GENERAL.—To the extent consistent with the number of children who are receiving assistance under child care programs established and carried out on military installations in such State by the Department of Defense, the State, after timely and appropriate consultation with representatives of such programs, shall provide assistance to such programs for such children (regardless of the State of residence of such children) in accordance with subsection (a)(3) on an equitable basis with assistance provided in accordance with such subsection to all other child care programs carried out in such State.

"(2) LIMITATION.—In providing assistance to a child care program established and carried out on a military installation

under paragraph (1), a State shall not require that such program be licensed under State law if such program is licensed by the Department of Defense.

15. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE ROUKEMA OF NEW JERSEY OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 114, strike line 4, and insert the following:

"(b) ADDITIONAL REQUIREMENTS WITH RESPECT TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

"(1) MINIMUM AMOUNT OF ASSISTANCE.—The State shall

Page 114, after line 11, insert the following paragraph:

"(2) COST CONTAINMENT MEASURES REGARDING PROCUREMENT OF INFANT FORMULA.—

"(A) IN GENERAL.—The State shall, with respect to the provision of food assistance to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children under subsection (a)(1), establish and carry out a cost containment system for the procurement of infant formula.

"(B) USE OF AMOUNTS RESULTING FROM SAVINGS.—The State shall use amounts available to the State as result of savings in costs to the State from the implementation of the cost containment system described in subparagraph (A) for the purpose of providing the assistance described in paragraphs (1) through (5) of subsection (a).

"(C) ANNUAL REPORTS.—The State shall submit to the Secretary for each fiscal year a report containing—

"(i) a description of the cost containment system for infant formula implemented by the State in accordance with subparagraph (A) for such fiscal year; and

"(ii) the estimated amount of savings in costs derived by the State in providing food assistance described in such subparagraph under such cost containment system for such fiscal year as compared to the amount of such savings derived by the State under the cost containment system for the preceding fiscal year, where appropriate.

16. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE GUNDERSON OF WISCONSIN OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 116, beginning on line 19, strike "the Secretary determines to be appropriate" and insert "which can be reasonably required by the Secretary".

Page 135, beginning on line 4, strike "the Secretary determines to be appropriate" and insert "which can be reasonably required by the Secretary".

17. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE CUNNINGHAM OF CALIFORNIA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 157, after line 4, insert the following:

- (6) APPROVED APPLICANTS FOR NATURALIZATION.—Subsection (a) shall not apply to an alien who—
- (A) has been lawfully admitted to the United States for permanent residence; and
 - (B) has an approved application for naturalization under the Immigration and Nationality Act.

18. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE ROSLEHTINEN OF FLORIDA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 157, after line 4, insert the following new paragraph:

- (6) CERTAIN PERMANENT RESIDENT AND DISABLED ALIENS.—Subsection (a) shall not apply to an alien who—
- (A) has been lawfully admitted to the United States for permanent residence; and
 - (B) is unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with the naturalization requirements of section 312(a) of the Immigration and Naturalization Act.

19. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE ROSLEHTINEN OF FLORIDA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 161, after line 14, insert the following new paragraph:

- (6) CERTAIN PERMANENT RESIDENT AND DISABLED ALIENS.—Subsection (a) shall not apply to an alien who—
- (A) has been lawfully admitted to the United States for permanent residence; and
 - (B) is unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with the naturalization requirements of section 312(a) of the Immigration and Naturalization Act.

20. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE MORAN OF VIRGINIA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 170, after line 12, insert the following new section:

SEC. 442. PREFERENCE FOR FEDERAL HOUSING BENEFITS FOR FAMILIES PARTICIPATING IN WELFARE ASSISTANCE WORK PROGRAMS.

