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104TH CONGRESS
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H. R. 4

IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, MARCH 27), 1995
Received; read twice and referred to the Committee on Finance

AN ACT

To restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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This Act may be cited as the ''Personal Responsibility Act of 1995''.

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TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 100. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) marriage is the foundation of a successful society;

(2) marriage is an essential social institution which promotes the interests of children and society at large;

(3) the negative consequences of an out-of-wedlock birth on the child, the mother, and society are well documented as follows:

(A) the illegitimacy rate among black Americans was 26 percent in 1965, but today the rate is 68 percent and climbing;

(B) the illegitimacy rate among white Americans has risen tenfold, from 2.29 percent in 1960 to 22 percent today;

(C) the total of all out-of-wedlock births between 1970 and 1991 has risen from 10 percent to 30 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock;

(D) ¾ of illegitimate births among whites are to women with a high school education or less;

(E) the 1-parent family is 6 times more likely to be poor than the 2-parent family;

(F) children born into families receiving welfare assistance are 3 times more likely than

children not born into families receiving welfare to be on welfare when they reach adulthood;

(G) teenage single parent mothering is the single biggest contributor to low birth weight babies;

(H) children born out-of-wedlock are more likely to experience low verbal cognitive attainment, child abuse, and neglect;

(I) young people from single parent or stepparent families are 2 to 3 times more likely to have emotional or behavioral problems than those from intact families;

(J) young white women who were raised in a single parent family are more than twice as likely to have children out-of-wedlock and to become parents as teenagers, and almost twice as likely to have their marriages end in divorce, as are children from 2-parent families;

(K) the younger the single parent mother, the less likely she is to finish high school;

(L) young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time;

(M) between 1985 and 1990, the public cost of births to teenage mothers under the aid

to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000;

(N) the absence of a father in the life of a child has a negative effect on school performance and peer adjustment;

(O) the likelihood that a young black man will engage in criminal activities doubles if he is raised without a father and triples if he lives in a neighborhood with a high concentration of single parent families; and

(P) the greater the incidence of single parent families in a neighborhood, the higher the incidence of violent crime and burglary; and

(4) in light of this demonstration of the crisis in our Nation, the reduction of out-of-wedlock births is an important government interest and the policy contained in provisions of this title address the crisis.

SEC. 101. BLOCK GRANTS TO STATES.

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

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

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

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

''(2) end the dependence of needy parents on government benefits by promoting work and marriage; and

''(3) discourage out-of-wedlock births.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

''(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 3-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that includes the following:

''(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

''(A) Conduct a program designed to—

''(i) provide cash benefits to needy families with children; and

''(ii) provide parents of children in such families with work experience, assist-

ance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

''(B) Require at least 1 parent of a child in any family which has received benefits for more than 24 months (whether or not consecutive) under the program to engage in work activities (as defined by the State).

''(C) Ensure that parents receiving assistance under the program engage in work activities in accordance with section 404.

''(D) Treat interstate immigrants, if families including such immigrants are to be treated differently than other families.

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

''(F) Take actions to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

"(i) avoid subsequent pregnancies; and

"(ii) provide adequate care to their children.

"(G) Reduce teenage pregnancy, including (at the option of the State) through the provision of education and counseling to male and female teenagers.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the Governor of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D, in a manner that complies with the requirements of such part.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the Governor of the State that, during the fiscal year, the State will operate a child protection program in accordance with part B, which includes a foster care program and an adoption assistance program.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a).

"SEC. 403. PAYMENTS TO STATES.

''(a) ENTITLEMENTS.—

''(1) GRANTS FOR FAMILY ASSISTANCE.—

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

''(B) GRANT INCREASED TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—The amount of the grant payable to a State under subparagraph (A) for fiscal year 1998 or any succeeding fiscal year shall be increased by—

''(i) 5 percent if the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; or

''(ii) 10 percent if the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995.

''(2) SUPPLEMENTAL GRANTS TO ADJUST FOR POPULATION INCREASES.—In addition to any grant under paragraph (1), each eligible State shall be entitled to receive from the Secretary for each of fiscal years 1997, 1998, 1999, and 2000, a grant in an amount equal to the State proportion of $100,000,000.

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

''(1) STATE FAMILY ASSISTANCE GRANT.—

''(A) IN GENERAL.—The term 'State family assistance grant' means, with respect to a fiscal year, the provisional State family assistance grant adjusted in accordance with subparagraph (C).

''(B) PROVISIONAL STATE FAMILY ASSISTANCE GRANT.—The term 'provisional State family assistance grant' means—

''(i) the greater of—

''(I) ⅓ of the total amount of obligations to the State under section 403 of this title (as in effect before October 1, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended for child care under subsection (g) or (i)

of section 402 of this title (as so in effect)); or

''(II) the total amount of obligations to the State under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of section 402 of this title (as so in effect)); multiplied by

''(ii)(I) the total amount of outlays to all of the States under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of section 402 of this title (as so in effect)); divided by

''(II) the total amount of obligations to all of the States under such section 403 for fiscal year 1994 (other than with respect to amounts expended for child care under subsection (g) or (i) of section 402 of this title (as so in effect)).

''(C) PROPORTIONAL ADJUSTMENT.—The Secretary shall determine the percentage (if any) by which each provisional State family assistance grant must be reduced or increased to

ensure that the sum of such grants equals $15,390,296,000, and shall adjust each provisional State family assistance grant by the percentage so determined.

''(2) ILLEGITIMACY RATIO.—The term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

''(A) the sum of—

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

''(ii) the amount (if any) by which the number of abortions performed in the State during the most recent fiscal year for which such information is available exceeds the number of abortions performed in the State during the fiscal year that immediately precedes such most recent fiscal year; divided by

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

''(3) STATE PROPORTION.—The term 'State proportion' means, with respect to a fiscal year, the

amount that bears the same ratio to the amount specified in subsection (a)(2) as the increase (if any) in the population of the State for the most recent fiscal year for which such information is available over the population of the State for the fiscal year that immediately precedes such most recent fiscal year bears to the total increase in the population of all States which have such an increase in population, as determined by the Secretary using data from the Bureau of the Census.

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

''(5) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

''(c) USE OF GRANT.—

''(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in any manner that is reasonably calculated to accomplish the purpose of this part, subject to this part, including to provide noncash assistance to mothers who have not attained 18 years of age and their children and to provide low income households with assist-

ance in meeting home heating and cooling costs. Notwithstanding any other provision of this Act, a State to which a grant is made under section 403 may not use any part of the grant to provide medical services.

''(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

''(3) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

''(A) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under this section for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

''(i) Part B of this title.

''(ii) Title XX of this Act.

''(iii) Any provision of law, enacted into law during the 104th Congress, under

which grants are made to States for food and nutrition.

''(iv) The Child Care and Development Block Grant Act of 1990.

''(B) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in subparagraph (A) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

''(4) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR EMERGENCY BENEFITS.—A State may reserve amounts paid to the State under this section for any fiscal year for the purpose of providing emergency assistance under the State program operated under this part.

''(5) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under this section is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded

under this part, and may use the grant for such purpose.

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

''(e) PENALTIES.—

''(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—

''(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under this section for the immediately succeeding fiscal year by the amount so used.

''(B) LIMITATION ON AMOUNT OF PENALTY.—In carrying out subparagraph (A), the Secretary shall not reduce any quarterly payment by more than 25 percent.

''(C) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (B) prevents the Secretary from recovering during a fiscal year the full amount of a penalty

imposed on a State under subparagraph (A) for a prior fiscal year, the Secretary shall apply subparagraph (A) to the grant otherwise payable to the State under this section for the immediately succeeding fiscal year.

''(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

''(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 406 for the fiscal year, the Secretary shall reduce by 3 percent the amount of the grant that would (in the absence of this subsection, subsection (a)(1)(B) of this section, and section 404(c)(2)) be payable to the State under subsection (a)(1)(A) for the immediately succeeding fiscal year.

''(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

''(3) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If

the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by 1 percent the amount of the grant that would (in the absence of this subsection, subsection (a)(1)(B) of this section, and section 404(c)(2)) be payable to the State under subsection (a)(1)(A) for the fiscal year.

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

''(g) FEDERAL RAINY DAY FUND.—

''(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Federal Rainy Day Fund'.

''(2) DEPOSITS INTO FUND.—

''(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,000,000,000 are hereby appropriated for fiscal year 1996 for payment to the Federal Rainy Day Fund.

"(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) USE OF FUND.—

"(A) LOANS TO QUALIFIED STATES.—

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

"(ii) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under clause (i) at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

"(iii) MAXIMUM LOAN.—The amount of any loan made to a State under clause

(i) during a fiscal year shall not exceed the lesser of—

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

"(II) $100,000,000.

"(B) QUALIFIED STATE DEFINED.—A State is a qualified State for purposes of subparagraph (A) if the unemployment rate of the State (as determined by the Bureau of Labor Statistics) for the most recent 3-month period for which such information is available is—

"(i) more than 6.5 percent; and

"(ii) at least 110 percent of such rate for the corresponding 3-month period in either of the 2 immediately preceding calendar years.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fis-

cal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50.

''(B) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—The minimum participation rate otherwise required by subparagraph (A) for a fiscal year shall be reduced by a percentage equal to the percentage (if any) by which the number of families receiving assistance during the fiscal year under the State program funded under this part is less than the number of families that received aid under the State plan approved under part A of this title (as in effect before October 1, 1995) during the fiscal year immediately preceding such effective date, except to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(C) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

"(I) the number of families receiving cash assistance under the State program funded under this part which include an individual who is engaged in work activities for the month; divided by

"(II) the total number of families receiving cash assistance under the State program funded under this part during the month which include an individual who has attained 18 years of age.

"(iii) ENGAGED.—A recipient is engaged in work activities for a month in a fiscal year if the recipient is making

progress in such activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in subparagraph (A), (B), (C), or (D) of subsection (b)(1) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in subsection (b)(1)(E)):

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

''(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

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

1 ''(B) PARTICIPATION RATE.—For purposes
2 of this paragraph:
3 ''(i) AVERAGE MONTHLY RATE.—The
4 participation rate of a State for a fiscal
5 year is the average of the participation
6 rates of the State for each month in the
7 fiscal year.
8 ''(ii) MONTHLY PARTICIPATION
9 RATES.—The participation rate of a State
10 for a month is—
11 ''(I) the number of 2-parent fam-
12 ilies receiving cash assistance under
13 the State program funded under this
14 part which include at least 1 adult
15 who is engaged in work activities for
16 the month; divided by
17 ''(II) the total number of 2-par-
18 ent families receiving cash assistance
19 under the State program funded
20 under this part during the month.
21 ''(iii) ENGAGED.—An adult is engaged
22 in work activities for a month in a fiscal

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

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

''(1) WORK ACTIVITIES.—The term 'work activities' means—

''(A) unsubsidized employment;

''(B) subsidized private sector employment;

''(C) subsidized public sector employment or work experience (including work associated with the refurbishing of publicly assisted housing) only if sufficient private sector employment is not available;

''(D) on-the-job training;

''(E) job search and job readiness assistance;

''(F) education directly related to employment, in the case of a recipient who has not at-

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

''(G) job skills training directly related to employment; or

''(H) at the option of the State, satisfactory attendance at secondary school, in the case of a recipient who—

''(i) has not completed secondary school; and

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

''(2) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

''(c) PENALTIES.—

''(1) AGAINST INDIVIDUALS.—

''(A) APPLICABLE TO ALL FAMILIES.—A State to which a grant is made under section 403 shall ensure that the amount of cash assistance paid under the State program funded under this part to a recipient of assistance under the program who refuses to engage (with-

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

''(B) APPLICABLE TO 2-PARENT FAMILIES.—A State to which a grant is made under section 403 shall reduce the amount of cash assistance otherwise payable to a 2-parent family for a month under the State program funded under this part with respect to an adult in the family who is not engaged (within the meaning of subsection (a)(2)(B)(iii)) in work activities for at least 35 hours per week during the month, pro rata (or more, at the option of the State) with respect to any period during the month for which the adult is not so engaged.

