

103^D CONGRESS
2^D SESSION

H. R. 4318

To reduce reliance on public assistance by improving education and job training programs, strengthening support services and case management, eliminating penalties against two-parent families, allowing welfare recipients to keep more of their earnings and benefits as they move into the workforce, and increasing child support enforcement.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1994

Ms. WOOLSEY (for herself and Mr. REGULA) introduced the following bill; which was referred jointly to the Committees on Ways and Means, Education and Labor, and Energy and Commerce

AUGUST 10, 1994

Additional sponsors: Mrs. CLAYTON, Mrs. UNSOELD, Mr. YATES, Mr. FROST, Ms. ROYBAL-ALLARD, Ms. PELOSI, Mr. BECERRA, Mr. SCOTT, Mr. HAMBURG, Mr. MINETA, Mr. FARR of California, Mr. MATSUI, Mr. MILLER of California, Mr. GENE GREEN of Texas, Mr. MARTINEZ, Miss COLLINS of Michigan, Mr. BARLOW, Mr. HEFNER, and Mr. STUDDS

A BILL

To reduce reliance on public assistance by improving education and job training programs, strengthening support services and case management, eliminating penalties against two-parent families, allowing welfare recipients to keep more of their earnings and benefits as they move into the workforce, and increasing child support enforcement.

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 “Working Off Welfare
 5 Act of 1994”.

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

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—WELFARE REFORM

Subtitle A—Aid To Families With Dependent Children

- Sec. 101. Determination of State standard of need.
- Sec. 102. Elimination of restrictions on “fill the gap” policies.
- Sec. 103. Maintenance of benefit levels.
- Sec. 104. Income disregards.
- Sec. 105. Elimination of rules that treat families differently based on number of parents in the home.
- Sec. 106. Modification of child support disregard.
- Sec. 107. Treatment of stepparent income.
- Sec. 108. Availability of child care and medicaid benefits to persons eligible for but not receiving AFDC.
- Sec. 109. Coordination of services.
- Sec. 110. Expenditure of JOBS funds for self-initiated activities.
- Sec. 111. Emphasis on certain types of jobs.
- Sec. 112. Limited class preparation time considered participation in the JOBS program.
- Sec. 113. School attendance by teens considered participation in the JOBS program.
- Sec. 114. Performance standards using self-sufficiency standards.
- Sec. 115. Activities under the JOBS program.
- Sec. 116. Increase in JOBS program funding.
- Sec. 117. Increase in JOBS matching rate.
- Sec. 118. Increase in required JOBS participation rates.
- Sec. 119. Simplification of reporting requirements.
- Sec. 120. State caseworker training programs.
- Sec. 121. Use of JOBS funds for certain other purposes.
- Sec. 122. Case management.
- Sec. 123. Child care benefits.
- Sec. 124. Extension of transitional child care and medicaid benefits.
- Sec. 125. Treatment of certain services for purposes of contract authority.

Subtitle B—Earned Income Tax Credit

- Sec. 131. Recommendations for quarterly payments of earned income credit.

Subtitle C—Microenterprise and Small Business Development

- Sec. 141. Disregard of income and resources designated for education, training, and employability.
- Sec. 142. Disregard of income and resources related to self-employment.

Subtitle D—Effective Date

- Sec. 151. Effective date.

TITLE II—FEDERAL JOB TRAINING PROGRAM REFORMS

Subtitle A—Studies and Reports

- Sec. 201. Departments of Education, Health and Human Services, and Labor studies and reports.
- Sec. 202. General Accounting Office study and report.

Subtitle B—Economic Self-Sufficiency Standards for Federal Job Training Programs

- Sec. 211. Establishment of standards.
- Sec. 212. Poverty line and regional housing based formula.
- Sec. 213. Family, housing, and related factors based formula.
- Sec. 214. Economic self-sufficiency defined.

Subtitle C—Effective Date

- Sec. 221. Effective date.

TITLE III—CHILD SUPPORT ENFORCEMENT

- Sec. 301. National child support order registry.
- Sec. 302. Modification of W-4 reporting requirements to provide for reporting of child support obligations of employees.
- Sec. 303. Collection of child support.
- Sec. 304. Distribution of portion of child support collected.
- Sec. 305. Outreach and accessibility.
- Sec. 306. Commission on Child Support Guidelines.
- Sec. 307. Resources.
- Sec. 308. Paternity establishment procedures.
- Sec. 309. Coordination of collection activities.
- Sec. 310. Inclusion in consumer credit reports of information on overdue child support obligations of the consumer.
- Sec. 311. Effective date.

1 **TITLE I—WELFARE REFORM**

2 **Subtitle A—Aid To Families With**
3 **Dependent Children**

4 **SEC. 101. DETERMINATION OF STATE STANDARD OF NEED.**

5 (a) STATE PLAN REQUIREMENT.—Section 402(a) of
6 the Social Security Act (42 U.S.C. 602(a)) is amended—

1 (1) in paragraph (44), by striking “and” after
2 the semicolon;

3 (2) in paragraph (45), by striking the period
4 and inserting “; and”; and

5 (3) by inserting after paragraph (45) the fol-
6 lowing:

7 “(46) provide that the State’s standard of need
8 for a family shall be determined in accordance with
9 subsection (d).”.

10 (b) RULES FOR DETERMINING STANDARD OF
11 NEED.—Section 402 of such Act (42 U.S.C. 602) is
12 amended by inserting after subsection (c) the following:

13 “(d)(1) At the time of each otherwise required re-
14 evaluation of a State’s standard of need, the State shall
15 elect to determine its standard of need in accordance with
16 paragraph (2), (3), or (4).

17 “(2) A State that elects to determine its standard of
18 need in accordance with this paragraph shall set its stand-
19 ard of need for any family of a certain size and composi-
20 tion at a level that is not less than the sum of—

21 “(A) the applicable living standard for such a
22 family; and

23 “(B) the amount (if any) by which the weighted
24 average housing costs for the State, adjusted by the
25 State (subject to the approval of the Secretary) for

1 the size of such a family, exceeds 30 percent of the
2 applicable living standard.

3 “(3) A State that elects to determine its standard of
4 need in accordance with this paragraph shall set its stand-
5 ard of need for any family of a certain size and composi-
6 tion that resides in a market area in the State at a level
7 that is not less than the sum of—

8 “(A) the applicable living standard for such a
9 family; and

10 “(B) the amount (if any) by which the average
11 housing costs for the market area, adjusted by the
12 State (subject to the approval of the Secretary) for
13 the size of such a family, exceeds 30 percent of the
14 applicable living standard.

15 “(4) A State that elects to determine its standard of
16 need in accordance with this paragraph shall set its stand-
17 ard of need for a family of a certain size and composition
18 at a level equal to the greater of—

19 “(A) the level determined under paragraph (2)
20 for such a family; or

21 “(B) such level as the State determines is ap-
22 propriate for such a family, after taking into ac-
23 count—

24 “(i) child care costs;

25 “(ii) health care costs;

1 “(iii) transportation costs;

2 “(iv) fair market rents for a dwelling unit
3 of adequate size;

4 “(v) food costs; and

5 “(vi) work-related costs.

6 “(5) As used in this subsection:

7 “(A) The term ‘applicable living standard’
8 means, with respect to a family, 130 percent of the
9 income official poverty line (as defined by the Office
10 of Management and Budget, and revised annually in
11 accordance with section 673(2) of the Omnibus
12 Budget Reconciliation Act of 1981) for a family of
13 the same size as the family.

14 “(B) The term ‘weighted average housing costs’
15 means, with respect to a State, the sum of the
16 weighted average housing costs for each market area
17 part or all of which is in the State.

18 “(C) The term ‘weighted average housing costs’
19 means, with respect to a market area—

20 “(i) the average housing costs for the mar-
21 ket area; multiplied by

22 “(ii) the percentage of the population of
23 the State that resides in the market area.

24 “(D) The term ‘average housing costs’ means,
25 with respect to a market area, the fair market rental

1 established by the Secretary of Housing and Urban
2 Development under section 8(a) of the United States
3 Housing Act of 1937 for the market area.

4 “(E) The term ‘market area’ shall have the
5 same meaning such term has for purposes of deter-
6 mining fair market rentals under section 8(a) of the
7 United States Housing Act of 1937.”.

8 **SEC. 102. ELIMINATION OF RESTRICTIONS ON “FILL THE**
9 **GAP” POLICIES.**

10 Section 402(a)(28) of the Social Security Act (42
11 U.S.C. 602(a)) is amended—

12 (1) by inserting “(A)” after “(28)”;

13 (2) by adding “or” at the end; and

14 (3) by adding below the end the following:

15 “(B) at the option of a State to which subpara-
16 graph (A) does not apply, provide that, in addition
17 to the amount of aid otherwise payable to a family
18 for a month under the State plan, the State may
19 pay to the family the amount collected in the month
20 as child support with respect to a dependent child in
21 the family that is not otherwise disregarded from in-
22 come pursuant to paragraph (8)(A)(vi), to the extent
23 that the aggregate of such collected amount, the
24 amount of the aid otherwise payable to the family
25 for the month, and an amount equal to the other in-

1 come of the family not disregarded from income for
2 the month pursuant to paragraph (8) does not ex-
3 ceed the State's standard of need for a family of the
4 same composition;”.

5 **SEC. 103. MAINTENANCE OF BENEFIT LEVELS.**

6 (a) IN GENERAL.—Section 402(a) of the Social Secu-
7 rity Act (42 U.S.C. 602(a)), as amended by section 101(a)
8 of this Act, is amended—

9 (1) in paragraph (45), by striking “and” after
10 the semicolon;

11 (2) in paragraph (46), by striking the period
12 and inserting “; and”; and

13 (3) by inserting after paragraph (46) the fol-
14 lowing:

15 “(47) provide that the maximum amount of aid
16 payable for any month to a family under the State
17 plan shall not be reduced below the maximum
18 amount of aid so payable for January 1994 to a
19 family of the same composition.”.

20 (b) EXEMPTION FROM WAIVER AUTHORITY.—Sec-
21 tion 1115(a)(1) of such Act (42 U.S.C. 1315(a)(1)) is
22 amended by inserting “(other than subsection (a)(47))”
23 after “402”.

1 **SEC. 104. INCOME DISREGARDS.**

2 Section 402(a)(8) of the Social Security Act (42
3 U.S.C. 602(a)(8)) is amended—

4 (1) in subparagraph (A)—

5 (A) by striking clause (ii);

6 (B) in clause (iii), by striking “child, rel-
7 ative, or other individual specified in clause
8 (ii)” and inserting “child or relative applying
9 for or receiving aid to families with dependent
10 children, or of any other individual living in the
11 same home as such relative and child) whose
12 needs are taken into account in making such
13 determination”; and

14 (C) in clause (iv)—

15 (i) in subclause (I), by striking “\$30”
16 and inserting “\$200”; and

17 (ii) in subclause (II), by striking
18 “one-third” and inserting “not less than
19 $\frac{1}{3}$ and not more than $\frac{2}{3}$ ”; and

20 (2) in subparagraph (B)—

21 (A) by striking clause (ii);

22 (B) by striking “—” and all that follows
23 through “(i)”; and

24 (C) by redesignating subclauses (I), (II),
25 and (III) of clause (i) as clauses (i), (ii), and
26 (iii), respectively.

1 **SEC. 105. ELIMINATION OF RULES THAT TREAT FAMILIES**
2 **DIFFERENTLY BASED ON NUMBER OF PAR-**
3 **ENTS IN THE HOME.**

4 (a) IN GENERAL.—Section 402(a) of the Social Secu-
5 rity Act (42 U.S.C. 602(a)) is amended by striking para-
6 graph (41).

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 402(a)(19)(B)(i)(II) of such Act
9 (42 U.S.C. 602(a)(19)(B)(i)(II)) is amended by
10 striking “(and” and all that follows through
11 “407(b)(2)(B)(i))”.

12 (2) Section 402(a)(19)(D) of such Act (42
13 U.S.C. 602(a)(19)(D)) is amended by striking “eligi-
14 ble” and all that follows through “earner” and in-
15 sserting “in which both parents are living at home”.

16 (3) Section 402(a)(19)(G)(i) of such Act (42
17 U.S.C. 602(a)(19)(G)(i)) is amended—

18 (A) in subclause (I), by striking “(whether
19 or not section 407 applies)”;

20 (B) in subclause (II)—

21 (i) by striking “which is eligible for
22 aid to families with dependent children by
23 reason of section 407” and inserting “in
24 which both parents are living at home”;
25 and

1 (ii) by striking “the needs of such
2 spouse shall also not” and inserting “the
3 spouse shall be required to participate in
4 the program and, unless the spouse fails
5 without good cause to so participate, the
6 needs of the spouse shall”.

7 (4) Section 402(a)(38)(B) of such Act (42
8 U.S.C. 602(a)(38)(B)) is amended by striking “or in
9 section 407(a)”.

10 (5) Section 402(a) of such Act (42 U.S.C.
11 602(a)) is amended by striking paragraph (42).

12 (6) Section 403(l)(4)(A)(i) of such Act (42
13 U.S.C. 603(l)(4)(A)(i)) is amended by striking
14 “family eligible” and all that follows through “earn-
15 er” and inserting “2-parent family”.

16 (7) Section 406(a)(1) of such Act (42 U.S.C.
17 606(a)(1)) is amended by striking “who has been
18 deprived” and all that follows through “incapacity of
19 a parent”.

20 (8) Section 406(b)(1) of such Act (42 U.S.C.
21 606(b)(1)) is amended by striking “and if such rel-
22 ative” and all that follows through “section 407”.

23 (9) Section 407 of such Act (42 U.S.C. 607) is
24 hereby repealed.

1 (10) Section 472(a) of such Act (42 U.S.C.
2 672(a)) is amended by striking “or of section 407”.

3 (11) Section 473(a)(2)(A)(i) of such Act (42
4 U.S.C. 672(a)(2)(A)(i)) is amended by striking “or
5 section 407”.