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended—

- (1) by striking the section heading and inserting the following new section heading:

"DECLARATION OF POLICY AND PREFERENCE FOR ASSISTANCE";

(2) by inserting "(a) DECLARATION OF POLICY.—" after "SEC. 2"; and

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

"(b) PREFERENCE FOR FAMILIES PARTICIPATING IN WELFARE ASSISTANCE WORK PROGRAMS.—

"(1) IN GENERAL.—In selecting eligible families for available dwelling units in public housing and for available assistance under section 8, each public housing agency shall give preference to any family who, at the time that such occupancy or assistance is initially provided for the family—

"(A)(i) is participating in a work or job-training program that is a condition for the receipt of welfare or public assistance benefits for which the family is otherwise eligible, or (ii) is eligible for and has agreed to participate in such a program as a condition for receipt of such assistance; and

"(B) has agreed, as the Secretary shall require, to maintain and complete such participation and to occupancy or assistance subject to the limitations under paragraph (3).

"(2) PRECEDENCE OVER OTHER FEDERAL AND LOCAL PREFERENCES.—Occupancy in public housing dwelling units and assistance under section 8 shall be made available to eligible families qualifying for the preference under paragraph (1) before such occupancy or assistance is made available pursuant to any preference under section 6(c)(4)(A) or 8(d)(1)(A), respectively.

"(3) 5-YEAR LIMITATION ON ASSISTANCE.—Notwithstanding any other provision of this Act, the occupancy of any family in public housing or the provision of assistance under section 8, pursuant to the preference under paragraph (1), shall be terminated upon the expiration of the 5-year period that begins upon the initial provision of such occupancy or assistance to the family.

"(4) FAILURE TO PARTICIPATE.—If the applicable public housing agency determines that any family who is provided occupancy in public housing or assistance under section 8, pursuant to the preference under paragraph (1), has ceased participating in the program referred to in paragraph (1)(A) before completion of the program or failed substantially to comply with the requirements of the program, such cessation or failure shall be considered adequate cause for the termination of the tenancy or the assistance for the family and the public housing agency shall immediately take action to terminate the tenancy of such family in public housing or the provision of assistance under section 8 on behalf of family, as applicable.

"(5) LIMITATION ON AVAILABILITY OF PREFERENCE.—The preference under paragraph (1) shall not apply to any family that includes a member who—

"(A) has occupied a public housing dwelling unit or received assistance under section 8 as a member of a family provided preference pursuant to paragraph (1), which occu-

pancy or assistance has been terminated pursuant to paragraph (3) or (4); and

“(B) was personally required to participate in the program referred to in paragraph (1)(A).”.

21. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE TRAFICANT OF OHIO OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

In section 7(i)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)), as added by section 556 of the bill, insert “, except that each electronic benefit transfer card shall bear a photograph of the members of the household to which such card is issued” before the period.

22. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE COBURN OF OKLAHOMA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

In section 556(a) of the bill, strike paragraph (2) and insert the following:

(2) in paragraph (2)—

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

(B) by striking “the approval of”;

(C) in subparagraph (A) by striking “, in any 1 year.”;

and

(D) by amending subparagraph (D) to read as follows:

“(D)(i) measures to maximize the security of such system using the most recent technology available that the State considers appropriate and cost-effective and which may include (but is not limited to) personal identification numbers (PIN), photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

“(ii) effective not later than 2 years after the date of the enactment of the Food Stamp Simplification and Reform Act of 1995, measures that permit such system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment.”; and

23. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE ROBERTS OF KANSAS OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 232, strike lines 23 and 24 and insert the following:

“Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at the end the following new subsection:”.

Page 232, line 25, strike “(g)(1) and insert “(h)(1)”.

24. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE UPTON OF MICHIGAN OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

At the end of subtitle B of title V, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 581. DISQUALIFICATION RELATING OF CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

“(i) No individual is eligible to participate in the food stamp program as a member of any household during any period such individual has any unpaid liability under a court order for the support of a child of such individual.”.

25. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE HOSTETTLER OF INDIANA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

In title V of the bill, strike subtitle B and insert the following:

Subtitle B—Consolidating Food Assistance Programs

SEC. 531. FOOD STAMP BLOCK GRANT PROGRAM.

(a) **AUTHORITY TO MAKE BLOCK GRANTS.**—The Secretary of Agriculture shall make grants in accordance with this section to States to provide food assistance to individuals who are economically disadvantaged and to individuals who are members of economically disadvantaged families.