''(C) LIMITATION ON FEDERAL AUTHORITY.—No officer or employee of the Federal Government may regulate the conduct of States under this paragraph or enforce this paragraph against any State.

''(2) AGAINST STATES.—

"(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with subsection (a) for the fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this paragraph and subsections (a)(1)(B) and (e) of section 403) be payable to the State under section 403(a)(1)(A) for the immediately succeeding fiscal year.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

"(d) RULE OF INTERPRETATION.—This section shall not be construed to prohibit a State from offering recipients of assistance under the State program funded under this part an opportunity to participate in an education or training program, consistent with the requirements of this section.

"(e) RESEARCH.—The Secretary shall conduct research on the costs and benefits of State activities under this section.

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

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

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

''(1) ANNUAL RANKING OF STATES.—The Secretary shall rank the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

''(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

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

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

''(i) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

''SEC. 405. PROHIBITIONS.

''(a) IN GENERAL.—

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

''(2) CERTAIN PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—

''(A) INCOME SECURITY PAYMENTS.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving a payment under a State plan for old-age assist-

ance approved under section 2, a State program funded under part B that provides cash payments for foster care, or the supplemental security income program under title XVI (other than service benefits provided through the use of a grant made under part C of such title), then the State may not disregard the payment in determining the amount of assistance to be provided to the family of which the individual is a member under the State program funded under this part.

''(B) CERTAIN SUPPORT PAYMENTS.—A State to which a grant is made under section 403 may not disregard an amount distributed to a family under section 457(a)(1)(A) in determining the income of the family for purposes of eligibility for assistance under the State program funded under this part.

''(3) NO ASSISTANCE FOR CERTAIN ALIENS.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance for an individual who is not a citizen or national of the United States, except consistent with title IV of the Personal Responsibility Act of 1995.

"(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—

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

"(B) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(C) STATE OPTION.—Nothing in subparagraph (A) shall be construed to prohibit a State from using funds provided by section 403 from providing aid in the form of vouchers that may be used only to pay for particular goods and services specified by the State as suitable for the care of the child such as diapers, clothing, and school supplies.

"(5) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 may not use

any part of the grant to provide cash benefits for a minor child who is born to—

"(i) a recipient of benefits under the program operated under this part; or

"(ii) a person who received such benefits at any time during the 10-month period ending with the birth of the child.

"(B) EXCEPTION FOR VOUCHERS.—Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(C) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(6) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide cash benefits for the family of an individual who, after attaining 18 years of age, has received benefits under the program operated under this part for

60 months (whether or not consecutive) after the effective date of this part, except as provided under subparagraph (B).

''(B) HARDSHIP EXCEPTION.—

''(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship.

''(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect shall not exceed 10 percent of the number of families to which the State is providing assistance under the program operated under this part.

''(7) NO ASSISTANCE FOR FAMILIES NOT COOPERATING IN PATERNITY ESTABLISHMENT OR CHILD SUPPORT.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an individual whom the agency responsible for administering the State plan approved under part D determines is not cooperating with the State in establishing the paternity of any child of the individual, or

in establishing, modifying, or enforcing a support order with respect to such a child.

''(8) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING SUPPORT RIGHTS TO THE STATE.—Notwithstanding section 403(c)(1), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an individual who has not assigned to the State any rights the individual may have (on behalf of the individual or of any other person for whom the individual has applied for or is receiving such assistance) to support from any other person for any period for which the individual receives such assistance.

''(9) WITHHOLDING OF PORTION OF ASSISTANCE FOR FAMILIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS NOT ESTABLISHED.—

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

''(i) withhold assistance under the State program funded under this part from a family which includes a child whose paternity is not established, in an amount equal to $50 or 15 percent of the amount

of the amount of the assistance that would (in the absence of this paragraph) be provided to the family with respect to the child, whichever the State elects; or

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

''(B) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

''(10) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this title during the 10-year period that begins with the date the individual is found by a State to have made, or is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the person in order to receive benefits or services simultaneously from 2 or more States under programs that are funded under this part, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or

more States under the supplemental security income program under title XVI.

''(11) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance to any individual who is—

''(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(ii) violating a condition of probation or parole imposed under Federal or State law.

''(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure

of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

(i) such recipient—

(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the recipient flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the recipient flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

(II) is violating a condition of probation or parole imposed under Federal or State law; or

(III) has information that is necessary for the officer to conduct the official duties of the officer; and

(ii) the location or apprehension of the recipient is within such official duties.

''(12) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

''(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 may not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part, of the absence of the minor child from the home for the period specified in or provided for under subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

"(b) MINOR CHILD DEFINED.—As used in subsection (a), the term 'minor child' means an individual—

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

"(2) who—

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

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

"SEC. 406. DATA COLLECTION AND REPORTING.

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

''(1) The number of adults receiving such assistance.

''(2) The number of children receiving such assistance and the average age of the children.

''(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

''(4) The number of 1-parent families in which the parent is a widow or widower, is divorced, is separated, or has never married.

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

''(6) The average assistance provided to the families under the program.

''(7) Whether, at the time of application for assistance under the program, the families or any member of the families receives benefits under any of the following:

''(A) Any housing program.

''(B) The food stamp program under the Food Stamp Act of 1977.

''(C) The Head Start programs carried out under the Head Start Act.

''(D) Any job training program.

''(8) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

''(9) The total number of months for which assistance has been provided to the families under the program.

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

''(11) The components of any program carried out by the State to provide employment and training activities in order to comply with section 404, and the average monthly number of adults in each such component.

''(12) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (11),

the number of cases with reduced assistance, and the number of cases closed due to employment.

''(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

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

''(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on programs for needy families.

''(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 404(b)(1)) during the fiscal year.

"SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

''(a) RESEARCH.—The Secretary may conduct research on the effects, costs, and benefits of State programs funded under this part.

''(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of cash assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

''(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

''(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"SEC. 408. STUDY BY THE CENSUS BUREAU.

''(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation

as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Personal Responsibility Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

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

SEC. 102. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 103. TRANSFERS.

(a) CHILD SUPPORT REVIEW PENALTIES.—

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

(2) CONFORMING AMENDMENT.—Section 403(h)(3) of such Act, as in effect pursuant to paragraph (1) of this subsection, is amended by striking ‘‘, section 402(a)(27),’’.

(b) ASSISTANT SECRETARY FOR FAMILY SUPPORT.—

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

‘‘ASSISTANT SECRETARY FOR FAMILY SUPPORT

‘‘SEC. 417.’’

and inserting the following:

“SEC. 409. ASSISTANT SECRETARY FOR FAMILY SUPPORT.”.

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

(3) CONFORMING AMENDMENT.—Section 409 of such Act, as added by paragraph (2) of this subsection is amended by striking ‘‘, part D, and part F’’ and inserting ‘‘and part D’’.

SEC. 104. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting ''an agency administering a program funded under part A of title IV or'' before ''an agency operating''; and

(B) by striking ''A or D of title IV of this Act'' and inserting ''D of such title''.

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

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

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

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

(A) by striking ''aid to families with dependent children'' and inserting ''assistance under a State program funded under part A''; and

(B) by striking ''such aid'' and inserting ''such assistance''; and

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

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

(A) by striking ''aid under a State plan approved'' and inserting ''assistance under a State program funded''; and

(B) by striking ''in accordance with the standards referred to in section 402(a)(26)(B)(ii)'' and inserting ''by the State''.

(4) Section 452(b) of such Act (42 U.S.C. 652(b)) is amended in the last sentence by striking ''plan approved under part A'' and inserting ''program funded under part A''.

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

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

(7) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)) is amended in the matter fol-

lowing clause (iii) by striking ''aid was being paid under the State's plan approved'' and inserting ''assistance was being provided under the State program funded''.

(8) Section 452(g)(2) of such Act (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking ''who is a dependent child by reason of the death of a parent'' and inserting ''with respect to whom assistance is being provided under the State program funded under part A''; and

(B) by inserting ''by the State agency administering the State plan approved under this part'' after ''found'';

(C) by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 405(a)(8)''; and

(D) by striking ''administering the plan under part E determines (as provided in section 454(4)(B))'' and inserting ''determines''.

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

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

(A) by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 405(a)(8)''; and

(B) by striking ''except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;''.

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

(12) Section 456 of such Act (42 U.S.C. 656) is amended by striking ''under section 402(a)(26)'' each place such term appears and inserting ''pursuant to section 405(a)(8)''.

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

(14) Section 466(b)(2) of such Act (42 U.S.C. 666(b)(2)) is amended by striking ''aid'' and inserting ''assistance under a State program funded''.

(c) REPEAL OF PART F OF TITLE IV.—Part F of title IV of such Act (42 U.S.C. 681–687) is hereby repealed.

(d) AMENDMENT TO TITLE X.—Section 1002(a)(7) of such Act (42 U.S.C. 1202(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(e) AMENDMENTS TO TITLE XI.—

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

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

(B) by striking ''(c)''.

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

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

(A) in the matter preceding paragraph (1), by striking ''A or'';

(B) in paragraph (1), by striking ''402,''; and

(C) in paragraph (2), by striking ''403,''.

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

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

(B) in subsection (a)(3), by striking ''404,''.

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

(A) by striking ''403(a),'';

(B) by striking ''and part A of title IV,''; and

(C) by striking '', and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV''.

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

(A) by striking ''or part A of title IV''; and

(B) by striking ''403(a),''.

(7) Section 1133(a) of such Act (42 U.S.C. 1320b–3(a)) is amended by striking ''or part A of title IV,''.

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

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

(A) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) any State program funded under part A of title IV of this Act;''; and

(B) in subsection (d)(1)(B)—

(i) by striking ''In this subsection—'' and all that follows through ''(ii) in'' and inserting ''In this subsection, in''; and

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

(iii) by moving such redesignated material 2 ems to the left.

(f) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11) of such Act, as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972, (42 U.S.C. 1382 note) is amended by striking

''aid under the State plan approved'' and inserting ''assistance under a State program funded''.

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

SEC. 105. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a) is amended to read as follows:

''(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

''(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)),

''(2) by a State or local agency charged with the duty of carrying a State plan for child support

approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.''.

(b) Paragraph (9) of section 51(d) of the Internal Revenue Code of 1986 is amended by striking all that follows ''agency as'' and inserting ''being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.''

(c) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

(d) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

(e) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is hereby repealed.

(f) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is hereby repealed.

(g) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is hereby repealed.