6 (12) Section 1115(b) of such Act (42 U.S.C.
7 1315(b)) is amended by striking paragraph (5).

8 (13) Section 1115 of such Act (42 U.S.C.
9 1315) is amended by striking subsection (d).

10 (14) Section 1902(a)(10)(A)(i) of such Act (42
11 U.S.C. 1396a(a)(10)(A)(i)) is amended by striking
12 subclause (V) and by redesignating subclauses (VI)
13 and (VII) as subclauses (V) and (VI), respectively.

14 (15) Section 1905 of such Act (42 U.S.C.
15 1396d) is amended by striking subsection (m).

16 (16) Section 1905(n)(1) of such Act (42 U.S.C.
17 1396d(n)(1)) is amended—

18 (A) in subparagraph (A)—

19 (i) by striking “(or” and all that fol-
20 lows through “407)”; and

21 (ii) by adding “or” at the end; and

22 (B) by striking subparagraph (B).

23 (17) Section 204(b)(2) of the Family Support
24 Act of 1988 (42 U.S.C. 681 note) is amended by
25 striking “1998” and inserting “1999”.

1 **SEC. 106. MODIFICATION OF CHILD SUPPORT DISREGARD.**

2 (a) IN GENERAL.—Section 402(a)(8)(A)(vi) of the
3 Social Security Act (42 U.S.C. 602(a)(8)(A)(vi)) is
4 amended to read as follows:

5 “(vi) shall disregard $\frac{1}{2}$ of the amount of
6 any child support payment received with respect
7 to any dependent child in any family applying
8 for or receiving aid under the State plan (and
9 $\frac{1}{2}$ of any support payment collected and paid
10 to any such family under section 457(b));”.

11 (b) CONFORMING AMENDMENTS.—Section 457(b)(1)
12 of such Act (42 U.S.C. 657(b)(1)) is amended by striking
13 “the first \$50” each place such term appears and insert-
14 ing “a dollar amount equal to $\frac{1}{2}$ ”.

15 **SEC. 107. TREATMENT OF STEPPARENT INCOME.**

16 (a) OPTION OF FAMILY TO HAVE NEEDS OF STEP-
17 PARENT CONSIDERED.—Section 402(a)(7)(A) of the So-
18 cial Security Act (42 U.S.C. 602(a)(7)(A)) is amended by
19 inserting “, (at the option of such relative) of any step-
20 parent of the child (living in the same home as such child
21 and relative),” before “, or of any other individual”.

22 (b) MODIFICATION OF STEPPARENT INCOME DIS-
23 REGARD.—Section 402(a)(31) of such Act (42 U.S.C.
24 602(a)(31)) is amended—

1 (1) by inserting “if the needs of a stepparent
2 of the dependent child living in the same home as
3 the child are not considered” before “in making”;

4 (2) by striking “dependent child’s stepparent
5 living in the same home as such child” and inserting
6 “stepparent”; and

7 (3) by adding at the end of subparagraph (B)
8 the following: “or, if greater, 130 percent of the in-
9 come official poverty line (as defined by the Office
10 of Management and Budget, and revised annually in
11 accordance with section 673(2) of the Omnibus
12 Budget Reconciliation Act of 1981) applicable to
13 such a family,”.

14 **SEC. 108. AVAILABILITY OF CHILD CARE AND MEDICAID**
15 **BENEFITS TO PERSONS ELIGIBLE FOR BUT**
16 **NOT RECEIVING AFDC.**

17 (a) CHILD CARE.—Section 402(g)(1)(A)(i)(I) of the
18 Social Security Act (42 U.S.C. 602(g)(1)(A)(i)(I)) is
19 amended by inserting “(whether or not the family is a re-
20 cipient of aid under the State plan under this part)” be-
21 fore the comma.

22 (b) MEDICAID.—Section 402(a) of such Act (42
23 U.S.C. 602(a)), as amended by sections 101(a) and 103
24 of this Act, is amended—

1 (1) in paragraph (46), by striking “and” after
2 the semicolon;

3 (2) in paragraph (47), by striking the period
4 and inserting “; and”; and

5 (3) by inserting after paragraph (47) the fol-
6 lowing:

7 “(48) provide that—

8 “(A) a family eligible for aid under the
9 State plan approved under this part shall be
10 considered eligible for medical assistance under
11 the State plan approved under title XIX,
12 whether or not the family is a recipient of aid
13 under the State plan approved under this part;
14 and

15 “(B) the State shall make a reasonable ef-
16 fort to inform all persons who may be eligible
17 for assistance under the State plan approved
18 under this part of the availability of child care
19 under section 402(g), and the availability of
20 medical assistance under the State plan ap-
21 proved under title XIX without application for
22 aid under the State plan approved under this
23 part.”.

1 **SEC. 109. COORDINATION OF SERVICES.**

2 (a) IN GENERAL.—Section 402(a) of such Act (42
3 U.S.C. 602(a)), as amended by sections 101(a), 103, and
4 108(b) of this Act, is amended—

5 (1) in paragraph (47), by striking “and” after
6 the semicolon;

7 (2) in paragraph (48), by striking the period
8 and inserting “; and”; and

9 (3) by inserting after paragraph (48) the fol-
10 lowing:

11 “(49) provide that the State agency shall—

12 “(A) establish at least 1 convenient loca-
13 tion in each community (if practicable, as de-
14 fined by the Secretary in regulations) at which
15 a person may apply for and (if appropriate) re-
16 ceive, directly or through referral to the appro-
17 priate provider, in appropriate languages and in
18 a culturally sensitive manner—

19 “(i) aid under the State plan;

20 “(ii) employment and education coun-
21 seling;

22 “(iii) child care;

23 “(iv) health care;

24 “(v) transportation assistance;

25 “(vi) housing assistance;

26 “(vii) child support services; and

1 “(viii) other types of counseling and
2 support services; and

3 “(B) assign to each recipient of aid under
4 the State plan, and to each applicant for such
5 aid (within 30 days after the date of applica-
6 tion), a case manager who—

7 “(i) is knowledgeable about commu-
8 nity resources;

9 “(ii) is qualified to refer the applicant
10 or recipient to appropriate education and
11 training opportunities, employment pro-
12 grams, and needed health and social serv-
13 ices; and

14 “(iii) is required to coordinate the
15 provision of benefits and services by the
16 State to the applicant or recipient, until
17 the applicant or recipient is no longer eligi-
18 ble for—

19 “(I) aid under the State plan;

20 “(II) child care guaranteed by
21 the State in accordance with section
22 402(g); and

23 “(III) medical assistance under
24 the State plan approved under title
25 XIX.”.

1 (b) STAFFING GUIDELINES.—Section 402 of such
2 Act (42 U.S.C. 602) is amended by adding at the end the
3 following:

4 “(j)(1) The Secretary shall establish guidelines for
5 the staffing of the State agencies referred to in subsection
6 (a)(3) that include recommendations for qualifications of
7 personnel employed by such agencies and for appropriate
8 caseload size.

9 “(2) Every 2 years, each State shall report to the
10 Secretary on—

11 “(A) the extent to which the State is staffing
12 the State agencies referred to in subsection (a)(3) in
13 accordance with the guidelines established pursuant
14 to paragraph (1) of this subsection; and

15 “(B) to the extent the State is not doing so,
16 how the State is carrying out the provisions of the
17 State plan required by subsection (a)(49).”.

18 **SEC. 110. EXPENDITURE OF JOBS FUNDS FOR SELF-INITI-**
19 **ATED ACTIVITIES.**

20 (a) IN GENERAL.—Section 403(l) of the Social Secu-
21 rity Act (42 U.S.C. 603(l)) is amended by adding at the
22 end the following:

23 “(5) For purposes of this subsection, to the extent
24 that a State elects to pay, and pays, the costs of school
25 or training described in section 402(a)(19)(F)(i) for an

1 individual participating in the program of the State under
2 part F, such costs shall be considered expenditures of the
3 State to carry out the program.”.

4 (b) CONFORMING AMENDMENTS.—Section
5 402(a)(19)(F) of such Act (42 U.S.C. 602(a)(19)(F)) is
6 amended—

7 (1) by adding “and” at the end of clause (ii);

8 (2) by striking clause (iii); and

9 (3) by redesignating clause (iv) as clause (iii).

10 **SEC. 111. EMPHASIS ON CERTAIN TYPES OF JOBS.**

11 Section 485(e) of the Social Security Act (42 U.S.C.
12 685(e)) is amended by inserting “, especially jobs in indus-
13 tries that utilize new technologies, and in environmental
14 engineering, environmental cleanup, advanced tele-
15 communications, transportation, infrastructure, or com-
16 puters, jobs that pay wages sufficient to meet or exceed
17 the State’s standard of need, and jobs in fields in which
18 women constitute less than 25 percent of the workforce,”
19 before the period.

20 **SEC. 112. LIMITED CLASS PREPARATION TIME CONSID-**
21 **ERED PARTICIPATION IN THE JOBS PRO-**
22 **GRAM.**

23 Section 403(l)(3)(D) of the Social Security Act (42
24 U.S.C. 603(l)(3)(D)) is amended—

25 (1) by inserting “(i)” after “(D)”; and

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

2 “(ii) For purposes of this paragraph, for each full
3 hour spent by an individual in a postsecondary course of
4 education, 1 hour spent by the individual preparing for
5 the course shall be determined to be participation by the
6 individual for 1 hour in the program under part F.”.

7 **SEC. 113. SCHOOL ATTENDANCE BY TEENS CONSIDERED**

8 **PARTICIPATION IN THE JOBS PROGRAM.**

9 Section 403(l)(3)(D) of the Social Security Act (42
10 U.S.C. 603(l)(3)(D)), as amended by section 112 of this
11 Act, is amended by adding at the end the following:

12 “(iii) For purposes of this paragraph, the hours an
13 individual spends in school shall be determined to be hours
14 of participation in the program under part F if the individ-
15 ual—

16 “(I) has not attained 20 years of age;

17 “(II) is a custodial parent or pregnant, or has
18 attained 16 years of age; and

19 “(III) is attending school in accordance with
20 the employability plan developed for the individual
21 pursuant to section 482(b)(3).”.

22 **SEC. 114. PERFORMANCE STANDARDS USING SELF-SUFFI-**
23 **CIENCY STANDARDS.**

24 Section 487 of the Social Security Act (42 U.S.C
25 687) is amended—

1 (1) in subsection (a)(2), by inserting “, shall re-
2 quire each State operating a program under this
3 part to measure the extent to which program partici-
4 pants become self-sufficient (as defined in section
5 481(a)) within 2 years after beginning such partici-
6 pation,” before “and shall”; and

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

8 “(d) Beginning with fiscal year 1998, each State op-
9 erating a program under this part shall annually submit
10 to the Secretary a report on the numbers and percentages
11 of program participants who become self-sufficient (as de-
12 fined in section 481(a)) within 2 years after beginning
13 such participation, and the extent to which the percentage
14 of such participants becoming self-sufficient has reached
15 a target level determined by the Secretary (which shall not
16 be less than 20 percent for fiscal year 1998).”.

17 **SEC. 115. ACTIVITIES UNDER THE JOBS PROGRAM.**

18 (a) PURPOSE.—Section 481(a) of the Social Security
19 Act (42 U.S.C. 681(a)) is amended to read as follows:

20 “(a) PURPOSE.—The purpose of this part is to help
21 needy families with children obtain the education, train-
22 ing, and employment that will enable them to become self-
23 sufficient as quickly as possible. For purposes of this part,
24 the term ‘self-sufficient’ means gainfully employed in a job
25 which, together with the family’s other income, provides

1 income sufficient to meet or exceed the State’s standard
2 of need determined under section 402(d) for a family of
3 the same size and composition as the family.”.

4 (b) STATE PLAN REQUIRED TO INCLUDE DESCRIP-
5 TION OF STATE EFFORTS TO HELP CERTAIN PARTICI-
6 PANTS BECOME SELF-SUFFICIENT.—Section
7 482(a)(1)(B) of such Act (42 U.S.C. 482(a)(1)(B)) is
8 amended by striking “and (iii)” and inserting “(iii) a de-
9 scription of the policies and practices of the State designed
10 to ensure that (I) individuals who need educational activi-
11 ties (within the meaning of subsection (d)(1)(A)(i)(I)) to
12 assist them in becoming self-sufficient are placed in pro-
13 grams with clear goals, benchmarks and timetables for
14 measuring progress, and periodic reassessments to deter-
15 mine the continued appropriateness of their participation
16 in such activities, and (II) individuals who need job skills
17 training to become employed in their target occupation are
18 placed in training programs in which the provider of train-
19 ing provides participants who successfully complete the
20 training program with a certificate of mastery indicating
21 the occupation for which the participant is qualified, and
22 (iv)”.

23 (c) ASSESSMENT OF NEEDS AND SKILLS OF PARTICI-
24 PANTS; IDENTIFICATION OF TARGET OCCUPATIONS; DE-
25 VELOPMENT OF EMPLOYABILITY PLANS.—Section 482(b)

1 of such Act (42 U.S.C. 682(b)) is amended to read as
2 follows:

3 “(b) ASSESSMENT OF NEEDS AND SKILLS OF PAR-
4 TICIPANTS; IDENTIFICATION OF TARGET OCCUPATIONS;
5 DEVELOPMENT OF EMPLOYABILITY PLANS; MONITOR-
6 ING.—

7 “(1) ASSESSMENT.—

8 “(A) ASSIGNMENT OF CASE MANAGER.—

9 The State must assign a case manager to each
10 participant in the program under this part.

11 “(B) DUTIES OF CASE MANAGER.—The
12 case manager shall be responsible for ensuring
13 that the participant receives an assessment of—

14 “(i) the educational, child care, and
15 other supportive services needs of the fam-
16 ily of the participant;

17 “(ii) the skills, prior work experience,
18 and employability of the participant; and

19 “(iii) the ability of the participant
20 (with appropriate services) to become self-
21 sufficient.