(b) **DISTRIBUTION OF FUNDS.**—The funds appropriated to carry out this section for any fiscal year shall be allotted among the States as follows:

(1) Of the aggregate amount to be distributed under this section, .21 percent shall be reserved for grants to Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

(2) Of the aggregate amount to be distributed under this section, .24 percent shall be reserved for grants to tribal organizations that have governmental jurisdiction over geographically defined areas and shall be allocated equitably by the Secretary among such organizations.

(3) The remainder of such aggregate amount shall be allocated among the remaining States. The amount allocated to each of the remaining States shall bear the same proportion to such remainder as the number of resident individuals in such State who are economically disadvantaged separately or as members of economically disadvantaged families bears to the aggregate number of resident individuals in all such remaining States who are economically disadvantaged separately or as members of economically disadvantaged families.

(c) **ELIGIBILITY TO RECEIVE GRANTS.**—To be eligible to receive a grant in the amount allotted to a State for a fiscal year, such State shall submit to the Secretary an application in such form, and containing such information and assurances, as the Secretary may require by rule, including—

(1) an assurance that such grant will be expended by the State to provide food assistance to resident individuals in such State who are economically disadvantaged separately or as members of economically disadvantaged families,

(2) an assurance that not more than 5 percent of such grant will be expended by the State for administrative costs incurred to provide assistance under this section, and

(3) an assurance that an individual who has not worked 32 hours in a calendar month shall be ineligible to received food assistance under this subtitle during the succeeding month unless such individual is—

(A) disabled,

(B) has attained 60 years of age, or

(C) residing with one or more of such individual's children who have not attained 18 years of age, but is not residing with any other parent of any of such children, unless that other parent is disabled.

(d) **ANNUAL REPORT.**—Each State that receives funds appropriated to carry out this section for a fiscal year shall submit the Secretary, not later than May 1 following such fiscal year, a report—

(1) specifying the number of families who received food assistance under this section provided by such State in such fiscal year;

(2) specifying the number of individuals who received food assistance under this section provided by such State in such fiscal year;

(3) the amount of such funds expended in such fiscal year by such State to provide food assistance; and

(4) the administrative costs incurred in such fiscal year by such State to provide food assistance.

(e) **LIMITATION.**—No State or political subdivision of a State that receives funds provided under this title shall replace any employed worker with an individual who is participating in a work program for the purpose of complying with subsection (c)(3). Such an individual may be placed in any position offered by the State or political subdivision that—

(A) is a new position,

(B) is a position that became available in the normal course of conducting the business of the State or political subdivision,

(C) involves performing work that would otherwise be performed on an overtime basis by a worker who is not an individual participating in such program, or

(D) that is a position which became available by shifting a current employee to an alternate position.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—(1) There are authorized to be appropriated to carry out this section \$26,245,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.

(2) For the purpose of affording adequate notice of funding available under this section, an appropriation to carry out this section is authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which such appropriation is available for obligation.

SEC. 532. AVAILABILITY OF FEDERAL COUPON SYSTEM TO STATES.

(a) **ISSUANCE, PURCHASE, AND USE OF COUPONS.**—The Secretary shall issue, and make available for purchase by States, coupons for the retail purchase of food from retail food stores that are approved in accordance with subsection (b). Coupons issued, purchased, and used as provided in this section shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States. The purchase price of each coupon issued under this subsection shall be the face value of such coupon.

(b) **APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.**—(1) Regulations issued pursuant to this section shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem coupons under this section. In determining the qualifications of applicants, there shall be considered among such other factors as may be appropriate, the following:

(A) The nature and extent of the food business conducted by the applicant.

(B) The volume of coupon business which may reasonably be expected to be conducted by the applicant food store or wholesale food concern.

(C) The business integrity and reputation of the applicant.

Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval. The Secretary is authorized to issue regulations providing for a periodic reauthorization of retail food stores and wholesale food concerns.

(2) A buyer or transferee (other than a bona fide buyer or transferee) of a retail food store or wholesale food concern that has been disqualified under subsection (d) may not accept or redeem coupons until the Secretary receives full payment of any penalty imposed on such store or concern.