(h) Section 233 of the Social Security Act Amendments of 1994 (42 U.S.C. 602 note) is hereby repealed.

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

(1) in subsection (a), by striking ''aid to families with dependent children under a State plan approved'' and inserting ''assistance under a State program funded''; and

(2) in subsection (c), by striking ''aid to families with dependent children in the State under a State plan approved'' and inserting ''assistance in the State under a State program funded''.

SEC. 106. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

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

(1) in section 1931, by inserting ''subject to section 1931(a),'' after ''under this title,'' and by redesignating such section as section 1932; and

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

''CONTINUED APPLICATION OF AFDC STANDARDS

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

''(1) except as provided in paragraph (2), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV of this Act, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of March 7, 1995, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) had remained in effect on and after October 1, 1995; and

''(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part (as in effect on and after October 1, 1995).

''(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of March 7, 1995, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may continue to be applied, at the option of the State, in relation

to this title after the date the waiver would otherwise expire.''

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

(1) by striking ''and'' at the end of paragraph (61),

(2) by striking the period at the end of paragraph (62) and inserting ''; and'', and

(3) by inserting after paragraph (62) the following new paragraph:

''(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.''.

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) of such Act (42 U.S.C. 1396a(c)) is amended by striking ''if—'' and all that follows and inserting the following: ''if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.''.

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

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

SEC. 107. EFFECTIVE DATE.

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

(b) DELAYED APPLICABILITY OF AUTHORITY TO TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMILIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS NOT ESTABLISHED.—Section 405(a)(9) of the Social Security Act, as added by the amendment made by section 101 of this Act, shall not apply to individuals who, immediately before the effective date of this title, are recipients of aid under a State plan approved under part A of title IV of the Social Security Act, until the end of the 1-year (or, at the option of the State, 2-year) period that begins with such effective date.

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

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

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

TITLE II—CHILD PROTECTION BLOCK GRANT PROGRAM

SEC. 201. ESTABLISHMENT OF PROGRAM.

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

"PART B—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

"SEC. 421. PURPOSE.

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

''(1) identify and assist families at risk of abusing or neglecting their children;

''(2) operate a system for receiving reports of abuse or neglect of children;

''(3) investigate families reported to abuse or neglect their children;

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

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

''(6) make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families; and

''(7) provide for continuing evaluation and improvement of child protection laws, regulations, and services.

"SEC. 422. ELIGIBLE STATES.

''(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 3-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that includes the following:

''(1) OUTLINE OF CHILD PROTECTION PROGRAM.—A written document that outlines the activities the State intends to conduct to achieve the purpose of this part, including the procedures to be used for—

''(A) receiving reports of child abuse or neglect;

''(B) investigating such reports;

''(C) protecting children in families in which child abuse or neglect is found to have occurred;

''(D) removing children from dangerous settings;

''(E) protecting children in foster care;

''(F) promoting timely adoptions;

''(G) protecting the rights of families, using adult relatives as the preferred placement for children separated from their parents if such relatives meet all State child protection standards;

''(H) preventing child abuse and neglect; and

''(I) establishing and responding to citizen review panels under section 425.

''(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT.—A certification that the State has in effect laws that require public officials and other professionals to report actual or suspected instances of child abuse or neglect.

''(3) CERTIFICATION OF STATE PROGRAM TO INVESTIGATE CHILD ABUSE AND NEGLECT CASES.—A certification that the State has in effect a program to investigate child abuse and neglect cases.

''(4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND PLACEMENT OF ABUSED OR NEGLECTED CHILDREN.—A certification that the State

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

''(5) CERTIFICATION OF STATE PROCEDURES FOR DEVELOPING AND REVIEWING WRITTEN PLANS FOR PERMANENT PLACEMENT OF REMOVED CHILDREN.—A certification that the State has in effect procedures for ensuring that a written plan is prepared for children who have been removed from their families, which specifies the goal for achieving a permanent placement for the child in a timely fashion, for ensuring that the written plan is reviewed every 6 months, and for ensuring that information about such children is collected regularly and recorded in case records, and a description of such procedures.

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

''(7) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect a program to

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

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

''(A) IN GENERAL.—A certification that the State has in place for the purpose of responding to the reporting of medical neglect of infants (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

''(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

''(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected

medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

''(iii) authority, under State law, for the State child protective service to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

''(B) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—As used in subparagraph (A), the term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that such term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medi-

cation) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

''(i) the infant is chronically and irreversibly comatose;

''(ii) the provision of such treatment would—

''(I) merely prolong dying;

''(II) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

''(III) otherwise be futile in terms of the survival of the infant; or

''(iii) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

''(9) IDENTIFICATION OF CHILD PROTECTION GOALS.—The quantitative goals of the State child protection program.

''(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a). The Secretary may not require a State to include in such a plan

any material not described in subsection (a), and may not review the adequacy of State procedures. The Secretary may not require a State to alter its child protection law regarding determination of the adequacy, type and timing of health care (whether medical, non-medical or spiritual).

"SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.

''(a) ENTITLEMENT.—

''(1) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for each fiscal year specified in subsection (b)(1) a grant in an amount equal to the State share of the child protection amount for the fiscal year.

''(2) ADDITIONAL GRANT.—

''(A) IN GENERAL.—In addition to a grant under paragraph (1) of this subsection, the Secretary shall pay to each eligible State for each fiscal year specified in subsection (b)(1) an amount equal to the State share of the amount (if any) appropriated pursuant to subparagraph (B) of this paragraph for the fiscal year.

''(B) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under subparagraph (A), there are authorized to be appropriated to the Secretary an amount not to ex-

ceed $486,000,000 for each fiscal year specified in subsection (b)(1).

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

''(1) CHILD PROTECTION AMOUNT.—The term 'child protection amount' means—

''(A) $3,930,000,000 for fiscal year 1996;

''(B) $4,195,000,000 for fiscal year 1997;

''(C) $4,507,000,000 for fiscal year 1998;

''(D) $4,767,000,000 for fiscal year 1999; and

''(E) $5,071,000,000 for fiscal year 2000.

''(2) STATE SHARE.—

''(A) IN GENERAL.—The term 'State share' means the qualified child protection expenses of the State divided by the sum of the qualified child protection expenses of all of the States.

''(B) QUALIFIED CHILD PROTECTION EXPENSES.—The term 'qualified child protection expenses' means, with respect to a State the greater of—

''(i) ⅓ of the total amount of obligations to the State under the provisions of law specified in subparagraph (C) for fiscal years 1992, 1993, and 1994; or

''(ii) the total amount of obligations to the State under such provisions of law for fiscal year 1994.

''(C) PROVISIONS OF LAW.—The provisions of law specified in this subparagraph are the following (as in effect immediately before the effective date of this part):

''(i) Section 474(a) (other than subparagraphs (C) and (D) of paragraph (3)) of this Act.

''(ii) Section 304 of the Family Violence Prevention and Services Act.

''(iii) Section 107(a) of the Child Abuse Prevention and Treatment Act.

''(iv) Section 201(d) of the Child Abuse Prevention and Treatment Act.

''(v) Section 423 of this Act.

''(3) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

''(c) USE OF GRANT.—

''(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in any manner that the State deems appropriate to accom-

plish the purpose of this part, including setting up abuse and neglect reporting systems, abuse and neglect prevention, family preservation, foster care, adoption, program administration, and training.

''(2) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

''(A) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under this section for fiscal year 1998 or a succeeding fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

''(i) Part A of this title.

''(ii) Title XX of this Act.

''(iii) The Child Care and Development Block Grant Act of 1990.

''(iv) Any provision of law, enacted into law during the 104th Congress, under which grants are made to States for food and nutrition or employment and training.

''(B) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified in subparagraph (A) shall not be subject to the requirements of this

part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

''(3) TIMING OF EXPENDITURES.—A State to which a grant is made under this section for a fiscal year shall expend the total amount of the grant not later than the end of the immediately succeeding fiscal year.

''(4) RULE OF INTERPRETATION.—This part shall not be interpreted to prohibit short- and long-term foster care facilities operated for profit from receiving funds provided under this part.

''(d) TIMING OF PAYMENTS.—The Secretary shall pay each eligible State the amount of the grant payable to the State under this section in quarterly installments.

''(e) PENALTIES.—

''(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—

''(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant

that would (in the absence of this subsection) be payable to the State under this section for the immediately succeeding fiscal year by the amount so used.

''(B) LIMITATION.—In carrying out subparagraph (A), the Secretary shall not reduce any quarterly payment by more than 25 percent.

''(C) CARRYFORWARD OF UNRECOVERED PENALTY.—To the extent that subparagraph (B) prevents the Secretary from recovering during a fiscal year the full amount of a penalty imposed on a State under subparagraph (A) for a prior fiscal year, the Secretary shall apply subparagraph (A) to the grant otherwise payable to the State under this section for the immediately succeeding fiscal year.

''(2) FOR FAILURE TO MAINTAIN EFFORT.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that the amount expended by a State (other than from amounts provided by the Federal Government) during fiscal year 1996 or 1997 to carry out the State program funded under this part is less than the total amount expended by the State (other than from amounts pro-

vided by the Federal Government) during fiscal year 1995 under parts B and E of this title, then the Secretary shall reduce the amount of the grant that would (in the absence of this subsection) be payable to the State under this section for the immediately succeeding fiscal year by the amount of the difference.

''(3) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

''(A) IN GENERAL.—The Secretary shall reduce by 3 percent the amount of the grant that would (in the absence of this subsection) be payable to a State under this section for a fiscal year if the Secretary determines that the State has not submitted the report required by section 427(b) for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

''(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(f) LIMITATION ON FEDERAL AUTHORITY.—Except as expressly provided in this part, the Secretary may not regulate the conduct of States under this part or enforce any provision of this part.

"SEC. 424. CHILD PROTECTION STANDARDS.

"(a) IN GENERAL.—Each State to which a grant is made under section 423 shall operate a child protection program in accorance with the following standards in order to assure the protection of children:

"(1) The primary standard by which a State child welfare system shall be judged is the protection of children.

"(2) Each State shall investigate reports of abuse and neglect promptly.

"(3) Children removed from their homes shall have a permanency plan and a dispositional hearing by a court or a court-appointed body within 3 months after a fact-finding hearing.

"(4) All child protection cases in which the child is placed outside the home shall be reviewed every 6 months unless the child is in a long-term placement.

"(b) PLACEMENT OF CHILDREN WITH RELATIVES.—A State to which a grant is made under this part may consider—

''(1) establishing a new type of foster care placement, which could be considered a permanent placement, for children who are separated from their parents (in this subsection referred to as 'kinship care') under which—

''(A) adult relatives of such children would be the preferred placement option if such relatives meet all relevant child protection standards established by the State;

''(B) the State would make a needs-based payment and provide supportive services, as appropriate, with respect to children placed in a kinship care arrangement; and

''(2) in placing children for adoption, giving preference to adult relatives who meet applicable adoption standards (including those acting as foster parents of such children).

"SEC. 425. CITIZEN REVIEW PANELS.

''(a) ESTABLISHMENT.—Each State to which a grant is made under section 423 shall establish at least 3 citizen review panels.

''(b) COMPOSITION.—Each panel established under subsection (a) shall be broadly representative of the community from which drawn.

"(c) FREQUENCY OF MEETINGS.—Each panel established under subsection (a) shall meet not less frequently than quarterly.