22 “(C) EDUCATIONAL AND VOCATIONAL
23 TESTING.—The assessment must include edu-
24 cational and vocational testing in order to de-
25 termine the skills of the participant, if nec-

1 essary to help identify a target occupation for
2 the participant.

3 “(2) TARGET OCCUPATION.—

4 “(A) IDENTIFICATION.—On the basis of
5 the assessment and testing provided for pursu-
6 ant to paragraph (1), the participant must, in
7 consultation with the State, identify 1 or more
8 target occupations for the participant. The
9 State shall use local labor market information
10 (which shall be provided annually by the State
11 department of labor) to assist the participant in
12 identifying a target occupation.

13 “(B) DEFINITION.—As used in this sub-
14 section, the term ‘target occupation’ means,
15 with respect to a participant, an occupation
16 that provides an opportunity for the participant
17 to become self-sufficient.

18 “(3) EMPLOYABILITY PLAN.—

19 “(A) IN GENERAL.—On the basis of the
20 assessment and testing provided for pursuant to
21 paragraph (1), the State must, in consultation
22 with the participant, develop (and, for good
23 cause, amend) an employability plan for the
24 participant which must—

1 “(i) specify a target occupation for
2 the participant;

3 “(ii) detail the program of activities,
4 including timetables and benchmarks for
5 progress in and completion of each activity,
6 that the participant and the State will en-
7 gage in to help the participant become em-
8 ployed in the target occupation;

9 “(iii) describe the child care, transpor-
10 tation, and other supportive services to be
11 provided to the family of the participant,
12 including, for each child of the participant,
13 the child care services to be provided to the
14 child or a statement that sets forth the
15 reasons why child care services are not
16 needed for the child; and

17 “(iv) be signed by the case manager,
18 the participant, and all providers of serv-
19 ices identified in the plan.

20 “(B) PROCEDURES FOR PARTICIPANTS
21 WHO FAIL TO DEMONSTRATE BASIC LIT-
22 ERACY.—

23 “(i) TESTING FOR LEARNING DISABIL-
24 ITIES.—The State agency must develop
25 procedures for screening participants who

1 fail to demonstrate basic literacy for visual
2 or auditory deficits and such other disabili-
3 ties as the Secretary may specify in regu-
4 lations.

5 “(ii) REGULATIONS.—The Secretary,
6 in consultation with the Secretary of Edu-
7 cation, shall develop appropriate regula-
8 tions and guidance to ensure that—

9 “(I) State assessment and reas-
10 sessment procedures seek to identify
11 potential learning disabilities that
12 could affect the ability of individuals
13 to participate in the program under
14 this part and become self-sufficient;
15 and

16 “(II) subject to available re-
17 sources, the State provides such serv-
18 ices as may be required to address the
19 employment-related needs of partici-
20 pants with learning disabilities.

21 “(C) STATUS OF EMPLOYABILITY
22 PLANS.—The employability plan shall not be
23 considered a contract.

24 “(4) MONITORING OF PARTICIPANT
25 PROGRESS.—

1 “(A) IN GENERAL.—Not less frequently
2 than every 4 months after the development of
3 the employability plan, the case manager shall
4 review with the participant and the providers of
5 services under the plan whether the participant
6 is making good and satisfactory progress in the
7 program of activities under the employability
8 plan.

9 “(B) GOOD AND SATISFACTORY
10 PROGRESS.—The State shall determine what
11 constitutes good and satisfactory progress for
12 purposes of subparagraph (A), except that a
13 participant shall be considered to be making
14 good and satisfactory progress in a program of
15 activities under an employability plan if the
16 participant has met the requirements of the em-
17 ployability plan in a timely manner.

18 “(C) EFFECTS OF FAILURE TO MAKE
19 GOOD AND SATISFACTORY PROGRESS.—If the
20 case manager determines that the participant
21 has failed to make good and satisfactory
22 progress in the program of activities under the
23 employability plan, or that another program of
24 activities would more quickly enable the partici-
25 pant to become self-sufficient, the case manager

1 may, in consultation with the participant and
2 the providers of services to the participant, pro-
3 pose to amend the employability plan and as-
4 sign the participant to such other program of
5 activities. If the case manager determines that
6 the failure of the participant is due to a failure
7 of a service provider that was caused by cir-
8 cumstances within the control of the service
9 provider, the case manager shall consider the
10 appropriateness of assigning the participant to
11 another service provider. If the case manager
12 determines that the failure of the participant is
13 due to the refusal of the participant without
14 good cause to comply with the requirements of
15 the program of activities, then section
16 402(a)(19)(G) shall apply.”.

17 (d) AVAILABILITY OF ENHANCED ON-THE-JOB
18 TRAINING.—Section 482(d) of such Act (42 U.S.C.
19 682(d)) is amended—

20 (1) in paragraph (1)(A)(ii)—

21 (A) by striking “and” at the end of
22 subclause (III);

23 (B) by striking the period at the end of
24 subclause (IV) and inserting “; and”; and

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

1 “(V) enhanced on-the-job training as de-
2 scribed in paragraph (4).”; and

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

4 “(4)(A) Any State may offer participants in the pro-
5 gram under this part the opportunity to receive enhanced
6 on-the-job training consisting of employment by an em-
7 ployer in a productive capacity at a wage that is not less
8 than the entry-level wage of the employer, under the fol-
9 lowing conditions:

10 “(i) The employer must set a target job for the
11 participant in the employer’s firm and will, if at-
12 tained, allow the participant to be self-sufficient.

13 “(ii) The employer must agree to participate in
14 a training plan for the participant, developed in col-
15 laboration with, and approved by, the employer, that
16 will qualify the participant for the target job.

17 “(iii) The employer must agree to provide up to
18 10 hours per week of release time for the participant
19 for training by an approved education provider, ei-
20 ther on or off the employer’s premises, in basic or
21 vocational skills required by the target job. For pur-
22 poses of the preceding sentence, the term ‘approved
23 education provider’ means a provider of educational
24 services that the State agency, after consultation

1 with the State education agency, has approved as
2 qualified to provide enhanced on-the-job training.

3 “(iv) The employer must agree to hire the par-
4 ticipant for the target job or an equivalent job when
5 the participant completes the training plan, and to
6 retain the participant in that job for at least 18
7 months, unless—

8 “(I) the participant is subject to dismissal
9 for cause; or

10 “(II) the employer suffers business difficul-
11 ties that require a reduction in the number of
12 employees including the target job.

13 “(v) The State shall make payments to the em-
14 ployer in an amount equal to a percentage (pre-
15 scribed by the Secretary in regulations) of the ex-
16 penditures of the employer with respect to the par-
17 ticipant.

18 “(B) If the employer violates any condition set forth
19 in subparagraph (A) with respect to a participant, the
20 State agency shall not refer other participants to the em-
21 ployer for participation in enhanced on-the-job training.”.

22 (e) RESOLUTION OF DISPUTES OVER TARGET OCCU-
23 PATIONS AND EMPLOYABILITY PLANS.—Section 482(h) of
24 such Act (42 U.S.C. 682(h)) is amended—

25 (1) by inserting “(1)” before “Each State”; and

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

2 “(2)(A) The State shall, where practicable,
3 defer to reasonable determinations of the participant
4 in identifying a target occupation or developing an
5 employability plan for the participant.

6 “(B) If the participant and the case manager
7 do not agree on a target occupation or on a term or
8 condition of a proposed employability plan for the
9 participant, the case manager shall recommend a
10 target occupation or develop an employability plan
11 for the participant, as the case may be.

12 “(C) Subject to subparagraph (A) of this para-
13 graph, the recommendations of the case manager
14 under subparagraph (B) of this paragraph with re-
15 spect to a matter in disagreement shall be binding
16 upon the participant and the State, unless the mat-
17 ter is otherwise resolved through the procedures es-
18 tablished under paragraph (1).

19 “(D) The State shall ensure that the proce-
20 dures established under paragraph (1) are available
21 to resolve disputes over the matters described in
22 subparagraph (B) of this paragraph, and shall ad-
23 vise participants of such availability.”.

1 (f) RECORDKEEPING.—Section 482 of such Act (42
2 U.S.C. 682) is amended by adding at the end the
3 following:

4 “(j) RECORDKEEPING.—The State agency must
5 maintain a computerized recordkeeping system approved
6 by the Secretary that contains compatible information
7 about each participant in the program under this part,
8 including basic demographic data, the employability plan
9 and amendments to it, the results of tests and diagnoses,
10 services received, progress toward the goals of the employ-
11 ability plan, and job placement.”.

12 (g) LONG-TERM MONITORING.—Section 482 of such
13 Act (42 U.S.C. 682), as amended by subsection (f) of this
14 section, is amended by adding at the end the following:

15 “(k) LONG-TERM MONITORING.—The State agency
16 must maintain a system for monitoring the employment
17 status, wages, and benefits of each participant in the pro-
18 gram under this part for at least 18 months after such
19 participation is terminated in order to determine the suc-
20 cess of the program in facilitating long-term self-suffi-
21 ciency.”.

22 **SEC. 116. INCREASE IN JOBS PROGRAM FUNDING.**

23 Section 403(k)(3) of the Social Security Act (42
24 U.S.C. 603(k)(3)) is amended by striking subparagraphs
25 (E) and (F) and inserting the following:

1 “(E) \$1,540,000,000 in the case of the fiscal
2 year 1995,

3 “(F) \$1,980,000,000 in the case of the fiscal
4 year 1996,

5 “(G) \$2,420,000,000 in the case of the fiscal
6 year 1997,

7 “(H) \$2,860,000,000 in the case of the fiscal
8 year 1998, and

9 “(I) \$3,300,000,000 in the case of the fiscal
10 year 1999.”.

11 **SEC. 117. INCREASE IN JOBS MATCHING RATE.**

12 (a) IN GENERAL.—Section 403(l)(1)(A) of the Social
13 Security Act (42 U.S.C. 603(l)(1)(A)) is amended—

14 (1) by striking “and” at the end of clause (i);

15 (2) in clause (ii)—

16 (A) by inserting “but do not exceed the
17 amount equal to 80 percent of the limitation
18 determined under subsection (k)(2) of this sec-
19 tion with respect to the State for fiscal year
20 1994” after “clause (i)”; and

21 (B) by striking the period and inserting “;
22 and”; and

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

24 “(iii) with respect to so much of such expendi-
25 tures in a fiscal year as exceed 80 percent of the

1 limitation determined under subsection (k)(2) of this
2 section with respect to the State for fiscal year
3 1994, the lesser of—

4 “(I) the percentage described in clause (ii)
5 for the type of expenditures involved, increased
6 by 10 percentage points; or

7 “(II) 90 percent.”.

8 (b) INCREASE IN CHILD CARE MATCHING RATE.—

9 Section 402(g)(3)(A)(i) of the Social Security Act (42
10 U.S.C. 602(g)(3)(A)(i)) is amended to read as follows:

11 “(3)(A)(i) In the case of amounts expended for child
12 care pursuant to paragraph (1)(A) by any State to which
13 section 1108 does not apply, the applicable rate for a fiscal
14 year for purposes of section 403(a) shall be—

15 “(I) with respect to that portion of the total of
16 such expenditures as does not exceed the total of
17 such expenditures by the State for fiscal year 1994,
18 the Federal medical assistance percentage (as de-
19 fined in section 1905(b)); and

20 “(II) with respect to the remainder of such ex-
21 penditures, the lesser of—

22 “(aa) the percentage described in section
23 403(l)(1)(A)(ii)(II), increased by 10 percentage
24 points; or

25 “(bb) 90 percent.”.

1 **SEC. 118. INCREASE IN REQUIRED JOBS PARTICIPATION**
2 **RATES.**

3 (a) IN GENERAL.—Section 403(l)(3)(A) of the Social
4 Security Act (42 U.S.C. 603(l)(3)(A)) is amended—

5 (1) by striking “and” at the end of clause (v);

6 (2) by striking the period at the end of clause

7 (vi) and inserting “; and”; and

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

9 “(vii) 25 percent, if such year is 1996;

10 “(viii) 30 percent, if such year is 1997;

11 “(ix) 35 percent, if such year is 1998; and

12 “(x) 40 percent, if such year is 1999.”.

13 (b) SCHEDULE OF PENALTIES FOR FAILURE TO
14 MEET PARTICIPATION RATES.—Section 403(l)(3) of such
15 Act (42 U.S.C. 603(l)(3)) is amended—

16 (1) in subparagraph (A), by inserting “, with-
17 out good cause,” before “the State’s”; and

18 (2) by amending subparagraph (E) to read as
19 follows:

20 “(E) The Secretary shall, by regulation, prescribe a
21 schedule of penalties to be applied to a State that fails
22 to comply with subparagraph (A), the severity of which
23 shall be based on the extent of the noncompliance.”.

24 (c) CONFORMING AMENDMENTS.—Section 204(b)(2)
25 of the Family Support Act of 1988 (42 U.S.C. 681 note)
26 is amended—

1 (1) by inserting “, and amended by section
2 118(a) of the Working Off Welfare Act of 1994”
3 after “this Act”; and

4 (2) by striking “1995” and inserting “1999”.

5 **SEC. 119. SIMPLIFICATION OF REPORTING REQUIREMENTS.**

6 Section 402(a) of such Act (42 U.S.C. 602(a)), as
7 amended by sections 101(a), 103, and 108(b) of this Act,
8 is amended—

9 (1) in paragraph (47), by striking “and” after
10 the semicolon;

11 (2) in paragraph (48), by striking the period
12 and inserting “; and”; and

13 (3) by inserting after paragraph (48) the fol-
14 lowing:

15 “(49) provide that the State—

16 “(A) may not require a family to report
17 changes in family income until the net amount
18 of such changes, since the most recent such re-
19 port, equals or exceeds the reporting threshold;

20 “(B) shall establish the reporting threshold
21 for purposes of subparagraph (A) at an amount
22 which shall be not less than \$25 and not more
23 than \$100; and

24 “(C) may not impose a penalty on a family
25 by reason of any failure to report any change

1 in income that the State, pursuant to subpara-
2 graph (A), may not require to be reported.”.