(3) Regulations issued pursuant to this section shall require an applicant retail food store or wholesale food concern to submit information which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under this section or the regulations issued pursuant to this section. Regulations issued pursuant to this section shall provide for safeguards which limit the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of this section or the regulations issued pursuant to this section, except that such information may be disclosed to and used by States that purchase such coupons.

(4) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the program under this section may obtain a hearing on such refusal as provided in subsection (f).

(c) **REDEMPTION OF COUPONS.**—Regulations issued under this section shall provide for the redemption of coupons accepted by retail

food stores through approved wholesale food concerns or through financial institutions which are insured by the Federal Deposit Insurance Corporation, or which are insured under the Federal Credit Union Act (12 U.S.C. 1751 et seq.) and have retail food stores or wholesale food concerns in their field of membership, with the cooperation of the Treasury Department, except that retail food stores defined in section 533(9)(D) shall be authorized to redeem their members' food coupons prior to receipt by the members of the food so purchased, and publicly operated community mental health centers or private nonprofit organizations or institutions which serve meals to narcotics addicts or alcoholics in drug addiction or alcoholic treatment and rehabilitation programs, public and private nonprofit shelters that prepare and serve meals for battered women and children, public or private nonprofit group living arrangements that serve meals to disabled or blind residents, and public or private nonprofit establishments, or public or private nonprofit shelters that feed individuals who do not reside in permanent dwellings and individuals who have no fixed mailing addresses shall not be authorized to redeem coupons through financial institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Credit Union Act. No financial institution may impose on or collect from a retail food store a fee or other charge for the redemption of coupons that are submitted to the financial institution in a manner consistent with the requirements, other than any requirements relating to cancellation of coupons, for the presentation of coupons by financial institutions to the Federal Reserve banks.

(d) CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—(1) Any approved retail food store or wholesale food concern may be disqualified for a specified period of time from further participation in the coupon program under this section, or subjected to a civil money penalty of up to \$10,000 for each violation if the Secretary determines that its disqualification would cause hardship to individuals who receive coupons, on a finding, made as specified in the regulations, that such store or concern has violated this section or the regulations issued pursuant to this section.

(2) Disqualification under paragraph (1) shall be—

(A) for a reasonable period of time, of no less than 6 months nor more than 5 years, upon the first occasion of disqualification,

(B) for a reasonable period of time, of no less than 12 months nor more than 10 years, upon the second occasion of disqualification, and

(C) permanent upon—

(i) the third occasion of disqualification,

(ii) the first occasion or any subsequent occasion of a disqualification based on the purchase of coupons or trafficking in coupons by a retail food store or wholesale food concern, except that the Secretary shall have the discretion to impose a civil money penalty of up to \$20,000 for each violation (except that the amount of civil money penalties imposed for violations occurring during a single investigation may not exceed \$40,000) in lieu of disqualification under

this subparagraph, for such purchase of coupons or trafficking in coupons that constitutes a violation of this section or the regulations issued pursuant to this section, if the Secretary determines that there is substantial evidence (including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation) that such store or food concern had an effective policy and program in effect to prevent violations of this section and such regulations, or

(iii) a finding of the sale of firearms, ammunition, explosives, or controlled substance (as defined in section 802 of title 21, United States Code) for coupons, except that the Secretary shall have the discretion to impose a civil money penalty of up to \$20,000 for each violation (except that the amount of civil money penalties imposed for violations occurring during a single investigation may not exceed \$40,000) in lieu of disqualification under this subparagraph if the Secretary determines that there is substantial evidence (including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation) that the store or food concern had an effective policy and program in effect to prevent violations of this section.

(3) The action of disqualification or the imposition of a civil money penalty shall be subject to review as provided in subsection (f).