"(d) DUTIES.—

"(1) IN GENERAL.—Each panel established under subsection (a) shall, by examining specific cases, determine the extent to which the State and local agencies responsible for carrying out activities under this part are doing so in accordance with the State plan, with the child protection standards set forth in section 424, and with any other criteria that the panel considers important to ensure the protection of children.

"(2) CONFIDENTIALITY.—The members and staff of any panel established under subsection (a) shall not disclose to any person or government any information about any specific child protection case with respect to which the panel is provided information.

"(e) STATE ASSISTANCE.—Each State that establishes a panel under subsection (a) shall afford the panel access to any information on any case that the panel desires to review, and shall provide the panel with staff assistance in performing its duties.

"(f) REPORTS.—Each panel established under subsection (a) shall make a public report of its activities after each meeting.

"SEC. 426. CLEARINGHOUSE AND HOTLINE ON MISSING AND RUNAWAY CHILDREN.

"(a) IN GENERAL.—The Attorney General of the United States shall establish and operate by contract a clearinghouse of information on children who are missing or have run away from home, including a 24-hour toll-free telephone hotline which may be contacted for information on such children.

"(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Attorney General of the United States not to exceed $7,000,000 for each fiscal year.

"SEC. 427. DATA COLLECTION AND REPORTING.

"(a) ANNUAL REPORTS ON STATE CHILD WELFARE GOALS.—On the date that is 3 years after the effective date of this part and annually thereafter, each State to which a grant is made under section 423 shall submit to the Secretary a report that contains quantitative information on the extent to which the State is making progress toward achieving the goals of the State child protection program.

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

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

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

"(3) Of the number of children described in paragraph (2)—

"(A) the number that did not receive services during the year under the State program funded under this part;

"(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

"(C) the number that were removed from their families during the year.

"(4) The number of families that received preventive services from the State during the year.

"(5) The number of children who entered foster care under the responsibility of the State during the year.

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

''(7) The types of foster care placements made by the State during the year, and the average monthly number of children in each type of placement.

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

''(9) The age, ethnicity, gender, and family income of the children placed in foster care under the responsibility of the State during the year.

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

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

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

''(13) The number of disrupted adoptions in the State during the year.

''(14) Quantitative measurements showing whether the State is making progress toward the

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

''(15) The number of infants abandoned in the State during the year, and the number of such infants who were legally adopted during the year and the length of time between the discovery of the abandonment and such adoption.

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

''(17) The number of deaths in the State during the year resulting from child abuse or neglect.

''(18) The number of children served by the independent living program of the State.

''(19) Any other information which the Secretary and a majority of the States agree is appropriate to collect for purposes of this part.

''(20) The response of the State to the findings and recommendations of the citizen review panels established by the State pursuant to section 425.

''(c) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with a requirement to provide precise numerical information described in subsection (b) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

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

''(e) SCOPE OF STATE PROGRAM FUNDED UNDER THIS PART.—As used in subsection (b), the term 'State program funded under this part' includes any equivalent State program.

"SEC. 428. RESEARCH AND TRAINING.

''(a) IN GENERAL.—The Secretary shall conduct research and training in child welfare.

''(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary not to exceed $10,000,000 for each fiscal year.

"SEC. 429. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

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

''(b) REQUIREMENTS.—The study required by subsection (a) shall—

''(1) have a longitudinal component; and

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

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

''(1) collect data on the child protection programs of different small States or (different groups of such States) in different years to yield an occasional picture of the child protection programs of such States;

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

''(3) follow each case for several years while obtaining information on, among other things—

''(A) the type of abuse or neglect involved;

''(B) the frequency of contact with State or local agencies;

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

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

''(E) the average duration of each placement.

''(d) REPORTS.—

"(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a), and should include in such reports a comparison of the results of the study with the information reported by States under section 427.

"(2) AVAILABILITY.—The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

"(3) AUTHORITY TO CHARGE FEE.—The Secretary may charge and collect a fee for the furnishing of reports under paragraph (2).

"(e) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Secretary of Health and Human Services $6,000,000 for each of fiscal years 1996 through 2000 to carry out this section.

"SEC. 430. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

"(a) PURPOSE.—The purpose of this section is to decrease the length of time that children wait to be adopted and to prevent discrimination in the placement of children on the basis of race, color, or national origin.

"(b) MULTIETHNIC PLACEMENTS.—

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

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

"(B) delay or deny the placement of a child for adoption or into foster care, or otherwise discriminate in making a placement decision, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

"(2) PENALTIES.—

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

"(B) PRIVATE VIOLATORS.—Any other entity that violates paragraph (1) during a period shall remit to the Secretary all funds that were paid to the entity during the period by a State from funds provided under this part.

"(3) PRIVATE CAUSE OF ACTION.—

"(A) IN GENERAL.—Any individual who is aggrieved by a violation of paragraph (1) by a State or other entity may bring an action seeking relief in any United States district court.

"(B) STATUTE OF LIMITATIONS.—An action under this paragraph may not be brought more than 2 years after the date the alleged violation occurred.".

SEC. 202. CONFORMING AMENDMENTS.

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

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

(A) by striking "(or foster care maintenance payments under part E)" and inserting "or cash payments under a State program funded under part B"; and

(B) by striking "or 471(a)(17)".

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

(A) by striking "or E" the 1st place such term appears and inserting "or benefits or services are being provided under the State program funded under part B"; and

(B) by striking ''or E'' the 2nd place such term appears and inserting ''or benefits or services were being provided under the State program funded under part B''.

(3) Section 456(a)(1) of such Act (42 U.S.C. 656(a)(1)) is amended by striking ''foster care maintenance payments'' and inserting ''benefits or services under a State program funded under part B''.

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

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

(c) AMENDMENT TO TITLE XVI OF THE SOCIAL SECURITY ACT AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C. 1382(c)(5)(B)) is amended to read as follows: ''(B) the State program funded under part B of title IV,''.

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

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

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

(g) REPEAL OF SUBTITLE C OF TITLE XVII OF THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Subtitle C of title XVII of the Violent Crime Control and Law Enforcement Act of 1994 is hereby repealed.

SEC. 203. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

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

(1) in subsection (a)(1)—

(A) by striking ''part A of'', and

(B) by striking ''under such part'' and inserting ''under a part of such title''; and

(2) in subsection (b), by striking ''part A of''.

SEC. 204. EFFECTIVE DATE.

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

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

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

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

SEC. 205. SENSE OF THE CONGRESS REGARDING TIMELY ADOPTION OF CHILDREN.

It is the sense of the Congress that—

(1) too many children who wish to be adopted are spending inordinate amounts of time in foster care;

(2) there is an urgent need for States to increase the number of waiting children being adopted in a timely and lawful manner;

(3) studies have shown that States spend an excess of $15,000 each year on each special needs child in foster care, and would save significant amounts of money if they offered incentives to families to adopt special needs children;

(4) States should allocate sufficient funds under this title for adoption assistance and medical assistance to encourage more families to adopt children who otherwise would languish in the foster care system for a period that many experts consider detrimental to their development;

(5) States should offer incentives for families that adopt special needs children to make adoption more affordable for middle-class families;

(6) when it is necessary for a State to remove a child from the home of the child's biological parents, the State should strive—

(A) to provide the child with a single foster care placement and a single coordinated case team; and

(B) to conclude an adoption of the child, when adoption is the goal of the child and the State, within one year of the child's placement in foster care; and

(7) States should participate in local, regional, or national programs to enable maximum visibility of waiting children to potential parents. Such programs should include a nationwide, interactive computer network to disseminate information on children eligi-

ble for adoption to help match them with families around the country.

TITLE III—BLOCK GRANTS FOR CHILD CARE AND FOR NUTRITION ASSISTANCE

Subtitle A—Child Care Block Grants

SEC. 301. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) GOALS.—Section 658A of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

(1) in the heading of such section by inserting ''**AND GOALS**'' after ''**TITLE**'',

(2) by inserting ''(a) SHORT TITLE.—'' before ''This'', and

(3) by adding at the end the following:

''(b) GOALS.—The goals of this subchapter are—

''(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

''(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

''(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

''(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

''(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

''SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this subchapter $2,093,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.''.

(c) LEAD ENTITY.—Section 658D of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b) is amended—

(1) in the heading of such section by striking ''**AGENCY**'' inserting ''**ENTITY**'',

(2) in subsection (a) by inserting ''or other entity'' after ''State agency'', and

(3) by striking ''lead agency'' each place it appears and inserting ''lead entity''.

(d) APPLICATION AND PLAN.—Section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking ''implemented—'' and all that follows through ''(2)'' and inserting ''implemented'', and

(B) by striking ''for subsequent State plans'',

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in the heading of such paragraph by striking ''AGENCY'' and inserting ''ENTITY'', and

(ii) by striking ''agency'' and inserting ''entity'',

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking '', other than through assistance provided under paragraph (3)(C),'' and

(II) by striking ''except'' and all that follows through ''1992'', and inserting ''and provide a detailed description of the procedures the State

will implement to carry out the requirements of this subparagraph'',

(ii) in subparagraph (B)—

(I) by striking ''Provide assurances'' and inserting ''Certify'', and

(II) by inserting before the period at the end ''and provide a detailed description of such procedures'',

(iii) in subparagraph (C)—

(I) by striking ''Provide assurances'' and inserting ''Certify'', and

(II) by inserting before the period at the end ''and provide a detailed description of how such record is maintained and is made available'',

(iv) by amending subparagraph (D) to read as follows:

''(D) CONSUMER EDUCATION INFORMATION.—Provide assurances that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.'',

(v) in subparagraph (E)—

(I) by striking ''Provide assurances'' and inserting ''Certify'',

(II) in clause (i) by inserting ''health, safety, and'' after ''comply with all'',

(III) in clause (i) by striking ''; and'' at the end,

(IV) by striking ''that—'' and all that follows through ''(i)'', and inserting ''that'', and

(V) by striking ''(ii)'' and all that follows through the end of such subparagraph, and inserting ''and provide a detailed description of such requirements and of how such requirements are effectively enforced.'', and

(vi) by striking subparagraphs (F), (G), (H), (I), and (J),

(C) in paragraph (3)—

(i) in subparagraph (A) by inserting ''or as authorized by section 658T'' before the period at the end,

(ii) in subparagraph (B)—

(I) by striking ''.—Subject to the reservation contained in subparagraph

(C), the'' and inserting ''AND RELATED ACTIVITIES.—The'',

(II) by inserting '', other than amounts transferred under section 658T,'' after ''subchapter'',

(III) in clause (i) by striking ''; and'' at the end and inserting a period,

(IV) by striking ''for—'' and all that follows through ''section 658E(c)(2)(A)'' and inserting ''for child care services, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)'', and

(V) by striking clause (ii), and

(iii) by amending subparagraph (C) to read as follows:

''(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may

be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.'',

(D) in paragraph (4)(A)—

(i) by striking ''provide assurances'' and inserting ''certify'',

(ii) in the first sentence by inserting ''and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access'' before the period, and

(iii) by striking the last sentence, and

(E) by striking paragraph (5).

(e) LIMITATIONS ON STATE ALLOTMENTS—Section 658F(b)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858d(b)(2)) is amended by striking ''referred to in section 658E(c)(2)(F)''.