3 **SEC. 120. STATE CASEWORKER TRAINING PROGRAMS.**

4 Section 402(a) of such Act (42 U.S.C. 602(a)), as
5 amended by sections 101(a), 103, 108(b), and 119 of this
6 Act, is amended—

7 (1) in paragraph (48), by striking “and” after
8 the semicolon;

9 (2) in paragraph (49), by striking the period
10 and inserting “; and”; and

11 (3) by inserting after paragraph (49) the fol-
12 lowing:

13 “(50) provide that the State agency shall design
14 and implement a program for the training of case-
15 workers who provide services under the State plan,
16 under which priority is to be given to training indi-
17 viduals who are caseworkers at the time the program
18 commences, and under which caseworkers should be
19 trained to advise recipients of aid under the State
20 plan of training opportunities in industries that uti-
21 lize new technologies, or in environmental engineer-
22 ing, environmental cleanup, advanced telecommuni-
23 cations, transportation, infrastructure, or computers,
24 employment for wages sufficient to meet or exceed
25 the State’s standard of need, and employment in

1 fields in which women constitute less than 25 per-
2 cent of the workforce.”.

3 **SEC. 121. USE OF JOBS FUNDS FOR CERTAIN OTHER PUR-**
4 **POSES.**

5 (a) IN GENERAL.—Section 403(l)(1) of the Social Se-
6 curity Act (42 U.S.C. 603(l)(1)) is amended by adding
7 at the end the following:

8 “(C) Expenditures by a State for any of the following
9 shall be considered an expense of operating the program
10 of the State under part F:

11 “(i) The outstationing of caseworkers at com-
12 munity colleges for the purpose of enhancing access
13 of recipients of aid to families with dependent chil-
14 dren to higher education, and the use of such case-
15 workers to provide linkage between postsecondary
16 educational institutions and the private and public
17 sectors, including private industry councils, cham-
18 bers of commerce, and unions.

19 “(ii) The entering into of contracts with public
20 or private entities for the creation of apprenticeship
21 programs which address the work and training needs
22 of recipients of aid to families with dependent chil-
23 dren (including the expansion of programs by creat-
24 ing additional apprenticeship slots with specific sup-
25 port for such recipients) and under which appren-

1 tices will be targeted for jobs in industries that uti-
2 lize new technologies, in environmental engineering,
3 environmental cleanup, advanced telecommuni-
4 cations, transportation, infrastructure, or computers,
5 for jobs that pay wages sufficient to meet or exceed
6 the State's standard of need, and for jobs in fields
7 in which women constitute less than 25 percent of
8 the workforce.

9 “(iii) The identification of recipients of aid to
10 families with dependent children and secondary
11 school students whose parents are recipients of such
12 aid, the provision to such recipients and such stu-
13 dents of information about opportunities in, and the
14 availability of, programs under the Job Training
15 Partnership Act, the School-to-Work Opportunities
16 Act of 1993, or the Carl D. Perkins Vocational and
17 Applied Technology Education Act in their area, and
18 the facilitation of the preparation of such recipients
19 and such students for such programs.

20 “(iv) The non-Federal share of the compensa-
21 tion of students employed in the work-study pro-
22 gram under part C of title IV of the Higher Edu-
23 cation Act of 1965, and the establishment and im-
24 plementation of programs similar to the work-study

1 program for recipients of aid to families with de-
2 pendent children.

3 “(v) The coordination of the program of the
4 State under part F with State and local programs
5 under the School-to-Work Opportunities Act of 1993
6 in order to provide enhanced opportunities for recipi-
7 ents of aid to families with dependent children to
8 take advantage of such State and local programs.

9 “(vi) The implementation of programs to reduce
10 pregnancy rates and increase graduation rates at
11 schools for which the combined pregnancy and drop-
12 out rate is at least 30 percent, under which partici-
13 pation is required during every month of the year,
14 and under which caseworkers and program adminis-
15 trators work with schools and community health or-
16 ganizations in integrating the program with—

17 “(I) programs under the School-to-Work
18 Opportunities Act of 1993;

19 “(II) programs under parts B and C of
20 title II of the Job Training Partnership Act;

21 “(III) programs under the Carl D. Perkins
22 Vocational and Applied Technology Education
23 Act;

24 “(IV) school-based recreational programs;

25 “(V) before- and after-school programs;

1 “(VI) programs for the discussion of self-
2 esteem, parenting responsibilities, prenatal care
3 and nutrition, and child support responsibilities;
4 and

5 “(VII) counseling.

6 “(vii) The provision of stabilizing services to en-
7 able parents who have not attained 20 years of age
8 to participate in the integrated program described in
9 clause (vi).”.

10 (b) ANNUAL REPORTS ON STATE EFFORTS TO FIND
11 EMPLOYMENT FOR WOMEN.—Section 402(a) of such Act
12 (42 U.S.C. 602(a)), as amended by sections 101(a), 103,
13 108(b), 119, and 120 of this Act, is amended—

14 (1) in paragraph (49), by striking “and” after
15 the semicolon;

16 (2) in paragraph (50), by striking the period
17 and inserting “; and”; and

18 (3) by inserting after paragraph (50) the
19 following:

20 “(51) provide that, not later than December 31
21 of each year, the State shall submit to the Secretary
22 a report that details the efforts made by the State
23 to place women in fields in which women constitute
24 less than 25 percent of the workforce, the manner
25 in which the State determines which jobs to train

1 women for, and the percentages of men and women
2 that are placed in jobs.”.

3 (c) USE OF WAGE RECORD DATA ON PARTICIPANTS
4 IN THE JOBS PROGRAM.—Section 482(a)(1) of such Act
5 (42 U.S.C. 682(a)(1)) is amended by redesignating sub-
6 paragraphs (C) and (D) as subparagraphs (D) and (E),
7 respectively, and by inserting after subparagraph (B) the
8 following:

9 “(C) A State plan under this part must provide
10 that—

11 “(i) the State agency must enter into an agree-
12 ment with the State agency responsible for admin-
13 istering the State unemployment compensation pro-
14 gram, which provides for the ongoing provision of
15 wage record data (with appropriate assurances to
16 protect confidentiality) on participants in the State
17 program operated under this part;

18 “(ii) the State must use such wage record data,
19 in accordance with regulations prescribed by the
20 Secretary and the Secretary of Labor, to measure
21 outcomes of the components of the program, out-
22 comes for providers of services under the program,
23 and the extent to which participants in the program
24 become self-sufficient after such participation;

1 “(iii) the State must use such wage record data
2 to report to the Secretary, pursuant to a schedule
3 prescribed by the Secretary, the average wages of
4 men who entered employment after participation in
5 the program, the average wages of women who en-
6 tered employment after participation in the program;
7 and

8 “(iv) the State must submit to the Secretary a
9 report that describes the measures that the State
10 has undertaken, since the most recent review and
11 update of the State plan, to reduce any difference
12 between the average wages of such men and the av-
13 erage wages of such women.”.

14 **SEC. 122. CASE MANAGEMENT.**

15 (a) **ELIMINATION OF REGULATIONS THAT IMPOSE**
16 **OBSTACLES TO THE USE OF A CASE MANAGEMENT SYS-**
17 **TEM.**—Not later than the effective date of this title, the
18 Secretary of Health and Human Services shall amend the
19 regulations prescribed under parts A and F of title IV of
20 the Social Security Act so as to remove any obstacle to
21 the implementation by the States of case management sys-
22 tems in the program of aid to families with dependent
23 children.

24 (b) **FEDERAL PROVISION OF CASE MANAGEMENT**
25 **SERVICES.**—The Office of Adolescent Pregnancy Preven-

1 tion in the Department of Health and Human Services
2 may provide referral to appropriate programs and services
3 for parents who have not attained 20 years of age and
4 are not recipients of aid to families with dependent chil-
5 dren under a State plan approved under part A of title
6 IV of the Social Security Act.

7 (c) EFFECTIVE DATE.—This section shall take effect
8 on the date of the enactment of this Act.

9 **SEC. 123. CHILD CARE BENEFITS.**

10 (a) EXPANSION OF ELIGIBILITY; NOTICE OF ELIGI-
11 BILITY.—Section 402(g)(1)(A) of the Social Security Act
12 (42 U.S.C. 602(g)(1)(A)) is amended—

13 (1) in clause (ii)—

14 (A) by inserting “(I)” before “Each”;

15 (B) by striking all that follows “children”
16 and inserting “and the caretaker relative in the
17 family is working”; and

18 (C) by adding after and below the end the
19 following:

20 “(II) Each State agency shall assess the eligibility for
21 child care under this clause of each family who ceases to
22 receive aid to families with dependent children, without
23 regard to whether the family has applied for such care,
24 and in the notice of termination of such aid, shall notify
25 the family, in writing and orally, as appropriate, of its

1 right to child care under this clause, and include informa-
2 tion on the steps necessary to obtain such care and on
3 the rights and responsibilities of the family with respect
4 to the provision of such care.”; and

5 (2) in clause (iii), by striking all that follows
6 “clause (ii)” and inserting “until the family’s
7 monthly income exceeds 185 percent of the income
8 official poverty line (as defined by the Office of Man-
9 agement and Budget, and revised annually in ac-
10 cordance with section 673(2) of the Omnibus Budget
11 Reconciliation Act of 1981) for a family of the same
12 size as the family.”.

13 (b) ADVANCE PAYMENTS.—Section 402(g)(1)(B) of
14 such Act (42 U.S.C. 602(g)(1)(B)) is amended—

15 (1) by inserting “(i)” after “(B)”;

16 (2) by redesignating clauses (i) through (v) as
17 subclauses (I) through (V), respectively; and

18 (3) by striking the 2nd sentence and inserting
19 the following:

20 “(ii) When the State agency arranges for child care,
21 the agency shall take into account the individual needs of
22 the child.

23 “(iii) The State agency shall make advance payments
24 for child care assistance to a family eligible for such care
25 if—

1 “(I) an advance is required in order for the
2 family to secure or retain such care;

3 “(II) the provider of such care will not provide
4 such care without payment in advance; or

5 “(III) there will be a delay in reimbursing the
6 caretaker relative in the family for the cost of such
7 care or in applying subsection (a)(8)(A)(iii) to the
8 family.”.

9 (c) STATE OPTION TO EXEMPT FAMILIES BELOW
10 POVERTY LEVEL FROM CONTRIBUTION REQUIREMENT.—
11 Section 402(g)(1)(A)(vii) of such Act (42 U.S.C.
12 602(g)(1)(A)(vii)) is amended—

13 (1) by inserting “(I)” after “(vii)”; and

14 (2) by adding after and below the end the fol-
15 lowing:

16 “(II) The State may elect not to apply subclause (I)
17 to any family whose income does not exceed the income
18 official poverty line (as defined by the Office of Manage-
19 ment and Budget, and revised annually in accordance with
20 section 673(2) of the Omnibus Budget Reconciliation Act
21 of 1981) for a family of the same size as the family.”.

22 (d) CHILD CARE FOR FAMILIES INCLUDING A CARE-
23 TAKER RELATIVE NOT RECEIVING AFDC.—Section
24 402(g)(1)(A) of such Act (42 U.S.C. 602(g)(1)(A)) is
25 amended by adding at the end the following:

1 “(viii) In any case in which child care is determined
2 to be necessary for the caretaker relative of a child receiv-
3 ing aid to families with dependent children to accept or
4 retain employment, the State shall guarantee child care
5 whether or not the caretaker relative is receiving such aid,
6 and if the caretaker relative is not receiving such aid, the
7 State may apply a sliding fee scale to determine the appro-
8 priate contribution (if any) to the cost of care to be paid
9 by the caretaker.”.

10 (e) AUTHORITY TO PROVIDE FOR CONTINUITY OF
11 CHILD CARE.—Section 402(g)(1)(A) of such Act (42
12 U.S.C. 602(g)(1)(A)), as amended by subsection (d) of
13 this section, is amended by adding at the end the follow-
14 ing:

15 “(ix) A State may continue child care assistance with-
16 out interruption during breaks between otherwise allow-
17 able activities, and for a reasonable period of time after
18 any loss of employment, to ensure continuity of child care
19 arrangements for the child or children of a family eligible
20 to receive care under this paragraph.”.

21 (f) DEPENDENT CARE DISREGARD NOT TO BE RE-
22 GARDED AS A METHOD OF GUARANTEEING CHILD
23 CARE.—Section 402(g)(1)(B) of such Act (42 U.S.C.
24 602(g)(1)(B)), as amended by subsection (b) of this sec-
25 tion, is amended by adding at the end the following:

1 “(iv) Compliance with subsection (a)(8)(A)(iii) with
2 respect to a family shall not be construed to be a guaran-
3 tee of child care for the family pursuant to this sub-
4 section.”.

5 **SEC. 124. EXTENSION OF TRANSITIONAL CHILD CARE AND**
6 **MEDICAID BENEFITS.**

7 (a) TRANSITIONAL CHILD CARE BENEFITS.—Section
8 304(b) of the Family Support Act of 1988 (42 U.S.C. 602
9 note) is amended—

10 (1) by striking “(1)”; and

11 (2) by striking paragraph (2).

12 (b) TRANSITIONAL MEDICAID BENEFITS.—Section
13 303(f)(2) of such Act (42 U.S.C. 602 note) is amended—

14 (1) by striking “(A)”; and

15 (2) by striking subparagraphs (B) and (C).

16 **SEC. 125. TREATMENT OF CERTAIN SERVICES FOR PUR-**
17 **POSES OF CONTRACT AUTHORITY.**

18 Section 485(b) of the Social Security Act (42 U.S.C.
19 685(b)) is amended by adding at the end the following:
20 “A service shall not be considered to be otherwise available
21 on a nonreimbursable basis if the service is not appro-
22 priate to meet the identified needs of the participant to
23 whom the service is to be provided.”.

1 ing the preceding 12 months because of excessive
2 earnings), any amount not to exceed \$8,000 in a
3 qualified asset account (as defined in section 406(i))
4 of such family” before “; and”.