(4) As a condition of authorization to accept and redeem coupons issued under subsection (a), the Secretary may require a retail food store or wholesale food concern which has been disqualified or subjected to a civil penalty pursuant to paragraph (1) to furnish a bond to cover the value of coupons which such store or concern may in the future accept and redeem in violation of this section. The Secretary shall, by regulation, prescribe the amount, terms, and conditions of such bond. If the Secretary finds that such store or concern has accepted and redeemed coupons in violation of this section after furnishing such bond, such store or concern shall forfeit to the Secretary an amount of such bond which is equal to the value of coupons accepted and redeemed by such store or concern in violation of this section. Such store or concern may obtain a hearing on such forfeiture pursuant to subsection (f).

(5)(A) In the event any retail food store or wholesale food concern that has been disqualified under paragraph (1) is sold or the ownership thereof is otherwise transferred to a purchaser or transferee, the person or persons who sell or otherwise transfer ownership of the retail food store or wholesale food concern shall be subjected to a civil money penalty in an amount established by the Secretary through regulations to reflect that portion of the disqualification period that has not yet expired. If the retail food store or wholesale food concern has been disqualified permanently, the civil money penalty shall be double the penalty for a 10-year disqualification period, as calculated under regulations issued by the Secretary. The disqualification period imposed under paragraph (2) shall con-

tinue in effect as to the person or persons who sell or otherwise transfer ownership of the retail food store or wholesale food concern notwithstanding the imposition of a civil money penalty under this paragraph.

(B) At any time after a civil money penalty imposed under subparagraph (A) has become final under subsection (f)(1), the Secretary may request the Attorney General of the United States to institute a civil action against the person or persons subject to the penalty in a district court of the United States for any district in which such person or persons are found, reside, or transact business to collect the penalty and such court shall have jurisdiction to hear and decide such action. In such action, the validity and amount of such penalty shall not be subject to review.

(C) The Secretary may impose a fine against any retail food store or wholesale food concern that accepts coupons that are not accompanied by the corresponding book cover, other than the denomination of coupons used for making change as specified in regulations issued under this section. The amount of any such fine shall be established by the Secretary and may be assessed and collected separately in accordance with regulations issued under this section or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the store or concern to collect the fine.

(6) The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem coupons who violates this section or a regulation issued under this section, including violations concerning the acceptance of coupons. The amount of any such fine shall be established by the Secretary and may be assessed and collected in accordance with regulations issued under this section separately or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the person to collect the fine.

(e) COLLECTION AND DISPOSITION OF CLAIMS.—The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under this section or the regulations issued pursuant to this section, including, but not limited to, claims arising from fraudulent and nonfraudulent overissuances to recipients, including the power to waive claims if the Secretary determines that to do so would serve the purposes of this section. Such powers with respect to claims against recipients may be delegated by the Secretary to State agencies.

(f) ADMINISTRATIVE AND JUDICIAL REVIEW.—(1) Whenever—

(A) an application of a retail food store or wholesale food concern for approval to accept and redeem coupons issued under subsection (a) is denied pursuant to this section,

(B) a retail food store or wholesale food concern is disqualified or subjected to a civil money penalty under subsection (d),

(C) all or part of any claim of a retail food store or wholesale food concern is denied under subsection (e), or

(D) a claim against a State is stated pursuant to subsection (e),

notice of such administrative action shall be issued to the retail food store, wholesale food concern, or State involved. Such notice shall be delivered by certified mail or personal service. If such store, concern, or State is aggrieved by such action, it may, in accordance with regulations promulgated under this section, within 10 days of the date of delivery of such notice, file a written request for an opportunity to submit information in support of its position to such person or persons as the regulations may designate. If such a request is not made or if such store, concern, or State fails to submit information in support of its position after filing a request, the administrative determination shall be final. If such request is made by such store, concern, or State such information as may be submitted by such store, concern, or State as well as such other information as may be available, shall be reviewed by the person or persons designated by the Secretary, who shall, subject to the right of judicial review hereinafter provided, make a determination which shall be final and which shall take effect 30 days after the date of the delivery or service of such final notice of determination. If such store, concern, or State feels aggrieved by such final determination, it may obtain judicial review thereof by filing a complaint against the United States in the United States court for the district in which it resides or is engaged in business, or, in the case of a retail food store or wholesale food concern, in any court of record of the State having competent jurisdiction, within 30 days after the date of delivery or service of the final notice of determination upon it, requesting the court to set aside such determination. The copy of the summons and complaint required to be delivered to the official or agency whose order is being attacked shall be sent to the Secretary or such person or persons as the Secretary may designate to receive service of process. The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid, it shall enter such judgment or order as it determines is in accordance with the law and the evidence. During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall be and remain in full force and effect, unless on application to the court on not less than ten days' notice, and after hearing thereon and a consideration by the court of the applicant's likelihood of prevailing on the merits and of irreparable injury, the court temporarily stays such administrative action pending disposition of such trial or appeal.