(f) REPEAL OF EARMARKED REQUIRED EXPENDITURES.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended by striking sections 658G and 658H.

(g) ADMINISTRATION AND ENFORCEMENT.—Section 658I(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(a)) is amended—

(1) in paragraph (1) by inserting ''and'' at the end,

(2) by striking paragraph (2), and

(3) by redesignating paragraph (3) as paragraph (2).

(h) PAYMENTS.—Section 658J(c) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h(c)) is amended—

(1) by striking ''expended'' and inserting ''obligated'', and

(2) by striking ''3 fiscal years'' and inserting ''fiscal year''.

(i) ANNUAL REPORT AND AUDITS.—Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended—

(1) in the heading of such section by inserting ''**, EVALUATION PLANS,**'' after ''**REPORT**'',

(2) in subsection (a)—

(A) by striking '', 1992'' and inserting ''following the end of the first fiscal year with respect to which the amendments made by the Personal Responsibility Act of 1995 apply'',

(B) by amending paragraph (2) to read as follows:

''(2) containing data on the manner in which the child care needs of families in the State are being fulfilled, including information concerning—

''(A) the number and ages of children being assisted with funds provided under this subchapter;

''(B) with respect to the families of such children—

''(i) the number of other children in such families;

''(ii) the number of such families that include only 1 parent;

''(iii) the number of such families that include both parents;

''(iv) the ages of the mothers of such children;

''(v) the ages of the fathers of such children;

''(vi) the sources of the economic resources of such families, including the amount of such resources obtained from (and separately identified as being from)—

''(I) employment, including self-employment;

''(II) assistance received under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(III) part B of title IV of the Social Security Act (42 U.S.C. 621 et seq.);

''(IV) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

''(V) the National School Lunch Act (42 U.S.C. 1751 et seq.);

''(VI) assistance received under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

''(VII) assistance received under title XIV of the Social Security Act (42 U.S.C. 1351 et seq.);

''(VIII) assistance received under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

''(IX) assistance received under title XX of the Social Security Act (42 U.S.C. 1397 et seq.); and

''(X) any other source of economic resources the Secretary determines to be appropriate;

''(C) the number of such providers separately identified with respect to each type of child care provider specified in section 658P(5) that provided child care services obtained with assistance provided under this subchapter;

''(D) with respect to cost of such services—

''(i) the cost imposed by such providers to provide such services; and

''(ii) the portion of such cost paid with assistance provided under this subchapter;

''(E) with respect to consumer education information described in section 658E(c)(2)(D) provided by such State—

''(i) the manner in which such information was provided; and

''(ii) the number of parents to whom such information was provided; and

''(F) with respect to complaints received by such State regarding child care services obtained with assistance provided under this subchapter—

''(i) the number of such complaints that were found to have merit; and

''(ii) a description of the actions taken by the State to correct the circumstances on which such complaints were based.'',

(C) by striking paragraphs (3), (4), (5), and (6) and inserting the following:

''(3) containing evidence demonstrating that the State satisfied the requirements of section 658E(c)(2)(F); and

''(4) identifying each State program operated under a provision of law specified in section 658T to which the State transferred funds under the authority of such section, specifying the amount of funds so transferred to such program, and containing a justification for so transferring such amount;'', and

(3) in subsection (b)—

(A) in paragraph (1) by striking ''a application'' and inserting ''an application'',

(B) in paragraph (2) by striking ''any agency administering activities that receive'' and inserting ''the State that receives'', and

(C) in paragraph (4) by striking ''entitles'' and inserting ''entitled'', and

(4) by redesignating subsection (b) as subsection (c), and

(5) by inserting after subsection (a) the following:

''(b) STATE EVALUATION PLAN AND EVALUATION RESULTS.—

''(1) EVALUATION PLAN.—In the first report submitted under subsection (a) after the date of the enactment of the Personal Responsibility Act of 1995, and in the report for each alternating 1-year period thereafter, the State shall include a plan the State intends to carry out in the 1-year period subsequent to the period for which such report is submitted, to evaluate the extent to which the State has realized each of the goals specified in paragraphs (2) through (5) of section 658A(b). The State shall include in such plan a description of the types of data and other information the State will collect to determine whether the State has realized such goals.

''(2) EVALUATION RESULTS.—In the second report submitted under subsection (a) after the date of the enactment of the Personal Responsibility Act of 1995, and in the report for each alternating 1-year period thereafter, the State shall include a summary of the results of an evaluation carried out under the evaluation plan contained in the report

submitted under subsection (a) for the preceding 1-year period.''.

(j) REPORT BY SECRETARY.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended—

(1) by striking '', 1993, and annually'' and inserting ''following the end of the second fiscal year with respect to which the amendments made by the Personal Responsibility Act of 1995 apply, and biennially'',

(2) by striking ''Committee on Education and Labor'' and inserting ''Speaker'',

(3) by striking ''Committee on Labor and Human Resources'' and inserting ''President pro tempore'', and

(4) by striking the last sentence.

(k) REALLOTMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (a)(1)—

(A) by striking ''POSSESSIONS'' and inserting ''POSSESSIONS'',

(B) by inserting ''and'' after ''States,'', and

(C) by striking ‘‘, and the Trust Territory of the Pacific Islands’’,

(2) by amending subsection (b) to read as follows:

‘‘(b) STATE ALLOTMENT.—From the amount appropriated under section 658B for each fiscal year remaining after reservations under subsection (a), the Secretary shall allot to each State (excluding Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands) an amount that bears the same ratio to the amount so appropriated for such fiscal year as the aggregate of the amounts received by the State under—

‘‘(1) this subchapter for fiscal year 1994;

‘‘(2) section 403 of the Social Security Act, with respect to expenditures by the State for child care under section 402(g)(1) of such Act during fiscal year 1994; and

‘‘(3) section 403(n) of the Social Security Act for fiscal year 1994;

bears to the aggregate of the amounts received by all the States (excluding Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands) under paragraphs (1), (2), and (3).’’,

(3) in subsection (c)—

(A) in paragraph (2)(A) by striking ''agency'' and inserting ''entity'', and

(B) in paragraph (5) by striking ''our'' and inserting ''out'',

(4) by striking subsection (e), and

(5) by redesignating subsection (f) as subsection (e).

(l) DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (5)(A)—

(A) in clause (i) by striking ''and'' at the end and inserting ''or'',

(B) by striking ''that—'' and all that follows through ''(i)'', and inserting ''that'', and

(C) by striking clause (ii),

(2) by amending paragraph (8) to read as follows:

''(8) LEAD ENTITY.—The term 'lead entity' means the State agency or other entity designated under section 658B(a).'',

(3) by striking paragraphs (3), (10), and (12),

(4) by inserting after paragraph (2) the following:

''(3) CHILD CARE SERVICES.—The term 'child care services' means services that constitute physical care of a child and may include services that are designed to enhance the educational, social, cultural, emotional, and recreational development of a child but that are not intended to serve as a substitute for compulsory educational services.'',

(5) in paragraph (13)—

(A) by inserting ''or'' after ''Samoa,'', and

(B) by striking '', and the Trust Territory of the Pacific Islands'', and

(6) by redesignating paragraphs (11), (13), and (14) as paragraphs (10), (11), and (12), respectively.

(m) AUTHORITY TO TRANSFER FUNDS.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting after section 658S the following:

''SEC. 658T. TRANSFER OF FUNDS.

''(a) AUTHORITY.—Of the aggregate amount of payments received under this subchapter by a State in each fiscal year, the State may transfer not more than 20 percent for use by the State to carry out State programs under 1 or more of the following provisions of law:

"(1) Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) Part B of title IV of the Social Security Act (42 U.S.C. 621 et seq.).

"(3) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

"(4) The National School Lunch Act (42 U.S.C. 1751 et seq.).

"(5) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

"(b) REQUIREMENTS APPLICABLE TO FUNDS TRANSFERRED.—Funds transferred under subsection (a) to carry out a State program operated under a provision of law specified in such subsection shall not be subject to the requirements of this subchapter, but shall be subject to the same requirements that apply to Federal funds provided directly under such provision of law to carry out such program.".

SEC. 302. REPEAL OF CHILD CARE ASSISTANCE AUTHORIZED BY ACTS OTHER THAN THE SOCIAL SECURITY ACT.

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901–10905) is repealed.

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

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

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

(2) in section 10963(b)(2) by striking subparagraph (G), and

(3) in section 10974(a)(6) by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103–382; 108 Stat. 3794) is repealed.

Subtitle B—Family and School-Based Nutrition Block Grants

CHAPTER 1—FAMILY NUTRITION BLOCK GRANT PROGRAM

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

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

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This Act may be cited as the 'Child Nutrition Act of 1966'.

''(b) TABLE OF CONTENTS.—The table of contents is as follows:

''Sec. 1. Short title; table of contents.
''Sec. 2. Authorization.
''Sec. 3. Allotment.
''Sec. 4. Application.
''Sec. 5. Use of amounts.
''Sec. 6. Reports.
''Sec. 7. Penalties.
''Sec. 8. Model nutrition standards for food assistance for pregnant, postpartum, and breastfeeding women, infants and children.
''Sec. 9. Authorization of appropriations.
''Sec. 10. Definitions.

"SEC. 2. AUTHORIZATION.

''(a) IN GENERAL.—In the case of each State that in accordance with section 4 submits to the Secretary of Agriculture an application for a fiscal year, the Secretary shall provide a grant for the year to the State for the purpose of achieving the goals described in subsection (b). The grant shall consist of the allotment determined for the State under section 3.

''(b) GOALS.—The goals of this Act are—

''(1) to provide nutritional risk assessment, food assistance based on such risk assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children who are determined to be at nutritional risk;

''(2) to provide nutritional risk assessments of such women in order to provide food assistance and nutrition education which meets their specific needs;

''(3) to provide nutrition education to such women in order to increase their awareness of the types of foods which should be consumed to maintain good health;

''(4) to provide food assistance, including nutritious meal supplements, to such women in order to reduce incidences of low-birthweight babies and babies born with birth defects as a result of nutritional deficiencies;

''(5) to provide food assistance, including nutritious meal supplements, to such women, infants, and young children in order to ensure their future good health;

''(6) to ensure that such women, infants, and children are referred to other health services, including routine pediatric and obstetric care, when necessary;

''(7) to ensure that children from economically disadvantaged families in day care facilities, family day care homes, homeless shelters, settlement houses, recreational centers, Head Start centers, Even Start programs and child care facilities for

children with disabilities receive nutritious meals, supplements, and low-cost milk; and

''(8) to provide summer food service programs to meet the nutritional needs of children from economically disadvantaged families during months when school is not in session.

''(c) TIMING OF PAYMENTS.—The Secretary shall provide payments under a grant under this Act to States on a quarterly basis.

"SEC. 3. ALLOTMENT.

''The Secretary shall allot the amount appropriated to carry out this Act for a fiscal year among the States as follows:

''(1) FIRST FISCAL YEAR.—

''(A) IN GENERAL.—With respect to the first fiscal year for which the Secretary provides grants to States under this Act, the amount allotted to each State shall bear the same proportion to such amount appropriated as the aggregate of the amounts described in subparagraph (B) that were received by each such State under the provisions of law described in such subparagraph (as such provisions of law were in effect on the day before the date of the enactment of the Personal Responsibility Act of

1995) for the preceding fiscal year bears to the aggregate of the amounts described in subparagraph (B) that were received by all such States under such provisions of law for such preceding fiscal year.