5 (b) DISREGARD FROM INCOME.—

6 (1) IN GENERAL.—Section 402(a)(8)(A) of such
7 Act (42 U.S.C. 602(a)(8)(A)) is amended—

8 (A) by striking “and” at the end of clause
9 (vii); and

10 (B) by inserting after clause (viii) the fol-
11 lowing new clause:

12 “(ix) shall disregard any interest or income
13 earned on a qualified asset account (as defined
14 in section 406(i)); and”.

15 (2) NONRECURRING LUMP SUM EXEMPT FROM
16 LUMP SUM RULE.—Section 402(a)(17) of such Act
17 (42 U.S.C. 602(a)(17)) is amended by adding at the
18 end the following: “; and that this paragraph shall
19 not apply to earned or unearned income received in
20 a month on a nonrecurring basis to the extent that
21 such income is placed in a qualified asset account
22 (as defined in section 406(i)) the total amounts in
23 which, after such placement, does not exceed
24 \$8,000;”.

1 (3) TREATMENT AS INCOME.—Section
2 402(a)(7) of such Act (42 U.S.C. 602(a)(7)) is
3 amended—

4 (A) by striking “and” at the end of sub-
5 paragraph (B);

6 (B) by striking the semicolon at the end of
7 subparagraph (C) and inserting “; and”; and

8 (C) by adding at the end the following new
9 subparagraph:

10 “(D) shall treat as income any distribu-
11 tions from a qualified asset account (as defined
12 in section 406(i)(1)) which do not meet the def-
13 inition of a qualified distribution under section
14 406(i)(2);”.

15 (c) QUALIFIED ASSET ACCOUNTS.—Section 406 of
16 such Act (42 U.S.C. 606) is amended by adding at the
17 end the following:

18 “(i)(1) The term ‘qualified asset account’ means a
19 mechanism approved by the State (such as individual re-
20 tirement accounts, escrow accounts, or savings bonds) that
21 allows savings of a family receiving aid to families with
22 dependent children to be used for qualified distributions.

23 “(2) The term ‘qualified distributions’ means dis-
24 tributions for expenses directly related to one or more of
25 the following purposes:

1 “(A) The attendance of a member of the family
2 at any education or training program.

3 “(B) The improvement of the employability (in-
4 cluding self-employment) of a member of the family
5 (such as through the purchase of an automobile).

6 “(C) The purchase of a home for the family.

7 “(D) A change of the family residence.”.

8 (d) STUDY OF USE OF QUALIFIED ASSET ACCOUNTS;
9 REPORT.—The Secretary of Health and Human Services
10 shall conduct a study of the use of qualified asset accounts
11 established pursuant to the amendments made by this sec-
12 tion, and shall report on such study and any recommenda-
13 tions for modifications of such amendments to the Com-
14 mittee on Finance of the Senate and the Committee on
15 Ways and Means of the House of Representatives not later
16 than January 1, 1996.

17 (e) REPORT ON AFDC ASSET LIMIT ON AUTO-
18 MOBILES.—Within 3 months after the date of the enact-
19 ment of this Act, the Secretary of Health and Human
20 Services shall submit to the Congress a report on—

21 (1) the need to revise the limitation, established
22 in regulations pursuant to section 402(a)(7)(B)(i) of
23 the Social Security Act, on the value of a family
24 automobile required to be disregarded by a State in
25 determining the eligibility of the family for aid to

1 families with dependent children under the State
2 plan approved under part A of title IV of such Act;
3 and

4 (2) the extent to which such a revision would
5 increase the employability of recipients of such aid.

6 **SEC. 142. DISREGARD OF INCOME AND RESOURCES RELAT-**
7 **ED TO SELF-EMPLOYMENT.**

8 (a) STATE PLAN REQUIREMENTS.—Section 402(a)
9 of the Social Security Act (42 U.S.C. 602(a)), as amended
10 by sections 101(a), 103, 108(b), 119, 120, and 121(b) of
11 this Act, is amended—

12 (1) by striking “and” at the end of paragraph
13 (50);

14 (2) by striking the period at the end of para-
15 graph (51) and inserting “; and”; and

16 (3) by inserting after paragraph (51) the
17 following:

18 “(52) at the option of the State, provide that
19 the State agency—

20 “(A)(i) shall not include as a resource of
21 the family of which a child referred to in para-
22 graph (7)(A) is a member, for purposes of
23 paragraph (7)(B), the first \$10,000 of the net
24 worth (assets reduced by liabilities with respect
25 thereto) of all microenterprises (as defined in

1 section 406(j)(1)) owned, in whole or in part,
2 by the child or by a relative or other individual
3 referred to in paragraph (7)(A), for a period
4 not to exceed 2 years; and

5 “(ii) shall take into consideration as
6 earned income of the family of which the child
7 is a member, only the net profits (as defined in
8 section 406(j)(2)) of such microenterprises, for
9 a period not to exceed 2 years; and

10 “(B) shall ensure that caseworkers are
11 able to properly advise recipients of aid under
12 the State plan of the option of microenterprise
13 as a legitimate route towards self-sufficiency,
14 and that caseworkers encourage recipients of
15 such aid who are interested in starting a
16 microenterprise to participate in a program de-
17 signed to assist them in such effort.”.

18 (b) DEFINITIONS.—Section 406 of such Act (42
19 U.S.C. 606), as amended by section 141(c) of this Act,
20 is amended by adding at the end the following:

21 “(j)(1) The term ‘microenterprise’ means a commer-
22 cial enterprise which has 5 or fewer employees, 1 or more
23 of whom owns the enterprise.

1 “(2) The term ‘net profits’ means, with respect to
2 a microenterprise, the gross receipts of the business,
3 minus—

4 “(A) payments of principal or interest on a loan
5 to the microenterprise;

6 “(B) transportation expenses;

7 “(C) inventory costs;

8 “(D) expenditures to purchase capital equip-
9 ment;

10 “(E) cash retained by the microenterprise for
11 future use by the business;

12 “(F) taxes paid by reason of the business;

13 “(G) if the business is covered under a policy
14 of insurance against loss—

15 “(i) the premiums paid for such insurance;

16 and

17 “(ii) the losses incurred by the business
18 that are not reimbursed by the insurer solely by
19 reason of the existence of a deductible with re-
20 spect to the insurance policy;

21 “(H) the reasonable costs of obtaining 1 motor
22 vehicle necessary for the conduct of the business;
23 and

24 “(I) the other expenses of the business.”.

1 (c) INCLUSION OF MICROENTERPRISE TRAINING AND
2 ACTIVITIES IN THE JOBS PROGRAM.—

3 (1) IN GENERAL.—Section 482(d)(1) of such
4 Act (42 U.S.C. 682(d)(1)) is amended by adding at
5 the end the following:

6 “(C) The services and activities referred to in sub-
7 paragraph (A)—

8 “(i) in the case that at least 3 percent of the
9 adult recipients of aid under the State plan approved
10 under part A (as of the close of the immediately pre-
11 ceding fiscal year) elect to participate in
12 microenterprise activities, shall include programs de-
13 scribed in paragraph (5); or

14 “(ii) in the case that not more than 3 percent
15 of the adult recipients of such aid elect to partici-
16 pate in microenterprise activities, may include pro-
17 grams described in paragraph (5).”.

18 (2) MICROENTERPRISE PROGRAMS.—Section
19 482(d) of such Act (42 U.S.C. 682(d)), as amended
20 by section 115(d)(2) of this Act, is amended by add-
21 ing at the end the following:

22 “(5) The programs described in this paragraph are
23 programs of public and private organizations, agencies,
24 and other entities (including nonprofit and for-profit enti-

1 ties) to enable such entities to facilitate economic develop-
2 ment by—

3 “(A) providing technical assistance, advice, and
4 business support services (including assistance, ad-
5 vice, and support relating to business planning, fi-
6 nancing, marketing, and other microenterprise devel-
7 opment activities) to owners of microenterprises and
8 persons developing microenterprises; and

9 “(B) providing general support (such as peer
10 support and self-esteem programs) to owners of
11 microenterprises and persons developing
12 microenterprises.”.

13 **Subtitle D—Effective Date**

14 **SEC. 151. EFFECTIVE DATE.**

15 (a) IN GENERAL.—This title and the amendments
16 made by this title shall take effect on October 1, 1995,
17 and shall apply to payments under part A of title IV, and
18 title XIX, of the Social Security Act for quarters begin-
19 ning on or after such date.

20 (b) EARLY APPLICABILITY AT STATE OPTION.—

21 (1) ELECTION.—Any State may elect for this
22 title and the amendments made by this title to apply
23 to the State for quarters beginning before the end
24 of the date specified in subsection (a).

1 (2) EARLY APPLICABILITY.—This title and the
2 amendments made by this title shall apply to pay-
3 ments to a State under part A of title IV, and title
4 XIX, of the Social Security Act for quarters begin-
5 ning after the Secretary of Health and Human Serv-
6 ices receives from the State a notice that the State
7 has made the election described in paragraph (1).

8 **TITLE II—FEDERAL JOB**
9 **TRAINING PROGRAM REFORMS**
10 **Subtitle A—Studies and Reports**

11 **SEC. 201. DEPARTMENTS OF EDUCATION, HEALTH AND**
12 **HUMAN SERVICES, AND LABOR STUDIES AND**
13 **REPORTS.**

14 (a) STUDIES.—The Secretary of Education, the Sec-
15 retary of Health and Human Services, and the Secretary
16 of Labor shall each conduct a study to review the effective-
17 ness of the Federal job training programs under the juris-
18 dictions of each such Secretary, respectively, including—

19 (1) the extent to which such programs are suc-
20 cessful at placing both male and female participants
21 into unsubsidized employment; and

22 (2) the average starting wages and benefits of
23 such participants in such employment.

24 (b) REPORTS.—Not later than 1 year after the date
25 of the enactment of this Act, each Secretary specified in

1 subsection (a) shall submit to the Congress a report con-
2 taining—

3 (1) the results of the study carried out by each
4 such Secretary under subsection (a), respectively;
5 and

6 (2) recommendations for legislation to increase
7 the effectiveness of the Federal job training pro-
8 grams under the jurisdiction of each such Secretary,
9 respectively, including recommendations—

10 (A) to change or eliminate provisions of
11 law or regulations that restrict or prohibit indi-
12 viduals with low incomes and their families
13 from receiving services under such programs;
14 and

15 (B) to eliminate discrepancies in wages
16 and benefits based on gender.

17 **SEC. 202. GENERAL ACCOUNTING OFFICE STUDY AND**
18 **REPORT.**

19 (a) STUDY.—

20 (1) IN GENERAL.—The Comptroller General of
21 the United States shall conduct a study to review
22 the effectiveness of the Federal job training pro-
23 grams under the jurisdictions of the Secretary of
24 Education, the Secretary of Health and Human
25 Services, and the Secretary of Labor, including the

1 extent to which such programs are successful at
2 placing both male and female participants into
3 unsubsidized employment at wages which are not
4 less than 130 percent of the income official poverty
5 line (as defined by the Office of Management and
6 Budget, and revised annually in accordance with sec-
7 tion 673(2) of the Omnibus Budget Reconciliation
8 Act of 1981), applicable to a family of the size
9 involved.

10 (2) CONDUCT OF STUDY.—In carrying out the
11 study under paragraph (1), the Comptroller General
12 of the United States shall—

13 (A) identify the various categories of indi-
14 viduals that such programs are intended to
15 serve and determine the extent to which such
16 categories of individuals are actually being
17 served under such programs; and

18 (B) identify any outcome measures cur-
19 rently used by the Department of Education,
20 the Department of Health and Human Services,
21 and the Department of Labor in the Federal
22 job training programs under the jurisdictions of
23 such Departments.

24 (b) REPORT.—Not later than 1 year after the date
25 of the enactment of this Act, the Comptroller General of

1 the United States shall submit to the Congress a report
2 containing the results of the study carried out under sub-
3 section (a).

4 **Subtitle B—Economic Self-Suffi-**
5 **ciency Standards for Federal**
6 **Job Training Programs**

7 **SEC. 211. ESTABLISHMENT OF STANDARDS.**

8 (a) IN GENERAL.—Not later than 1 year after the
9 date of the enactment of this Act, the Secretary of Edu-
10 cation, the Secretary of Health and Human Services, and
11 the Secretary of Labor shall, in accordance with either the
12 formula under section 212 or the formula under section
13 213, jointly develop and publish in the Federal Register
14 proposed standards that measure the minimum amount of
15 wages and employment benefits that a participant enrolled
16 in a Federal job training program under the jurisdiction
17 of each such Secretary, respectively, should receive after
18 termination from such program to ensure the long-term
19 economic self-sufficiency of such participant.

20 (b) PUBLIC REVIEW AND COMMENT.—Each Sec-
21 retary specified in subsection (a) shall provide for public
22 review and comment of the proposed standards developed
23 by each such Secretary, respectively, not later than the
24 60-day period beginning on the date such standards are
25 published in the Federal Register.

1 (c) FINAL STANDARDS.—Not later than 4 months
2 after the end of the 60-day period described in subsection
3 (b), each Secretary specified in subsection (a) shall develop
4 and publish in the Federal Register final standards.

5 **SEC. 212. POVERTY LINE AND REGIONAL HOUSING BASED**
6 **FORMULA.**

7 A Secretary who elects to develop proposed standards
8 in accordance with this section shall make significant
9 progress toward ensuring that each participant enrolled
10 in a Federal job training program receives services under
11 such program so that upon termination from such pro-
12 gram such participant receives, or is a member of a family
13 which receives, a total income which is not less than the
14 sum of—

15 (1) 130 percent of the income official poverty
16 line (as defined by the Office of Management and
17 Budget, and revised annually in accordance with sec-
18 tion 673(2) of the Omnibus Budget Reconciliation
19 Act of 1981) applicable to a family of the size in-
20 volved; and

21 (2) the amount (if any) by which the regional
22 housing costs for a family residing in the State (as
23 determined by the Secretary of Housing and Urban
24 Development) exceed the national average housing
25 costs for a family (as so determined).