(g) VIOLATIONS AND ENFORCEMENT.—(1) Subject to paragraph (2), whoever knowingly uses, transfers, acquires, alters, or possesses coupons in any manner contrary to this section or the regulations issued pursuant to this section shall, if such coupons are of a value of \$5,000 or more, be guilty of a felony and shall be fined not more than \$250,000 or imprisoned for not more than 20 years, or both, and shall, if such coupons are of a value of \$100 or more, but less than \$5,000, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than \$10,000 or imprisoned for not more than 5 years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than 6 months nor more than 5 years and may also be fined not more

than \$10,000 or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1,000.

(2) In the case of any individual convicted of an offense under paragraph (1), the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the State as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

(3) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of this section or the regulations issued under this section, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than \$20,000 or imprisoned for not more than 5 years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than 5 years and may also be fined not more than \$20,000, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1,000.

SEC. 533. DEFINITIONS.

For purposes of this subtitle—

(1) the term "coupon" means any coupon, stamp, or type of certificate, but does not include currency,

(2) the term "economically disadvantaged" means an individual or a family, as the case may be, whose income does not exceed the most recent lower living standard income level published by the Department of Labor,

(3) the term "elderly or disabled individual" means an individual who—

(A) is 60 years of age or older,

(B)(i) receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), or Federally or State administered supplemental benefits of the type described in section 212(a) of Public Law 93-66 (42 U.S.C. 1382 note), or

(ii) receives Federally or State administered supplemental assistance of the type described in section 1616(a) of the Social Security Act (42 U.S.C. 1382e(a)), interim assistance pending receipt of supplemental security income, disability-related medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), or disability-based State general assistance benefits, if the Secretary

determines that such benefits are conditioned on meeting disability or blindness criteria at least as stringent as those used under title XVI of the Social Security Act,

(C) receives disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.) or receives disability retirement benefits from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)),

(D) is a veteran who—

(i) has a service-connected or non-service-connected disability which is rated as total under title 38, United States Code, or

(ii) is considered in need of regular aid and attendance or permanently housebound under such title,

(E) is a surviving spouse of a veteran and—

(i) is considered in need of regular aid and attendance or permanently housebound under title 38, United States Code, or

(ii) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)),

(F) is a child of a veteran and—

(i) is considered permanently incapable of self-support under section 414 of title 38, United States Code, or

(ii) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)), or

(G) is an individual receiving an annuity under section 2(a)(1)(iv) or 2(a)(1)(v) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)(1)(iv) or 231a(a)(1)(v)), if the individual's service as an employee under the Railroad Retirement Act of 1974, after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act (42 U.S.C. 301 et seq.), and if an application for disability benefits had been filed,

(4) the term "food" means, for purposes of section 532(a) only—

(A) any food or food product for home consumption except alcoholic beverages, tobacco, and hot foods or hot food products ready for immediate consumption other than those authorized pursuant to subparagraphs (C), (D), (E), (G), (H), and (I),

(B) seeds and plants for use in gardens to produce food for the personal consumption of the eligible individuals,

(C) in the case of those persons who are 60 years of age or over or who receive supplemental security income benefits or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et

seq.), and their spouses, meals prepared by and served in senior citizens' centers, apartment buildings occupied primarily by such persons, public or private nonprofit establishments (eating or otherwise) that feed such persons, private establishments that contract with the appropriate agency of the State to offer meals for such persons at concessional prices, and meals prepared for and served to residents of federally subsidized housing for the elderly,