''(B) AMOUNTS DESCRIBED.—The amounts described in this subparagraph are the following:

''(i) The amount received under the special supplemental nutrition program for women, infants, and children under section 17 of this Act (42 U.S.C. 1786).

''(ii) The amount received under the homeless children nutrition program established under section 17B of the National School Lunch Act (42 U.S.C. 1766b).

''(iii) 87.5 percent of the sum of the amounts received under the following programs:

''(I) The child and adult care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766), except for subsection (o) of such section.

"(II) The summer food service program for children established under section 13 of the National School Lunch Act (42 U.S.C. 1761).

"(III) The special milk program established under section 3 of this Act (42 U.S.C. 1772).

"(2) SECOND FISCAL YEAR.—With respect to the second fiscal year for which the Secretary provides grants to States under this Act—

"(A) 95 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount that bears the same proportion to such amount appropriated as the amount allotted to each such State from a grant under this Act for the preceding fiscal year bears to the aggregate of the amounts allotted to all such States from grants under this Act for such preceding fiscal year; and

"(B) 5 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount that bears the same proportion to such amount appropriated as the relative number of individuals receiving assistance during the 1-year period ending on

June 30 of the preceding fiscal year in such State from amounts received from a grant under this Act for such preceding fiscal year bears to the total number of individuals receiving assistance in all States from amounts received from grants under this Act for the preceding fiscal year.

''(3) THIRD AND FOURTH FISCAL YEARS.—With respect to each of the third and fourth fiscal years for which the Secretary provides grants to States under this Act—

''(A) 90 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

''(B) 10 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

''(4) FIFTH FISCAL YEAR.—With respect to the fifth fiscal year for which the Secretary provides grants to States under this Act—

''(A) 85 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

''(B) 15 percent of such amount appropriated shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

''SEC. 4. APPLICATION.

''The Secretary may provide a grant under this Act to a State for a fiscal year only if the State submits to the Secretary an application containing only—

''(1) an agreement that the State will use amounts received from such grant in accordance with section 5;

''(2) except as provided in paragraph (3), an agreement that the State will set minimum nutritional requirements for food assistance provided under this Act based on the most recent tested nutritional research available, except that—

''(A) such requirements shall not be construed to prohibit the substitution of foods to

accommodate the medical or other special dietary needs of individual students; and

''(B) such requirements shall, at a minimum, be based on—

''(i) the weekly average of the nutrient content of school lunches; or

''(ii) such other standards as the State may prescribe;

''(3) an agreement that the State, with respect to the provision of food assistance to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children, shall—

''(A) implement the minimum nutritional requirements described in paragraph (2) for such food assistance; or

''(B) implement the model nutrition standards developed under section 8 for such food assistance;

''(4) an agreement that the State will take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under this Act;

''(5) an agreement that the State will use not more than 5 percent of the amount of such grant for administrative costs incurred to provide assistance under this Act, except that costs associated with the nutritional risk assessment of individuals described in section 5(a)(1) and costs associated with nutrition education and counseling provided to such individuals shall not be considered to be administrative costs; and

''(6) an agreement that the State will submit to the Secretary a report in accordance with section 6.

''SEC. 5. USE OF AMOUNTS.

''(a) IN GENERAL.—The Secretary may provide a grant under this Act to a State only if the State agrees that it will use all amounts received from such grant—

''(1) subject to subsection (b), to provide nutritional risk assessment, food assistance based on such risk assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children who are determined to be at nutritional risk;

''(2) to provide milk in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar institutions devoted to the

care and training of children, to children from economically disadvantaged families;

''(3) to provide food service programs in institutions and family day care homes providing child care to children from economically disadvantaged families;

''(4) to provide summer food service programs carried out by nonprofit food authorities, local governments, nonprofit higher education institutions participating in the National Youth Sports Program, and residential nonprofit summer camps to children from economically disadvantaged families; and

''(5) to provide nutritious meals to pre-school age homeless children in shelters and other facilities serving the homeless population.

''(b) ADDITIONAL REQUIREMENTS WITH RESPECT TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

''(1) MINIMUM AMOUNT OF ASSISTANCE.—The State shall ensure that not less than 80 percent of the amount of the grant is used to provide nutritional risk assessment, food assistance based on such nutritional risk assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding

women, infants, and young children under subsection (a)(1).

''(2) COST CONTAINMENT MEASURES REGARDING PROCUREMENT OF INFANT FORMULA.—

''(A) IN GENERAL.—The State shall, with respect to the provision of food assistance to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children under subsection (a)(1), establish and carry out a cost containment system for the procurement of infant formula.

''(B) USE OF AMOUNTS RESULTING FROM SAVINGS.—The State shall use amounts available to the State as result of savings in costs to the State from the implementation of the cost containment system described in subparagraph (A) for the purpose of providing the assistance described in paragraphs (1) through (5) of subsection (a).

''(C) ANNUAL REPORTS.—The State shall submit to the Secretary for each fiscal year a report containing—

''(i) a description of the cost containment system for infant formula imple-

mented by the State in accordance with subparagraph (A) for such fiscal year; and

"(ii) the estimated amount of savings in costs derived by the State in providing food assistance described in such subparagraph under such cost containment system for such fiscal year as compared to the amount of such savings derived by the State under the cost containment system for the preceding fiscal year, where appropriate.

"(3) ASSISTANCE FOR MEMBERS OF THE ARMED FORCES AND THEIR DEPENDENTS.—The State shall ensure that assistance described in subsection (a)(1) is provided to members of the Armed Forces and dependents of such members (regardless of the State of residence of such members or dependents) who meet the requirements of such subsection on an equitable basis with assistance provided to all other individuals under such subsection in such State.

"(c) ADDITIONAL REQUIREMENT WITH RESPECT TO CHILD CARE ASSISTANCE ON MILITARY INSTALLATIONS.—

"(1) IN GENERAL.—To the extent consistent with the number of children who are receiving assistance under child care programs established and carried out on military installations in such State by the Department of Defense, the State, after timely and appropriate consultation with representatives of such programs, shall provide assistance to such programs for such children (regardless of the State of residence of such children) in accordance with subsection (a)(3) on an equitable basis with assistance provided in accordance with such subsection to all other child care programs carried out in such State.

"(2) LIMITATION.—In providing assistance to a child care program established and carried out on a military installation under paragraph (1), a State shall not require that such program be licensed under State law if such program is licensed by the Department of Defense.

"(d) AUTHORITY TO USE AMOUNTS FOR OTHER PURPOSES.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), a State may use not more than 20 percent of amounts received from a grant under this Act for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(A) Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(B) Part B of title IV of the Social Security Act (42 U.S.C. 621 et seq.).

"(C) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

"(D) The National School Lunch Act (42 U.S.C. 1751 et seq.).

"(E) The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

"(2) SUFFICIENT FUNDING DETERMINATION.—Prior to using any amounts received from a grant under this Act for a fiscal year to carry out a State program pursuant to any or all of the provisions of law described in paragraph (1), the appropriate State agency shall make a determination that sufficient amounts will remain available for such fiscal year to carry out this Act.

"(3) RULES GOVERNING USE OF AMOUNTS FOR OTHER PURPOSES.—Amounts paid to the State under a grant under this Act that are used to carry out a State program pursuant to a provision of law specified in paragraph (1) shall not be subject to the requirements of this Act, but shall be subject to the

same requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"SEC. 6. REPORTS.

''The Secretary may provide a grant under this Act to a State for a fiscal year only if the State agrees that it will submit, for such fiscal year, a report to the Secretary describing—

''(1) the number of individuals receiving assistance under the grant in accordance with each of paragraphs (1) through (5) of section 5(a);

''(2) the different types of assistance provided to such individuals in accordance with such paragraphs;

''(3) the extent to which such assistance was effective in achieving the goals described in section 2(b);

''(4) the standards and methods the State is using to ensure the nutritional quality of such assistance, including meals and supplements;

''(5) the number of low birthweight births in the State in such fiscal year compared to the number of such births in the State in the previous fiscal year; and

"(6) any other information which can be reasonably required by the Secretary.

"SEC. 7. PENALTIES.

"(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION OF THIS ACT.—

"(1) IN GENERAL.—The Secretary shall reduce the amounts otherwise payable to a State under a grant under this Act by any amount paid to the State under this Act which an audit conducted pursuant to chapter 75 of title 31, United States Code, finds has been used in violation of this Act.

"(2) LIMITATION.—In carrying out paragraph (1), the Secretary shall not reduce any quarterly payment by more than 25 percent.

"(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED REPORT.—The Secretary shall reduce by 3 percent the amount otherwise payable to a State under a grant under this Act for a fiscal year if the Secretary determines that the State has not submitted the report required by section 6 for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

"SEC. 8. MODEL NUTRITION STANDARDS FOR FOOD ASSISTANCE FOR PREGNANT, POSTPARTUM, AND BREASTFEEDING WOMEN, INFANTS AND CHILDREN.

''(a) IN GENERAL.—Not later than April 1, 1996, the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences, in cooperation with pediatricians, obstetricians, nutritionists, and directors of programs providing nutritional risk assessment, food assistance, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children, shall develop model nutrition standards for food assistance provided to such women, infants, and children under this Act.

''(b) REQUIREMENT.—Such model nutrition standards shall require that food assistance provided to such women, infants, and children contain nutrients that are lacking in the diets of such women, infants, and children, as determined by nutritional research.

''(c) REPORT TO CONGRESS.—Not later than 1 year after the date on which the model nutrition standards are developed under subsection (a), the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences shall prepare and submit to the Congress

a report regarding the efforts of States to implement such model nutrition standards.

"SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act $4,606,000,000 for fiscal year 1996, $4,777,000,000 for fiscal year 1997, $4,936,000,000 for fiscal year 1998, $5,120,000,000 for fiscal year 1999, and $5,308,000,000 for fiscal year 2000.

''(b) AVAILABILITY.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until the end of the fiscal year subsequent to the fiscal year for which such amounts are appropriated.

"SEC. 10. DEFINITIONS.

''For purposes of this Act:

''(1) BREASTFEEDING WOMEN.—The term 'breastfeeding women' means women up to 1 year postpartum who are breastfeeding their infants.

''(2) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' means an individual or a family, as the case may be, whose annual income does not exceed 185 percent of the applicable family size income levels contained in the most recent income poverty guidelines prescribed by the Office of Management and Budget and based on data from the Bureau of the Census.

''(3) INFANTS.—The term 'infants' means individuals under 1 year of age.

''(4) POSTPARTUM WOMEN.—The term 'postpartum women' means women who are in the 180-day period beginning on the termination of pregnancy.

''(5) PREGNANT WOMEN.—The term 'pregnant women' means women who have 1 or more fetuses in utero.

''(6) SCHOOL.—The term 'school' means a public or private nonprofit elementary, intermediate, or secondary school.

''(7) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(8) STATE.—The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, or a tribal organization (as defined in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l))).

''(9) YOUNG CHILDREN.—The term 'young children' means individuals who have attained the age of 1 but have not attained the age of 5.''.

CHAPTER 2—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

SEC. 341. AMENDMENT TO NATIONAL SCHOOL LUNCH ACT.