1 **SEC. 213. FAMILY, HOUSING, AND RELATED FACTORS**
2 **BASED FORMULA.**

3 A Secretary who elects to develop proposed standards
4 in accordance with this section shall ensure that each par-
5 ticipant enrolled in a Federal job training program re-
6 ceives services under such program so that upon termi-
7 nation from such program such participant receives, or is
8 a member of a family which receives, an appropriate total
9 income which takes into account the following factors:

10 (1) The participant's family size and composi-
11 tion, including the number and age of dependent
12 adults and children.

13 (2) 100 percent of the average housing costs,
14 which shall be based on the fair market rental in ef-
15 fect for the market area in which the participant re-
16 sides, as established by the Secretary of Housing
17 and Urban Development pursuant to section 8(c) of
18 the United States Housing Act of 1937.

19 (3) 100 percent of the average child care costs
20 (differentiated by the age of each child), which may
21 be based on the actual cost of such care established
22 under section 402(g)(1)(C)(i)(I) the Social Security
23 Act or the applicable local market rate established
24 under clause (ii) of such section.

1 (4) 100 percent of the average adult dependent
2 care costs, which may be based on local surveys or
3 the local average of such costs.

4 (5) 100 percent of the average health care
5 costs, which shall include costs incurred for full fam-
6 ily health care coverage (including premiums,
7 deductibles, and copayments), and which may be
8 based on local surveys or the local average of such
9 costs.

10 (6) 100 percent of the average transportation
11 costs, which may be based on local surveys or the
12 local average of such costs.

13 (7) 100 percent of the food costs, which shall
14 be equal to $\frac{1}{3}$ of the official poverty line (as defined
15 by the Office of Management and Budget, and re-
16 vised annually in accordance with section 673(2) of
17 the Omnibus Budget Reconciliation Act of 1981 (42
18 U.S.C. 9902(2)).

19 (8) 100 percent of the average work-related
20 costs, which shall include the cost of uniforms, tools,
21 and other appropriate work-related costs.

22 **SEC. 214. ECONOMIC SELF-SUFFICIENCY DEFINED.**

23 For purposes of this subtitle, the term “economic
24 self-sufficiency” means the ability of an individual to meet

1 the following basic needs for the individual and such indi-
2 vidual's family:

- 3 (1) Housing.
- 4 (2) Child care.
- 5 (3) Adult dependent care.
- 6 (4) Food.
- 7 (5) Transportation.
- 8 (6) Health care.
- 9 (7) Work-related expenses.

10 **Subtitle C—Effective Date**

11 **SEC. 221. EFFECTIVE DATE.**

12 This title shall take effect on October 1, 1995.

13 **TITLE III—CHILD SUPPORT** 14 **ENFORCEMENT**

15 **SEC. 301. NATIONAL CHILD SUPPORT ORDER REGISTRY.**

16 (a) ESTABLISHMENT.—

17 (1) IN GENERAL.—The Secretary of the Treas-
18 ury shall establish in the Internal Revenue Service
19 a national registry of all child support orders.

20 (2) CHILD SUPPORT ORDER DEFINED.—As
21 used in this section, the term “child support order”
22 means an order, issued or modified by a State court
23 or an administrative process established under State
24 law, that requires an individual to make payments

1 for support and maintenance of a child or of a child
2 and the parent with whom the child is living.

3 (b) TRANSMISSION OF COPIES OF CHILD SUPPORT
4 ORDERS TO THE NATIONAL REGISTRY.—Section 466(a)
5 of the Social Security Act (42 U.S.C. 666(a)) is amended
6 by inserting after paragraph (11) the following:

7 “(12) Procedures to ensure that—

8 “(A) each child support order issued or
9 modified in the State contains the social secu-
10 rity account number of each parent with rights
11 or obligations under the order;

12 “(B) within 5 days after the issuance or
13 modification of a child support order in the
14 State, a copy of the order is transmitted to the
15 national child support order registry established
16 under section 301(a) of the Working Off Wel-
17 fare Act of 1994;

18 “(C) within 2 years after the date of the
19 enactment of this paragraph, a copy of each
20 child support order being enforced by the State
21 pursuant to this part which has not been trans-
22 mitted pursuant to subparagraph (B) is trans-
23 mitted to the national child support order
24 registry;

1 “(D) within 5 years after the date of the
2 enactment of this paragraph, a copy of each
3 child support issued or modified in the State
4 which has not been transmitted pursuant to
5 subparagraph (B) or (C) and which a party to
6 the order has requested be sent to the national
7 child support order registry be transmitted to
8 the registry; and

9 “(E) with each order transmitted pursuant
10 to subparagraph (B), (C), or (D)—

11 “(i) a notice is included as to the date
12 the order is required or scheduled to be re-
13 viewed by a court or an administrative
14 process established under State law; and

15 “(ii) a certified statement of arrears
16 (if any) owed under the order is included
17 if a party to the order is receiving services
18 under the State plan.”.

19 (c) MAINTENANCE OF ABSTRACTS OF CHILD SUP-
20 PORT ORDERS.—The national registry shall maintain an
21 abstract of each child support order, which shall contain
22 the following information:

23 (1) The names, addresses, and social security
24 account numbers of each individual with rights or
25 obligations under the order, to the extent that the

1 authority that issued the order has not prohibited
2 the release of such information.

3 (2) The name and date of birth of any child
4 with respect to whom payments are to be made
5 under the order.

6 (3) The dollar amount of child support required
7 to be paid on a monthly basis under the order.

8 (4) The date the order was issued or most re-
9 cently modified, and each date the order is required
10 or scheduled to be reviewed by a court or an admin-
11 istrative process established under State law.

12 (5) Any orders superseded by the order.

13 (6) Such other information as the Secretary of
14 the Treasury, in consultation with the Secretary of
15 Health and Human Services, shall, by regulation
16 require.

17 (d) PROVISION OF CHILD SUPPORT INFORMATION TO
18 EMPLOYERS.—Upon receipt from an employer of a W-
19 4 form completed pursuant to section 302(b) of this Act
20 by an employee of the employer, the national registry shall
21 report to the employer such information as the national
22 registry may have as to—

23 (1) whether the employee has a legal obligation
24 to provide child support (as defined in section
25 462(b) of the Social Security Act) which is to be col-

1 lected, in whole or in part, through wage withholding
2 pursuant to an order issued by a State court or an
3 order of an administrative process established under
4 State law; and

5 (2) the aggregate amount of all such obliga-
6 tions.

7 **SEC. 302. MODIFICATION OF W-4 REPORTING REQUIRE-**
8 **MENTS TO PROVIDE FOR REPORTING OF**
9 **CHILD SUPPORT OBLIGATIONS OF EMPLOY-**
10 **EES.**

11 (a) ESTABLISHMENT OF REPORTING SYSTEM.—The
12 Secretary of the Treasury, in consultation with the Sec-
13 retary of Labor, shall establish a system for the reporting
14 of information relating to child support obligations of em-
15 ployees that meets the requirements of this section.

16 (b) EMPLOYEE OBLIGATIONS.—Under the system,
17 each employee shall be required to file with the employer
18 of the employee, within 5 days after the later of the effec-
19 tive date of this section or the date the employee is hired,
20 a W-4 form that indicates—

21 (1) whether the employee has a legal obligation
22 to provide child support (as defined in section
23 462(b) of the Social Security Act) which is to be col-
24 lected, in whole or in part, through wage withholding
25 pursuant to an order issued by a State court or an

1 order of an administrative process established under
2 State law; and

3 (2) if so—

4 (A) the aggregate amount of all such obli-
5 gations; and

6 (B) the name and address of any person to
7 whom the employee has such an obligation.

8 (c) EMPLOYER OBLIGATIONS.—

9 (1) IN GENERAL.—Subtitle C of the Internal
10 Revenue Code of 1986 (relating to employment
11 taxes) is amended by inserting after chapter 24 the
12 following new chapter:

13 **“CHAPTER 24A—COLLECTION OF CHILD**
14 **SUPPORT OBLIGATIONS AT SOURCE**
15 **ON WAGES**

“Sec. 3411. Child support obligations collected at source.

16 **“SEC. 3411. CHILD SUPPORT OBLIGATIONS COLLECTED AT**
17 **SOURCE.**

18 “(a) REQUIREMENT OF WITHHOLDING.—

19 “(1) WAGE WITHHOLDING AS INDICATED BY
20 THE EMPLOYEE.—Each employer who receives a
21 completed W-4 form from an employee pursuant to
22 section 302(b) of the Working Off Welfare Act of
23 1994 which indicates that the employee has a legal

1 obligation to provide child support (as defined in
2 section 462(b) of the Social Security Act) shall—

3 “(A) deduct and withhold from the wages
4 of the employee the amount indicated on the
5 W-4 form as a child support obligation;

6 “(B) send such amount to Secretary; and

7 “(C) forward the form to the national child
8 support order registry.

9 “(2) CORRECTION OF WITHHOLDING INSTRUC-
10 TIONS.—If the national child support order registry
11 notifies the employer that an employee has an obli-
12 gation referred to in paragraph (1), the employer
13 shall—

14 “(A) deduct and withhold from the wages
15 of the employee the greater of—

16 “(i) the amount indicated on the W-
17 4 form as a child support obligation; or

18 “(ii) the amount that such registry in-
19 dicates is to be deducted and withheld
20 from the wages of the employee to satisfy
21 such obligation; and

22 “(B) send the amount so withheld to the
23 Secretary.

24 “(b) CERTAIN OBLIGATIONS EXEMPT.—This section
25 shall not apply to a child support obligation if the order

1 requiring payment of such obligation specifies that such
2 obligation is exempt from the requirements of this section.

3 “(c) LIABILITY FOR PAYMENT.—The employer shall
4 be liable for the payment of amounts deducted and with-
5 held under subsection (a) to the Secretary.

6 “(d) NATIONAL CHILD SUPPORT ORDER REG-
7 ISTRY.—For purposes of this section, the term ‘national
8 child support order registry’ means the national registry
9 of all child support orders established under section 301
10 of the Working Off Welfare Act of 1994.

11 “(e) SPECIAL RULES.—For purposes of this chapter
12 (and so much of subtitle F as relates to this chapter), any
13 amount required to be deducted and withheld under this
14 section shall be treated as if it were a tax withheld under
15 chapter 24 and rules similar to the rules of chapter 24
16 shall apply.”

17 (2) CLERICAL AMENDMENT.—The table of
18 chapters for subtitle C of such Code is amended by
19 inserting after the item relating to chapter 24 the
20 following new item:

“Chapter 24A. Child support obligations collected at source.”

21 **SEC. 303. COLLECTION OF CHILD SUPPORT.**

22 (a) IN GENERAL.—Chapter 77 of the Internal Reve-
23 nue Code of 1986 (relating to miscellaneous provisions)
24 is amended by adding at the end thereof the following new
25 section:

1 **“SEC. 7524. COLLECTION OF CHILD SUPPORT.**

2 “(a) MONTHLY PAYMENTS BY INDIVIDUALS WITH
3 NO OR INSUFFICIENT WAGE WITHHOLDING FOR CHILD
4 SUPPORT.—

5 “(1) IN GENERAL.—Each individual who has a
6 child support payment shortfall for any month shall
7 pay an amount equal to such shortfall to the Sec-
8 retary not later than the close of such month or
9 such earlier date specified by the Secretary.

10 “(2) CHILD SUPPORT PAYMENT SHORTFALL.—
11 For purposes of this subsection, the term ‘child sup-
12 port payment shortfall’ means, with respect to any
13 month, an amount equal to the excess (if any) of—

14 “(A) the amount of the applicable child
15 support obligation for such month, over

16 “(B) the amount (if any) deducted and
17 withheld under section 3411 from the wages
18 paid to such individual during such month.

19 “(3) CERTAIN OBLIGATIONS EXEMPT.—This
20 subsection shall not apply to a child support obliga-
21 tion if the order requiring payment of such obliga-
22 tion specifies that such obligation is exempt from the
23 requirements of this subsection.

24 “(b) PAYMENTS OF ARREARAGES BY INDIVIDUALS
25 NO LONGER EXEMPT FROM WITHHOLDING OR MONTHLY
26 PAYMENTS.—

1 “(1) IN GENERAL.—If—

2 “(A) for any month ending with or within
3 the taxable year, a child support obligation was
4 exempt from section 3111 and subsection (a) of
5 this section,

6 “(B) such obligation ceases to be so ex-
7 empt during such year, and

8 “(C) such individual failed to pay the full
9 amount of such obligation for any month end-
10 ing with or within such year for which such ob-
11 ligation was so exempt,

12 then such individual shall pay (not later than the
13 date specified by the Secretary) an amount equal to
14 the excess of the full amount of such obligation for
15 the months referred to in subparagraph (A) over the
16 amount paid before such date under such obligation
17 for such months.

18 “(2) DETERMINATION OF AMOUNT REQUIRED
19 TO BE PAID.—Subsection (d) shall apply to an
20 amount required to be paid under this subsection
21 only after the Secretary’s determination of such
22 amount (after a hearing on the record) becomes
23 final.

24 “(c) RECONCILIATION OF CHILD SUPPORT OBLIGA-
25 TION AND PAYMENTS ON INCOME TAX RETURN.—

1 “(1) IN GENERAL.—Each applicable child sup-
2 port obligation of any individual for months ending
3 with or within any taxable year shall be paid—

4 “(A) not later than the last date (deter-
5 mined without regard to extensions) prescribed
6 for filing the individual’s return of tax imposed
7 by chapter 1 for such taxable year, and

8 “(B)(i) if such return is filed not later
9 than such date, with such return, or

10 “(ii) in any case not described in clause (i),
11 in such manner as the Secretary may by regula-
12 tions prescribe.