(D) in the case of persons 60 years of age or over and persons who are physically or mentally handicapped or otherwise so disabled that they are unable adequately to prepare all of their meals, meals prepared for and delivered to them (and their spouses) at their home by a public or private nonprofit organization or by a private establishment that contracts with the appropriate State agency to perform such services at concessional prices,

(E) in the case of narcotics addicts or alcoholics, and their children, served by drug addiction or alcoholic treatment and rehabilitation programs, meals prepared and served under such programs,

(F) in the case of eligible individuals living in Alaska, equipment for procuring food by hunting and fishing, such as nets, hooks, rods, harpoons, and knives (but not equipment for purposes of transportation, clothing, or shelter, and not firearms, ammunition, and explosives) if the Secretary determines that such individuals are located in an area of the State where it is extremely difficult to reach stores selling food and that such individuals depend to a substantial extent upon hunting and fishing for subsistence,

(G) in the case of disabled or blind recipients of benefits under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), or are individuals described in subparagraphs (B) through (G) of paragraph (4), who are residents in a public or private nonprofit group living arrangement that serves no more than 16 residents and is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act (42 U.S.C. 1382e(e)) or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under such section, meals prepared and served under such arrangement,

(H) in the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters, and

(I) in the case of individuals that do not reside in permanent dwellings and individuals that have no fixed mailing addresses, meals prepared for and served by a public or private nonprofit establishment (approved by an appropriate State or local agency) that feeds such individuals and by private establishments that contract with the appropriate agency of the State to offer meals for such individuals at concessional prices,

(5) the term "retail food store" means—

(A) an establishment or recognized department thereof or house-to-house trade route, over 50 percent of whose food sales volume, as determined by visual inspection, sales records, purchase records, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry, consists of staple food items for home preparation and consumption, such as meat, poultry, fish, bread, cereals, vegetables, fruits, dairy products, and the like, but not including accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices,

(B) an establishment, organization, program, or group living arrangement referred to in subparagraph (C), (D), (E), (G), (H), or (I) of paragraph (5),

(C) a store purveying the hunting and fishing equipment described in paragraph (5)(F), or

(D) any private nonprofit cooperative food purchasing venture, including those in which the members pay for food purchased prior to the receipt of such food,

(6) the term "school" means an elementary, intermediate, or secondary school,

(7) the term "Secretary" means the Secretary of Agriculture,

(8) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, Palau, or a tribal organization that exercises governmental jurisdiction over a geographically defined area, and

(9) the term "tribal organization" has the meaning given it in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l)).

SEC. 534. REPEALER.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is repealed. Strike section 591 of the bill and insert the following:

SEC. 591. EFFECTIVE DATE; APPLICATION OF REPEALER.

(a) EFFECTIVE DATES.—

(1) GENERAL EFFECTIVE DATE OF SUBTITLE A.—Subtitle A shall take effect on October 1, 1995.

(2) GENERAL EFFECTIVE DATE OF SUBTITLE B.—Except as provided in subsection (b), subtitle B and the repeal made by section 534 shall take effect on the date of the enactment of this Act.

(3) SPECIAL EFFECTIVE DATE.—The repeal made by section 534 shall not take effect until the first day of the first fiscal year for which funds are appropriated more than 180 days in advance of such fiscal year to carry out section 531.

(b) APPLICATION OF REPEALER.—The repeal made by section 534 shall not apply with respect to—

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to financial assistance provided under the

Food Stamp Act of 1977 before the effective date of such repeal, and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such Act.

26. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE BLUTE OF MASSACHUSETTS OR REPRESENTATIVE LIPINSKI OF ILLINOIS A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 37, after line 21, insert the following:

“(11) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

“(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to any individual who is—

“(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

“(ii) violating a condition of probation or parole imposed under Federal or State law.

“(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that such recipient is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the recipient flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the recipient flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State, or is violating a condition of probation or parole imposed under Federal or State law, or has information that is necessary for the officer to conduct the official duties of the officer, that the location or apprehension of the recipient is within such official duties.