The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This Act may be cited as the 'National School Lunch Act'.

''(b) TABLE OF CONTENTS.—The table of contents is as follows:

''Sec. 1. Short title; table of contents.
''Sec. 2. Authorization.
''Sec. 3. Allotment.
''Sec. 4. Application.
''Sec. 5. Use of amounts.
''Sec. 6. Reports.
''Sec. 7. Penalties.
''Sec. 8. Assistance to children enrolled in private nonprofit schools and Department of Defense domestic dependents' schools in case of restrictions on State or failure by State to provide assistance.
''Sec. 9. Food service programs for department of defense overseas dependents' schools.
''Sec. 10. Model nutrition standards for meals for students.
''Sec. 11. Definitions.

"SEC. 2. AUTHORIZATION.

''(a) ENTITLEMENT.—

''(1) IN GENERAL.—In the case of each State that in accordance with section 4 submits to the Secretary of Agriculture an application for a fiscal year, each such State shall be entitled to receive from the Secretary for such fiscal year a grant for the purpose of achieving the goals described in subsection (b). Subject to paragraph (2), the grant shall

consist of the allotment for such State determined under section 3 of the school-based nutrition amount for the fiscal year.

''(2) REQUIREMENT TO PROVIDE COMMODITIES.—9 percent of the amount of the assistance available under this Act for each State shall be in the form of commodities.

''(3) SCHOOL-BASED NUTRITION AMOUNT.—

''(A) IN GENERAL.—For purposes of this Act, the term 'school-based nutrition amount' means, subject to the reservation contained in subparagraph (B), $6,681,000,000 for fiscal year 1996, $6,956,000,000 for fiscal year 1997, $7,237,000,000 for fiscal year 1998, $7,538,000,000 for fiscal year 1999, and $7,849,000,000 for fiscal year 2000.

''(B) RESERVATION.—For each fiscal year described in subparagraph (A), the Secretary shall reserve an amount equal to the amount determined under subsection (c) of section 9 for such fiscal year from the school-based nutrition amount for the purpose of establishing and carrying out nutritious food service programs at Department of Defense overseas dependents' schools in accordance with such section.

''(4) AVAILABILITY.—Payments under a grant to a State from the allotment determined under section 3 for any fiscal year may be obligated by the State in that fiscal year or in the succeeding fiscal year.

''(b) GOALS.—The goals of this Act are—

''(1) to safeguard the health and well-being of children through the provision of nutritious, well-balanced meals and food supplements;

''(2) to provide economically disadvantaged children access to nutritious free or low cost meals, food supplements, and low-cost milk;

''(3) to ensure that children served under this Act are receiving the nutrition they require to take advantage of the educational opportunities provided to them;

''(4) to emphasize foods which are naturally good sources of vitamins and minerals over foods which have been enriched with vitamins and minerals and are high in fat or sodium content;

''(5) to provide a comprehensive school nutrition program for children; and

''(6) to minimize paperwork burdens and administrative expenses for participating schools.

"(c) TIMING OF PAYMENTS.—The Secretary shall provide payments under a grant under this Act to States on a quarterly basis.

"SEC. 3. ALLOTMENT.

"The Secretary shall allot the school-based nutrition amount to carry out this Act for a fiscal year among the States as follows:

"(1) FIRST FISCAL YEAR.—

"(A) IN GENERAL.—With respect to the first fiscal year for which the Secretary provides grants to States under this Act, the amount allotted to each State shall bear the same proportion to such school-based nutrition amount as the aggregate of the amounts described in subparagraph (B) that were received by each such State under the provisions of law described in such subparagraph (as such provisions of law were in effect on the day before the date of the enactment of the Personal Responsibility Act of 1995) for the preceding fiscal year bears to the aggregate of the amounts described in subparagraph (B) that were received by all such States under such provisions of law for such preceding fiscal year.

"(B) AMOUNTS DESCRIBED.—The amounts described in this subparagraph are the following:

"(i) The amount received under the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

"(ii) The amount received under the school lunch program established under this Act (42 U.S.C. 1751 et seq.).

"(iii) 12.5 percent of the sum of the amounts received under the following programs:

"(I) The child and adult care food program under section 17 of this Act (42 U.S.C. 1766), except for subsection (o) of such section.

"(II) The summer food service program for children established under section 13 of this Act (42 U.S.C. 1761).

"(III) The special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772).

"(2) SECOND FISCAL YEAR.—With respect to the second fiscal year for which the Secretary provides grants to States under this Act—

"(A) 95 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount that bears the same proportion to such school-based nutrition amount as the amount allotted to each such State from a grant under this Act for the preceding fiscal year bears to the aggregate of the amounts allotted to all such States from grants under this Act for such preceding fiscal year; and

"(B) 5 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount that bears the same proportion to such school-based nutrition amount as the relative number of meals served during the 1-year period ending on June 30 of the preceding fiscal year in a State from amounts received from a grant under this Act for such preceding fiscal year bears to the total number of meals served in all States from amounts received from grants under this Act for the preceding fiscal year.

"(3) THIRD AND FOURTH FISCAL YEARS.—With respect to each of the third and fourth fiscal years for which the Secretary provides grants to States under this Act—

"(A) 90 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

"(B) 10 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(B).

"(4) FIFTH FISCAL YEAR.—With respect to the fifth fiscal year for which the Secretary provides grants to States under this Act—

"(A) 85 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount determined in accordance with the formula described in paragraph (2)(A); and

"(B) 15 percent of such school-based nutrition amount shall be allotted among the States by allotting to each State an amount de-

termined in accordance with the formula described in paragraph (2)(B).

"SEC. 4. APPLICATION.

''The Secretary may provide a grant under this Act to a State for a fiscal year only if the State submits to the Secretary an application containing only—

''(1) an agreement that the State will use amounts received from such grant in accordance with section 5;

''(2) except as provided in paragraph (3), an agreement that the State will set minimum nutritional requirements for meals provided under this Act based on the most recent tested nutritional research available, except that—

''(A) such requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

''(B) such requirements shall, at a minimum, be based on—

''(i) the weekly average of the nutrient content of school lunches; or

''(ii) such other standards as the State may prescribe;

''(3) an agreement that the State, with respect to the provision of meals to students, shall—

''(A) implement the minimum nutritional requirements described in paragraph (2) for such meals; or

''(B) implement the model nutrition standards developed under section 10 for such meals;

''(4) an agreement that the State will take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under this Act;

''(5) an agreement that the State will use not more than 2 percent of the amount of such grant for administrative costs incurred to provide assistance under this Act; and

''(6) an agreement that the State will submit to the Secretary a report in accordance with section 6.

''SEC. 5. USE OF AMOUNTS.

''(a) IN GENERAL.—The Secretary may provide a grant under this Act to a State only if the State agrees that it will use all amounts received from such grant to provide assistance to schools to establish and carry out nutritious food service programs that provide affordable meals and supplements to students, which may include—

''(1) nonprofit school breakfast programs;

''(2) nonprofit school lunch programs;

''(3) nonprofit before and after school supplement programs;

''(4) nonprofit low-cost milk services; and

''(5) nonprofit summer meals programs.

''(b) ADDITIONAL REQUIREMENTS.—

''(1) MINIMUM AMOUNT OF GRANT FOR FREE OR LOW COST MEALS OR SUPPLEMENTS.—In providing assistance to schools to establish and carry out nutritious food service programs in accordance with subsection (a), the State shall ensure that not less than 80 percent of the amount of the grant is used to provide free or low cost meals or supplements to economically disadvantaged children.

''(2) PROVISION OF FOOD SERVICE PROGRAMS IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOLS.—To the extent consistent with the number of children in the State who are enrolled in private nonprofit schools and Department of Defense domestic dependents' schools, the State, after timely and appropriate consultation with representatives of such schools, as the case may be, shall ensure that nutritious food service programs are established and car-

ried out in such schools in accordance with subsection (a) on an equitable basis with nutritious food service programs established and carried out in public nonprofit schools in the State.

''(c) AUTHORITY TO USE AMOUNTS FOR OTHER PURPOSES.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), a State may use not more than 20 percent of amounts received from a grant under this Act for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

''(A) Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(B) Part B of title IV of the Social Security Act (42 U.S.C. 621 et seq.).

''(C) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

''(D) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

''(E) The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

''(2) SUFFICIENT FUNDING DETERMINATION.—Prior to using any amounts received from a grant under this Act for a fiscal year to carry out a State

program pursuant to any or all of the provisions of law described in paragraph (1), the appropriate State agency shall make a determination that sufficient amounts will remain available for such fiscal year to carry out this Act.

''(3) RULES GOVERNING USE OF AMOUNTS FOR OTHER PURPOSES.—Amounts paid to the State under a grant under this Act that are used to carry out a State program pursuant to a provision of law specified in paragraph (1) shall not be subject to the requirements of this Act, but shall be subject to the same requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

''(d) LIMITATION ON PROVISION OF COMMODITIES TO CERTAIN SCHOOL DISTRICTS, PRIVATE NONPROFIT SCHOOLS, AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOLS.—

''(1) IN GENERAL.—A State may not require a school district, private nonprofit school, or Department of Defense domestic dependents' school described in paragraph (2), except upon the request of such school district, private school, or domestic dependents' school, as the case may be, to accept commodities for use in the food service program of such

school district, private school, or domestic dependents' school in accordance with this section. Such school district, private school, or domestic dependents' school may continue to receive commodity assistance in the form that it received such assistance as of January 1, 1987.

''(2) SCHOOL DISTRICT, PRIVATE NONPROFIT SCHOOL, AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOL DESCRIBED.—A school district, private nonprofit school, or Department of Defense domestic dependents' school described in this paragraph is a school district, private nonprofit school, or Department of Defense domestic dependents' school, as the case may be, that as of January 1, 1987, was receiving all cash payments or all commodity letters of credit in lieu of entitlement commodities for the school lunch program of such school district, private school, or domestic dependents' school under section 18(b) of the National School Lunch Act (42 U.S.C. 1751 et seq.), as such section was in effect on the day before the date of the enactment of the Personal Responsibility Act of 1995.

''(e) PROHIBITION ON PHYSICAL SEGREGATION, OVERT IDENTIFICATION, OR OTHER DISCRIMINATION WITH RESPECT TO CHILDREN ELIGIBLE FOR FREE OR

LOW COST MEALS OR SUPPLEMENTS.—In providing assistance to schools to establish and carry out nutritious food service programs in accordance with subsection (a), the State shall ensure that such schools do not—

''(1) physically segregate children eligible to receive free or low cost meals or supplements on the basis of such eligibility;

''(2) provide for the overt identification of such children by special tokens or tickets, announced or published list of names, or other means; or

''(3) otherwise discriminate against such children.

"SEC. 6. REPORTS.

''The Secretary may provide a grant under this Act to a State for a fiscal year only if the State agrees that it will submit, for such fiscal year, a report to the Secretary describing—

''(1) the number of individuals receiving assistance under the grant;

''(2) the different types of assistance provided to such individuals;

''(3) the total number of meals served to students under the grant, including the percentage of such meals served to economically disadvantaged students;

''(4) the extent to which such assistance was effective in achieving the goals described in section 2(b);

''(5) the standards and methods the State is using to ensure the nutritional quality of such assistance, including meals and supplements; and

''(6) any other information which can be reasonably required by the Secretary.