13 “(2) OFFSET FOR WITHHELD CHILD SUPPORT,
14 ETC.—There shall be allowed as a credit against the
15 amount required to be paid under paragraph (1) by
16 an individual the sum of—

17 “(A) the amount (if any) deducted and
18 withheld under section 3411 from the wages re-
19 ceived by such individual during the taxable
20 year,

21 “(B) the amount (if any) paid by such in-
22 dividual under section 6654 by reason of sub-
23 section (f)(3) thereof for such taxable year,

1 “(C) the amount (if any) paid by such in-
2 dividual under subsections (a) and (b) for such
3 taxable year, and

4 “(D) in the case of an obligation which
5 was exempt from the requirements of section
6 3411 and subsection (a) of this section for only
7 a portion of the taxable year, the amount paid
8 (for such portion of the taxable year) by such
9 individual directly to the person to whom the
10 obligation is owed (or, if such person has as-
11 signed to a State the right to collect the obliga-
12 tion, the State).

13 “(3) CREDIT OR REFUND FOR PAYMENTS IN
14 EXCESS OF ACTUAL OBLIGATION.—There shall be al-
15 lowed as a credit against the tax imposed by subtitle
16 A for the taxable year an amount equal to the excess
17 (if any) of—

18 “(A) the aggregate of the amounts de-
19 scribed in subparagraphs (A), (B), (C), and (D)
20 of paragraph (2) for such taxable year, over

21 “(B) the aggregate of the applicable child
22 support obligations of the taxpayer for such
23 taxable year.

1 The credit allowed by this paragraph shall be treated
2 for purposes of this title as allowed by subpart C of
3 part IV of subchapter A of chapter 1.

4 “(d) FAILURE TO PAY AMOUNT OWING.—If an indi-
5 vidual fails to pay the full amount required to be paid
6 under subsection (a), (b), or (c) on or before due date for
7 such payment, the Secretary shall assess and collect the
8 unpaid amount in the same manner, with the same pow-
9 ers, and subject to the same limitations applicable to a
10 tax imposed by subtitle C the collection of which would
11 be jeopardized by delay.

12 “(e) APPLICATION OF SECTION TO CHILD SUPPORT
13 ORDERS NOT INITIALLY SUBJECT TO SECTION.—

14 “(1) IN GENERAL.—In the case of a child sup-
15 port obligation which becomes an applicable child
16 support obligation for any month after January
17 1996, the amount required to be paid under sub-
18 section (a) for the first such month shall be in-
19 creased by the excess (if any) of—

20 “(A) the aggregate amount required to be
21 paid under such obligation for all months before
22 such month (including months in prior taxable
23 years), over

1 “(B) the aggregate amount paid under
2 such obligation for all months before such
3 month.

4 “(2) CROSS REFERENCE.—

**“For agreements to pay tax in installments, see
 section 6159.**

5 “(f) APPLICABLE CHILD SUPPORT OBLIGATION.—

6 For purposes of this section, the term ‘applicable child
7 support obligation’ means a legal obligation to provide
8 child support (as defined in section 462(b) of the Social
9 Security Act), except that such term shall not include any
10 such obligation for any period during which section
11 466(a)(12) of the Social Security Act (42 U.S.C.
12 666(a)(12)) does not apply to the child support order with
13 respect thereto until the order is registered.”

14 (b) WITHHELD CHILD SUPPORT TO BE SHOWN ON
15 W-2.—Subsection (a) of section 6051 of such Code is
16 amended by striking “and” at the end of paragraph (8),
17 by striking the period at the end of paragraph (9) and
18 inserting “, and”, and by inserting after paragraph (9)
19 the following new paragraph:

20 “(10) the total amount deducted and withheld
21 as a child support obligation under section 3411.”

22 (c) APPLICATION OF ESTIMATED TAX PENALTY.—

23 (1) Subsection (f) of section 6654 of such Code
24 (relating to failure by individual to pay estimated in-

1 come tax) is amended by striking “minus” at the
2 end of paragraph (2) and inserting “plus”, by redesi-
3 gnating paragraph (3) as paragraph (4), and by in-
4 serting after paragraph (2) the following new para-
5 graph:

6 “(3) the aggregate applicable child support obli-
7 gation (as defined in section 7524(a)) of the tax-
8 payer for months ending with or within the taxable
9 year, minus”.

10 (2) Paragraph (1) of section 6654(d) of such
11 Code is amended by adding at the end the following
12 new subparagraph:

13 “(D) DETERMINATION OF REQUIRED AN-
14 NUAL PAYMENT FOR TAXPAYERS REQUIRED TO
15 PAY CHILD SUPPORT.—In the case of a tax-
16 payer who is required under section 7524 to
17 pay an applicable child support obligation (as
18 defined in section 7524) for any month ending
19 with or within the taxable year, the required
20 annual payment shall be the sum of—

21 “(i) the amount determined under
22 subparagraph (B) without regard to sub-
23 section (f)(3), plus

1 “(ii) the aggregate amount of such
2 obligation for all months ending with or
3 within the taxable year.”

4 (3) CREDIT FOR WITHHELD AMOUNTS, ETC.—
5 Subsection (g) of section 6654 of such Code is
6 amended by adding at the end the following new
7 paragraph:

8 “(3) CHILD SUPPORT.—For purposes of apply-
9 ing this section, the sum of—

10 “(A) amounts deducted and withheld
11 under section 3411, and

12 “(B) amounts paid under subsections (a)
13 and (b) of section 7524,

14 shall be deemed to be a payment of the amount de-
15 scribed in subsection (f)(3) on the date such
16 amounts were actually withheld or paid, as the case
17 may be.”

18 (d) CLERICAL AMENDMENT.—The table of sections
19 for chapter 77 of such Code is amended by adding at the
20 end thereof the following new item:

 “Sec. 7524. Collection of child support.”

21 **SEC. 304. DISTRIBUTION OF PORTION OF CHILD SUPPORT**
22 **COLLECTED.**

23 (a) IN GENERAL.—The Secretary of the Treasury
24 shall pay to the appropriate payee the sum of the following

1 amounts which are received by the Secretary on account
2 of a child support obligation payable to such payee:

3 (1) The amounts deducted and withheld under
4 section 3411 of the Internal Revenue Code of 1986.

5 (2) The amounts paid under section 6654 of
6 such Code (relating to estimated tax payments) by
7 reason of subsection (f)(3) thereof.

8 (3) The amounts paid under section 7524 of
9 such Code (relating to collection of child support).

10 (b) APPROPRIATE PAYEE.—As used in this section,
11 the term “appropriate payee” means, with respect to a
12 child support obligation—

13 (1) the person to whom the obligation is owed;
14 or

15 (2) if such person has assigned to a State the
16 right to collect the obligation, the State.

17 (c) INTEREST PAYABLE ON LATE PAYMENTS BY
18 SECRETARY.—If, within 10 days after the Secretary of the
19 Treasury receives an amount referred to in a paragraph
20 of subsection (a), the Secretary fails to pay any cor-
21 responding amount required to be paid under subsection
22 (a), the Secretary shall pay, in addition to the amount re-
23 quired to be paid, to the appropriate payee interest at the
24 underpayment rate (determined under section 6621 of
25 such Code, and compounded daily) on such amount for

1 the period beginning on such date and ending on the date
2 paid.

3 (d) COORDINATION WITH RULES GOVERNING DIS-
4 TRIBUTION OF CHILD SUPPORT COLLECTED BY A
5 STATE.—Section 457 of the Social Security Act (42
6 U.S.C. 657) is amended by adding at the end the follow-
7 ing:

8 “(e) For purposes of this section, amounts received
9 by a State from the Secretary of the Treasury pursuant
10 to section 304(a) of the Working Off Welfare Act of 1994
11 shall be considered amounts collected by the State as child
12 support pursuant to a plan approved under this part.”.

13 **SEC. 305. OUTREACH AND ACCESSIBILITY.**

14 (a) UNIFORM APPLICATION FOR CHILD SUPPORT
15 SERVICES.—

16 (1) REQUIREMENT THAT STATES USE FEDERAL
17 APPLICATION FORM.—Section 454(6)(A) of the So-
18 cial Security Act (42 U.S.C. 654(6)(A)) is amended
19 by inserting “(which shall be made on the service
20 application form developed under section
21 452(a)(7))” after “State”.

22 (2) DUTY TO DEVELOP APPLICATION FORM.—
23 Section 452(a)(7) of such Act (42 U.S.C. 652(a)(7))
24 is amended by inserting “, and develop a form to be

1 used to apply for services established under State
2 plans under this part” before the semicolon.

3 (b) OUTREACH.—

4 (1) STATE PLAN REQUIREMENT.—Section 454
5 of such Act (42 U.S.C. 654) is amended—

6 (A) in paragraph (23), by striking “and”
7 after the semicolon;

8 (B) in paragraph (24), by striking the pe-
9 riod and inserting “; and”; and

10 (C) by inserting after paragraph (24) the
11 following:

12 “(25) provide for the establishment and conduct
13 of an ongoing program of outreach to persons eligi-
14 ble for services under the plan, in accordance with
15 regulations issued under section 452(a)(11).”.

16 (2) REGULATIONS.—Section 452(a) of such Act
17 (42 U.S.C. 652(a)) is amended—

18 (A) in paragraph (9), by striking “and”
19 after the semicolon;

20 (B) in paragraph (10), by striking the 2nd
21 period and inserting “; and”; and

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

23 “(11) issue such regulations as are necessary to
24 ensure that State agencies—

1 “(A) develop and implement a plan for
2 serving underserved populations;

3 “(B) use appropriate personnel and print-
4 ed material for use by persons who do not
5 speak English or whose hearing is impaired;
6 and

7 “(C) work in cooperation with other Fed-
8 eral, State, and local government agencies and
9 private nonprofit organizations which serve low-
10 income families to publicize the availability of
11 such services and coordinate the delivery of
12 such services.”.

13 **SEC. 306. COMMISSION ON CHILD SUPPORT GUIDELINES.**

14 (a) ESTABLISHMENT OF COMMISSION.—There is
15 hereby established a Commission to be known as the Com-
16 mission on Child Support Guidelines (in this section re-
17 ferred to as the “Commission”) to be composed of 15
18 members appointed in accordance with subsection (b)(1).

19 (b) MEMBERSHIP.—

20 (1) APPOINTMENT.—

21 (A) APPOINTING AUTHORITIES.—Subject
22 to subparagraph (B), the members of the Com-
23 mission shall be appointed as follows:

24 (i) 4 members shall be appointed
25 jointly by the majority and minority lead-

1 ers of the Senate, in consultation with the
2 chairman and ranking minority member of
3 the Committee on Finance of the Senate.

4 (ii) 4 members shall be appointed
5 jointly by the Speaker and the minority
6 leader of the House of Representatives, in
7 consultation with the chairman and rank-
8 ing minority member of the Committee on
9 Ways and Means of the House of Rep-
10 resentatives.

11 (iii) 7 members shall be appointed by
12 the Secretary of Health and Human Serv-
13 ices.

14 (B) BALANCED REPRESENTATION.—The
15 persons with authority to make appointments
16 under subparagraph (A) shall, individually and
17 collectively, ensure that the composition of the
18 membership of the Commission reflects a bal-
19 anced representation of ethnic groups, groups
20 of various economic status, economists, persons
21 familiar with the cost of raising children, custo-
22 dial and noncustodial parents, judges and hear-
23 ing officers familiar with the use of guidelines,
24 and persons who have experience with the wel-
25 fare system.

1 (2) TERM OF OFFICE.—Members of the Com-
2 mission shall serve for the life of the Commission.

3 (3) VACANCIES.—A vacancy on the Commission
4 shall be filled in the manner in which the original
5 appointment was made and shall not affect the pow-
6 ers or duties of the Commission.

7 (4) TRANSACTION OF BUSINESS.—A majority of
8 the members of the Commission shall constitute a
9 quorum for the transaction of business. Decisions of
10 the Commission shall be according to the vote of a
11 simple majority of those present and voting at a
12 properly called meeting.

13 (5) FIRST MEETING.—As promptly as possible
14 after all of the members of the Commission are ap-
15 pointed, the Secretary of Health and Human Serv-
16 ices shall call the first meeting of the Commission.

17 (6) CHAIRPERSON.—At the first Commission
18 meeting, the members of the Commission shall select
19 a Chairperson from among such members and shall
20 meet thereafter at the call of the Chairperson or of
21 a majority of the members.

22 (c) COMPENSATION OF COMMISSION MEMBERS.—

23 (1) NO PAY.—Members of the Commission shall
24 serve as such without pay.

1 (2) TRAVEL EXPENSES AND PER DIEM.—Mem-
2 bers of the Commission shall be allowed travel ex-
3 penses, including a per diem allowance in lieu of
4 subsistence, in the same manner as persons serving
5 intermittently in the government service are allowed
6 travel expenses under section 5703 of title 5, United
7 States Code.

8 (d) REPORT TO THE CONGRESS ON RECOMMENDED
9 NATIONAL CHILD SUPPORT GUIDELINES.—The Commis-
10 sion shall submit to the Congress a report that contains
11 recommendations for national child support guidelines
12 that should be followed by State courts and administrative
13 bodies in setting the amount of child support awards. In
14 developing such guidelines, the Commission shall consider
15 the best interests of the child.

16 (e) POWERS OF THE COMMISSION.—

17 (1) MAILS.—The Commission may use the
18 United States mails in the same manner and upon
19 the same conditions as other departments and agen-
20 cies of the United States Government.

21 (2) GIFTS.—The Commission may accept, use,
22 and dispose of donations of money and property, and
23 may accept such volunteer services of individuals as
24 it deems appropriate.

1 (3) CONTRACT AUTHORITY.—The Commission
2 may procure supplies, services, and property, may
3 make contracts, and may procure temporary and
4 intermittent services under section 3109(b) of title
5 5, United States Code, but only to the extent and
6 in such amounts as are provided in appropriation
7 Acts.

8 (4) RULES OF PROCEDURE.—For purposes of
9 carrying out its duties under subsection (d), the
10 Commission may adopt such rules for its organiza-
11 tion and procedures as it deems appropriate.