Page 37, after line 21, insert the following:

“(11) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

“(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child

to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

“(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

“(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part, of the absence of the minor child from the home for the period specified in or provided for under subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such periods so specified or provided for.

Page 235, after line 24, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 581. ELIMINATION OF FOOD STAMP BENEFITS WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) **INELIGIBILITY FOR FOOD STAMPS.**—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 555, is amended by adding at the end the following:

“(j) No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household while the individual is—

“(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which he flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

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

(2) **EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT OFFICERS.**—Section 11(e)(8) of such Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking “and (C)” and inserting “(C)”; and

(2) by inserting before the semicolon at the end the following: “, (D) notwithstanding any other provision of law, the address of a member of a household shall be made available, on request, to a Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that (i) the member (I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a

crime, or an attempt to commit a crime, which is a felony under the laws of the place from which he flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State, or is violating a condition of probation or parole imposed under Federal or State law, or (II) has information that is necessary for the officer to conduct the officer's official duties, (ii) the location or apprehension of the member is within the official duties of the officer, and (iii) the request is made in the proper exercise of the duties, and".

Page 266, after line 15, insert the following:

SEC. 606. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) **IN GENERAL.**—Section 1611(c) of the Social Security Act (42 U.S.C. 1382(e)), as amended by section 601(b)(1) of this Act, is amended by inserting after paragraph (2) the following:

"(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if, throughout the month, the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law."

(b) **EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.**—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient name and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's duties;

"(B) the location or apprehension of the recipient is within the official duties of the officer; and

"(C) the request is made in the proper exercise of such duties."

Amend the table of contents accordingly.

27. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE ZIMMER OF NEW JERSEY OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 37, line 11, strike "CONVICTED OF" and insert "FOUND TO HAVE".

Page 37, line 12, strike "REPRESENTING" and insert "REPRESENTED".

Page 37, line 12, strike "TO A WELFARE PROGRAM" and insert "IN ORDER TO OBTAIN BENEFITS IN 2 OR MORE STATES" after "RESIDENCE".

Page 37, line 13, 14 and 15, strike "A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to an individual" and insert "An individual shall not be considered an eligible individual for the purposes of this title" before "during" on line 15.

Page 37, line 16, insert "found by a State to have made, or is" after "is".

Page 37, line 17, strike "of making" and insert "of having made,".

Page 37, line 20, strike "under 2 or more" and insert "simultaneously from 2 or more States under".

Page 37, line 21, insert ", title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XIV" before the period.

Page 266, after line 15, insert the following:

SEC. 606. 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.

Section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)) is amended by adding at the end the following:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI."

At the end of subtitle B of title V, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 581. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(I) An individual shall be ineligible to participate in the food stamp program as a member of any household during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits si-

multaneously from 2 or more States under the food stamp program or under programs that are funded under part A of title IV, title XIX, or benefits in 2 or more States under the supplemental security income program under title XVI."

28. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE SHAW OF FLORIDA OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 282, line 13, after the period insert the following: "The Secretary must agree that the system will not cost more nor take more time to establish than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent."

Page 322, strike line 23 and all that follows through line 23 on page 323.

Page 323, line 24, strike "(c)" and insert "(b)".

29. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE DUNN OF WASHINGTON OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 307, line 4, strike "and".

Page 307, line 8, strike "matter.'" and insert "matter; and".

Page 307, after line 8, insert the following:

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate."

30. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE SALMON OF ARIZONA OR REPRESENTATIVE WALDHOLTZ OF UTAH OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 387, after line 10, insert the following:

SEC. 768. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order."

Amend the table of contents accordingly.

31. THE AMENDMENT TO BE OFFERED BY REPRESENTATIVE ROUKEMA OF NEW JERSEY OR A DESIGNEE, DEBATABLE FOR NOT TO EXCEED 20 MINUTES

Page 387, after line, 10, insert the following:

SEC. 768. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 715, 717(a), and 723 of this Act, is amended by adding at the end the following:

“(15) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver’s licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.”.

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