12 (5) DIRECTOR AND STAFF.—

13 (A) DIRECTOR.—The Commission shall
14 have a Director who shall be appointed by the
15 Chairperson.

16 (B) STAFF.—The Director may appoint
17 and fix the pay of such additional personnel as
18 the Director considers appropriate.

19 (C) APPLICABILITY OF CERTAIN CIVIL
20 SERVICE LAWS.—The Director and staff of the
21 Commission may be appointed without regard
22 to the provisions of title 5, United States Code,
23 governing appointments in the competitive serv-
24 ice, and may be paid without regard to the pro-
25 visions of chapter 51 and subchapter III of

1 chapter 53 of such title relating to classification
2 and General Schedule pay rates, except that an
3 individual so appointed may not be paid at a
4 rate in excess of the rate for level IV of the Ex-
5 ecutive Schedule.

6 (6) STAFF OF FEDERAL AGENCIES.—On re-
7 quest of the Chairperson of the Commission, the
8 head of any Federal department or agency may de-
9 tail, on a reimbursable basis, any of the personnel
10 of such department or agency to the Commission to
11 assist the Commission in carrying out its duties
12 under this section without regard to section 3341 of
13 title 5, United States Code.

14 (f) EFFECTIVE DATE.—This section shall take effect
15 on the date of the enactment of this Act.

16 (g) TERMINATION OF THE COMMISSION.—

17 (1) TERMINATION DATE.—The Commission
18 shall terminate on the earlier of—

19 (A) the date that the Commission submits
20 to the Congress the report required by sub-
21 section (d); or

22 (B) the date that is 2 years after the date
23 of the enactment of this section.

24 (2) DISPOSITION OF COMMISSION PROPERTY.—

1 (A) FUNDS.—Any funds held by the Com-
2 mission on the date of termination of the Com-
3 mission shall be deposited in the general fund
4 of the Treasury of the United States and cred-
5 ited as miscellaneous receipts.

6 (B) OTHER PROPERTY.—Any property
7 (other than funds) held by the Commission on
8 such date shall be disposed of as excess or sur-
9 plus property.

10 **SEC. 307. RESOURCES.**

11 (a) DEADLINE FOR ISSUANCE OF STANDARDS FOR
12 STAFFING STATE CHILD SUPPORT PROGRAMS.—Within 1
13 year after the date of the enactment of this Act, the Sec-
14 retary of Health and Human Services shall establish the
15 staffing requirements required to be established under sec-
16 tion 452(a)(2) of the Social Security Act, including the
17 requirement that a State shall, to the extent practicable,
18 fill positions created in order to carry out the amendments
19 made by this title with personnel of the organizational unit
20 referred to in section 454(3) of such Act whose positions
21 are eliminated in order to carry out such amendments.

22 (b) INCENTIVE FOR STATES TO IMPROVE CHILD
23 SUPPORT PROGRAMS.—

1 (1) INCREASE IN FEDERAL MATCHING RATE.—
2 Section 455(a) of the Social Security Act (42 U.S.C.
3 655(a)) is amended—

4 (A) in paragraph (1)(A), by inserting “(or,
5 if applicable, paragraph (3))” after “paragraph
6 (2)”; and

7 (B) by adding at the end the following:

8 “(3)(A) Notwithstanding paragraph (2) of this sub-
9 section, the percent applicable to a State for a quarter
10 in a fiscal year for purposes of paragraph (1)(A) of this
11 subsection is 90 percent if the most recent review con-
12 ducted under section 452(a)(4), after the date of the en-
13 actment of this Act, of the State program operated under
14 this part confirms that—

15 “(i) the paternity establishment percentage of
16 the State for the fiscal year immediately preceding
17 the fiscal year in which the quarter occurs equals or
18 exceeds the threshold percentage;

19 “(ii) the State has met the standards included,
20 pursuant to subsections (h) and (i) of section 452,
21 in the standards required by section 452(a)(1), with
22 respect to at least the threshold percentage of the
23 cases in which services are provided under the State
24 plan under this part during the quarter; and

1 “(iii) during the quarter, the State has com-
2 plied with a plan approved by the Secretary for the
3 State to meet the staffing requirements established
4 under section 452(a)(2).

5 “(B) For purposes of subparagraph (A) of this para-
6 graph, the threshold percentage for a State with respect
7 to a quarter is the greater of—

8 “(i) 80 percent; or

9 “(ii) the lesser of—

10 “(I) the threshold percentage for the State
11 with respect to the most recent quarter for
12 which the percent applicable to a State for pur-
13 poses of paragraph (1)(A) is 90 percent by rea-
14 son of subparagraph (A) of this paragraph, in-
15 creased by 2 percentage points; or

16 “(II) 95 percent.”.

17 (2) EFFECTIVE DATE.—The amendments made
18 by paragraph (1) shall apply to payments under part
19 D of title IV of the Social Security Act for quarters
20 beginning after the 1-year period that begins with
21 the date of the enactment of this Act.

22 (c) DIRECT ACCOUNTABILITY OF CHILD SUPPORT
23 PROGRAMS.—Section 403(h) of such Act (42 U.S.C.
24 603(h))—

25 (1) is amended—

1 (A) in paragraph (1)—

2 (i) by striking “part D” and inserting
3 “this part”; and

4 (ii) by striking “such part” and in-
5 sserting “this part”; and

6 (B) in paragraph (3), by striking “this
7 part” and inserting “part A”; and

8 (2) as so amended, is hereby transferred to sec-
9 tion 455 of such Act, inserted after subsection (b)
10 of such section 455 and designated as subsection (c)
11 of such section 455.

12 (d) MAINTENANCE OF EFFORT.—

13 (1) STATE CHILD SUPPORT PROGRAMS.—Sec-
14 tion 455 of such Act (42 U.S.C. 655) is amended by
15 adding at the end the following:

16 “(f) Notwithstanding any other provision of this sec-
17 tion, the amount otherwise payable to a State for a quar-
18 ter under this section shall be reduced to the extent that
19 the amount expended by the State to carry out the State
20 plan under this part during the most recently completed
21 fiscal year is less than the amount so expended during
22 the fiscal year that immediately precedes such most re-
23 cently completed fiscal year.”.

1 (2) STATE AFDC PROGRAMS.—Section 403 of
2 such Act (42 U.S.C. 603) is amended by inserting
3 after subsection (b) the following:

4 “(c) Notwithstanding any other provision of this sec-
5 tion, the amount otherwise payable to a State for a quar-
6 ter under this section shall be reduced to the extent that
7 the amount expended by the State to carry out the State
8 plan under this part during the most recently completed
9 fiscal year is less than the amount so expended during
10 the fiscal year that immediately precedes such most re-
11 cently completed fiscal year.”.

12 (e) STREAMLINING OF CHILD SUPPORT AUDITS.—
13 The Secretary of Health and Human Services shall
14 streamline the process for conducting audits under section
15 452(a)(4) of the Social Security Act in such a way as to—

16 (1) reduce the burden on States with programs
17 that are complying substantially with the require-
18 ments of part D of title IV of such Act;

19 (2) enable the audit process to produce a timely
20 analysis of State programs that are not complying
21 substantially with such requirements; and

22 (3) enable the Secretary to shift staff resources
23 to technical assistance in order to help States im-
24 prove their programs under such part.

1 **SEC. 308. PATERNITY ESTABLISHMENT PROCEDURES.**

2 (a) IN GENERAL.—Section 466(a)(5)(C) of the Social
3 Security Act (42 U.S.C. 666(a)(5)(C)) is amended—

4 (1) by redesignating the 1st sentence as clause
5 (i)(I);

6 (2) by inserting after such clause the following:

7 “(II) Such procedures must provide that any
8 such explanation to a mother include the following
9 information:

10 “(aa) Signing a paternity acknowledgment
11 affidavit is voluntary.

12 “(bb) Once paternity of a child is estab-
13 lished, the father of the child has the right to
14 seek custody of the child or visitation rights
15 with respect to the child.

16 “(cc) Once paternity of a child is estab-
17 lished, the mother of the child has the right to
18 seek from the father of the child financial and
19 medical support for the child.

20 “(dd) The effect that the courts of the
21 State will give to a signed paternity acknowl-
22 edgment affidavit.

23 “(III) Such procedures must provide that any
24 such explanation to a possible father include the fol-
25 lowing information:

1 “(aa) Signing a paternity acknowledgment
2 affidavit is voluntary.

3 “(bb) Genetic testing is available and will
4 be provided upon request.

5 “(cc) The policy of the State with respect
6 to payment for the cost of genetic testing.

7 “(dd) Once paternity of a child is estab-
8 lished, the father of the child has the right to
9 seek custody of the child or visitation rights
10 with respect to the child.

11 “(ee) Once paternity of a child is estab-
12 lished, the mother of the child has the right to
13 seek from the father of the child financial and
14 medical support for the child.

15 “(ff) The effect that the courts of the
16 State will give to a signed paternity acknowl-
17 edgment affidavit.

18 “(IV) Such procedures must provide that the
19 information required to be provided under subclause
20 (II) or (III) must be provided—

21 “(aa) orally and in writing;

22 “(bb) where appropriate, in the language
23 of the individual to whom the information is re-
24 quired to be provided; and

1 “(cc) if the individual is blind or hearing-
2 impaired, in a manner accessible to the individ-
3 ual.”;

4 (3) by indenting the 2nd sentence 2 ems and
5 redesignating such sentence as clause (ii); and

6 (4) by inserting after such clause (ii) the follow-
7 ing:

8 “(iii) Such procedures must require the State
9 agency responsible for maintaining birth records to
10 offer voluntary paternity establishment services.

11 “(iv) Such procedures must require the State to
12 use only the affidavit developed under section
13 452(a)(7) for the voluntary acknowledgment of pa-
14 ternity, and to give full faith and credit to such an
15 affidavit signed in any other State.

16 “(v) The Secretary shall prescribe regulations
17 governing voluntary paternity establishment services
18 offered by entities other than hospitals, which shall
19 include a requirement that any State agency that
20 provides such services must use the same materials
21 used by, provide the personnel providing such serv-
22 ices with the same training provided by, and evalu-
23 ate the provision of such services in the same man-
24 ner as hospital-based voluntary paternity establish-
25 ment programs.”.

1 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
2 DAVIT.—Section 452(a)(7) of such Act (42 U.S.C.
3 652(a)(7)), as amended by section 305(a)(2) of this Act,
4 is amended by inserting “, and develop an affidavit to be
5 used for the voluntary acknowledgment of paternity” be-
6 fore the semicolon.

7 (c) SIGNED PATERNITY ACKNOWLEDGMENT AFFIDA-
8 VIT CONCLUSIVELY PRESUMED TO ESTABLISH PATER-
9 NITY.—Section 466(a)(5)(D) of such Act (42 U.S.C.
10 666(a)(5)(D)) is amended—

11 (1) by inserting “(i)” after “(D)”; and

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

13 “(ii)(I) Such procedures shall provide that the
14 written voluntary acknowledgment of the paternity
15 of a child shall, upon the expiration of the challenge
16 period, create a legal finding of paternity—

17 “(aa) without any further action; or

18 “(bb) at the option of the State, after a
19 court or administrative agency with which the
20 document containing the acknowledgment has
21 been filed within 5 business days after the expi-
22 ration of the challenge period issues an order
23 establishing such paternity.

1 “(II) As used in subclause (I), the term ‘chal-
2 lenge period’ means, with respect to an acknowledg-
3 ment of paternity—

4 “(aa) the 30-day period that begins on the
5 date of the acknowledgment; or

6 “(bb) if the person who executed the ac-
7 knowledgment undergoes genetic testing within
8 30 days after the date of the acknowledgment,
9 the 30-day period that begins with the date the
10 person is notified of the results of the genetic
11 testing.”.

12 **SEC. 309. COORDINATION OF COLLECTION ACTIVITIES.**

13 Section 452 of the Social Security Act (42 U.S.C.
14 652) is amended by adding at the end the following:

15 “(j)(1) Not later than 1 year after the date of the
16 enactment of this subsection, the Secretary and the Sec-
17 retary of the Treasury shall jointly issue regulations gov-
18 erning the coordination of State activities in collecting
19 child support pursuant to State plans approved under this
20 part and the activities of the Secretary of the Treasury
21 in collecting child support under section 7524 of the Inter-
22 nal Revenue Code of 1986.

23 “(2) The Secretary shall periodically report to the
24 Congress on any legislation needed to facilitate the coordi-
25 nation of such child support collection activities.”.

1 **SEC. 310. INCLUSION IN CONSUMER CREDIT REPORTS OF**
2 **INFORMATION ON OVERDUE CHILD SUPPORT**
3 **OBLIGATIONS OF THE CONSUMER.**

4 (a) PROVISION TO CONSUMER REPORTING AGENCIES
5 OF INFORMATION ON OVERDUE CHILD SUPPORT OBLIGA-
6 TIONS OF ABSENT PARENTS.—Section 466(a)(7) of the
7 Social Security Act (42 U.S.C. 666(a)(7)) is amended—

8 (1) by striking “will” and inserting “shall”;

9 (2) by striking “upon the request of such
10 agency”; and

11 (3) by inserting “and” before “(B)”; and

12 (4) by striking “, and (C)” and all that follows
13 through “State”.

14 (b) OVERDUE SUPPORT DETERMINED WITHOUT RE-
15 GARD TO AGE OF CHILD.—Section 466(e) of such Act (42
16 U.S.C. 666(e)) is amended—

17 (1) by striking “minor” the 1st place such term
18 appears; and

19 (2) by striking all that follows the 1st sentence.

20 **SEC. 311. EFFECTIVE DATE.**

21 Except as otherwise provided in this title, this title
22 and the amendments made by this title shall take effect
23 on January 1, 1996, and shall apply to—

24 (1) child support orders issued or modified on
25 or after such date, and, beginning 3 years after such

1 date, to all orders whether issued before, on, or after
2 such date; and

3 (2) payments under part D of title IV of the
4 Social Security Act for quarters beginning on or
5 after such date.

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