''SEC. 7. PENALTIES.

''(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION OF THIS ACT.—

''(1) IN GENERAL.—The Secretary shall reduce the amounts otherwise payable to a State under a grant under this Act by any amount paid to the State under this Act which an audit conducted pursuant to chapter 75 of title 31, United States Code, finds has been used in violation of this Act.

''(2) LIMITATION.—In carrying out paragraph (1), the Secretary shall not reduce any quarterly payment by more than 25 percent.

''(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED REPORT.—The Secretary shall reduce by 3 percent the amount otherwise payable to a State under a grant under this Act for a fiscal year if the Secretary determines that the State has not submitted the report required by section

6 for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

"SEC. 8. ASSISTANCE TO CHILDREN ENROLLED IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOLS IN CASE OF RESTRICTIONS ON STATE OR FAILURE BY STATE TO PROVIDE ASSISTANCE.

''(a) IN GENERAL.—If, by reason of any other provision of law, a State is prohibited from providing assistance from amounts received from a grant under this Act to private nonprofit schools or Department of Defense domestic dependents' schools for a fiscal year to establish and carry out nutritious food service programs in such schools in accordance with section 5(a), or the Secretary determines that a State has substantially failed or is unwilling to provide such assistance to such private nonprofit schools or domestic dependents' schools for such fiscal year, the Secretary shall, after consultation with appropriate representatives of the State and private nonprofit schools or domestic dependents' schools, as the case may be, arrange for the provision of such assistance to private nonprofit schools or domestic dependents' schools in the State for such fiscal year in accordance with the requirements this Act.

"(b) REDUCTION IN AMOUNT OF STATE GRANT.—If the Secretary arranges for the provision of assistance to private nonprofit schools or Department of Defense domestic dependents' schools in a State for a fiscal year under subsection (a), the amount of the grant for such State for such fiscal year shall be reduced by the amount of such assistance provided to such private nonprofit schools or domestic dependents' schools, as the case may be.

"SEC. 9. FOOD SERVICE PROGRAMS FOR DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

"(a) IN GENERAL.—The Secretary shall make available to the Secretary of Defense for each fiscal year funds and commodities in an amount determined in accordance with subsection (c) for the purpose of establishing and carrying out nutritious food service programs that provide affordable meals and supplements to students attending Department of Defense overseas dependents' schools.

"(b) REQUIREMENTS.—In carrying out nutritious food service programs under subsection (a), the Secretary of Defense—

"(1) shall ensure that not less than 80 percent of the amount of assistance provided to each school for a fiscal year is used to provide free or low cost

meals or supplements to economically disadvantaged children; and

''(2) shall ensure that, with respect to the provision of meals to students, each such school will—

''(A) implement minimum nutritional requirements for meals provided under this section based on the most recent tested nutritional research available, except that—

''(i) such requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students; and

''(ii) such requirements shall, at a minimum, be based on—

''(I) the weekly average of the nutrient content of school lunches; or

''(II) such other standards as the Secretary of Agriculture may prescribe; or

''(B) implement the model nutrition standards developed under section 10 for such meals.

''(c) AMOUNT AND SOURCE OF FUNDS AND COMMODITIES.—

''(1) AMOUNT.—The Secretary, in consultation with the Secretary of Defense, shall determine the amount of funds and commodities necessary for each fiscal year to establish and carry out nutritious food service programs described in subsection (a).

''(2) SOURCE.—Such amount of funds and commodities shall consist of the reservation of the school-based nutrition amount in accordance with section 2(a)(3)(B).

''SEC. 10. MODEL NUTRITION STANDARDS FOR MEALS FOR STUDENTS.

''(a) MODEL NUTRITION STANDARDS.—Not later than April 1, 1996, the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences, in cooperation with nutritionists and directors of programs providing meals to students under this Act, shall develop model nutrition standards for meals provided to such students under this Act.

''(b) REPORT TO CONGRESS.—Not later than 1 year after the date on which the model nutrition standards are developed under subsection (a), the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences shall prepare and submit to the Congress a report regarding the efforts of States to implement such model nutrition standards.

"SEC. 11. DEFINITIONS.

''For purposes of this Act:

''(1) DEPARTMENT OF DEFENSE DOMESTIC DEPENDENTS' SCHOOL.—The term 'Department of Defense domestic dependents' school' means an elementary or secondary school established pursuant to section 2164 of title 10, United States Code.

''(2) DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOL.—The term 'Department of Defense overseas dependents' school' means a Department of Defense dependents' school which is located outside the United States and the territories or possessions of the United States.

''(3) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' means an individual or a family, as the case may be, whose annual income does not exceed 185 percent of the applicable family size income levels contained in the most recent income poverty guidelines prescribed by the Office of Management and Budget and based on data from the Bureau of the Census.

''(4) SCHOOL.—The term 'school' means a public or private nonprofit elementary, intermediate, or secondary school.

''(5) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(6) STATE.—The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, or a tribal organization (as defined in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l))).".

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 361. REPEALERS.

The following Acts are repealed:

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

(2) The Child Nutrition and WIC Reauthorization Act of 1989 (Public Law 101–147; 103 Stat. 877).

Subtitle C—Other Repealers and Conforming Amendments

SEC. 371. AMENDMENTS TO LAWS RELATING TO CHILD PROTECTION BLOCK GRANT.

(a) ABANDONED INFANTS ASSISTANCE.—

(1) REPEALER.—The Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is repealed.

(2) CONFORMING AMENDMENT.—Section 421(7) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061(7)) is amended to read as follows:

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

(b) CHILD ABUSE PREVENTION AND TREATMENT.—

(1) REPEALER.—The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) is repealed.

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

(A) in section 1402—

(i) in subsection (d)—

(I) by striking paragraph (2);

(II) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(III) in paragraph (2) (as redesignated by subclause (II))—

(aa) in subparagraph (A), by striking the semicolon at the end and inserting ''; and'';

(bb) by striking subparagraph (B); and

(cc) by redesignating subparagraph (C) as subparagraph (B); and

(ii) by striking subsection (g); and

(B) by striking section 1404A.

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

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

(1) in the title heading by striking ''AND CRISIS NURSERIES'';

(2) in section 201 by striking ''and Crisis Nurseries'';

(3) in section 202—

(A) by striking ''provide: (A) temporary'' and inserting ''to provide temporary''; and

(B) by striking ''children, and (B)'' and all that follows through the period and inserting ''children.'';

(4) by striking section 204; and

(5) in section 205—

(A) in subsection (a)—

(i) in paragraph (1)(A) by striking ''or 204''; and

(ii) in paragraph (2)—

(I) by striking subparagraph (D); and

(II) by redesignating subparagraph (E) as subparagraph (D);

(B) by striking subsection (b)(3); and

(C) in subsection (d)—

(i) by striking paragraph (3); and

(ii) by redesignating paragraphs (4) and (5) as paragraph (3) and (4), respectively.

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

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

(g) INVESTIGATION AND PROSECUTION OF CHILD ABUSE CASES.—Subtitle A of title II of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13001–13004) is repealed.

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

Subtitle D—Related Provisions

SEC. 381. REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED AT LEAST EVERY 2 YEARS.

(a) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

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

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

(2) shall be published—

(A) for each State, county, and local unit of general purpose government referred to in subsection (a), in 1996 and at least every second year thereafter; and

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

(c) AUTHORITY TO AGGREGATE.—

(1) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of subsection (b)(1)(A), aggregate school districts, but only to the extent necessary to achieve reliability.

(2) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this subsection shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

(d) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this section for any State, county, local unit of general purpose government, or school district in any year specified in subsection (b)(2), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

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

(f) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this section relating to school districts.

(g) DEFINITION.—For the purpose of this section, the term ''Secretary'' means the Secretary of Health and Human Services.

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

SEC. 382. DATA ON PROGRAM PARTICIPATION AND OUTCOMES.

(a) IN GENERAL.—The Secretary shall produce data relating to participation in programs authorized by this Act by families and children. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce comprehensive and reliable data.

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

(1) changes in participation in welfare, health, education, and employment and training programs, for families and children, the duration of such participation, and the causes and consequences of any changes in program participation;

(2) changes in employment status, income and poverty status, family structure and process, and children's well-being, over time, for families and children participating in Federal programs and, if appropriate, other low-income families and children, and the causes and consequences of such changes; and

(3) demographic data, including household composition, marital status, relationship of householders, racial and ethnic designation, age, and educational attainment.

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

(d) DEFINITION.—For the purpose of this section, the term ''Secretary'' means the Secretary of Health and Human Services.

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

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

SEC. 391. EFFECTIVE DATE.

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

SEC. 392. APPLICATION OF AMENDMENTS AND REPEALERS.

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

(1) powers, duties, functions, rights, claims, penalties, or obligations applicable to financial assistance provided before the effective date of amendment or repeal, as the case may be, under the Act so amended or so repealed; and

(2) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such Act.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

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

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

(A) aliens within the nation's borders not depend on public resources to meet their needs,

but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

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

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

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

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

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

Subtitle A—Eligibility for Federal Benefits Programs

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

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

(b) EXCEPTION FOR EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

(c) TREATMENT OF HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, except that in the case of financial assistance (as defined in section 214(b) of the Housing and Community Development Act of 1980), the provisions of section 214 of such Act shall apply instead of subsection (a).

SEC. 402. INELIGIBILITY OF NONIMMIGRANTS FOR CERTAIN PUBLIC BENEFITS PROGRAMS.

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

(b) EXCEPTIONS.—

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

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

(3) TREATMENT OF TEMPORARY AGRICULTURAL WORKERS.—Subsection (a) shall not apply to a nonimmigrant admitted as a temporary agricultural worker under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act or as the spouse or minor child of such a worker under section 101(a)(15)(H)(iii) of such Act.

(c) TREATMENT OF HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for

housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, except that in the case of financial assistance (as defined in section 214(b) of the Housing and Community Development Act of 1980), the provisions of section 214 of such Act shall apply instead of subsection (a).

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

SEC. 403. LIMITED ELIGIBILITY OF IMMIGRANTS FOR 5 SPECIFIED FEDERAL PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), any alien who is lawfully present in the United States shall not be eligible for any of the following Federal means-tested public benefits programs:

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

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

(3) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(4) MEDICAID.—The program of medical assistance under title XIX of the Social Security Act.

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

(b) EXCEPTIONS.—

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

(2) CERTAIN LONG-TERM, PERMANENT RESIDENT, AGED ALIENS.—Subsection (a) shall not apply to an alien who—

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

(B) is over 75 years of age; and

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

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

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

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

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

Subparagraph (A) shall not apply in the case of a veteran who has been separated from military service on account of alienage.

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

(5) TRANSITION FOR CURRENT BENEFICIARIES.—Subsection (a) shall not apply to the eligibility of an alien for a program until 1 year after

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

(6) CERTAIN PERMANENT RESIDENT AND DISABLED ALIENS.—Subsection (a) shall not apply to an alien who—

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

(B) is unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with the naturalization requirements of section 312(a) of the Immigration and Naturalization Act.

SEC. 404. NOTIFICATION.

Each Federal agency that administers a program to which section 401, 402, or 403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subtitle.

Subtitle B—Eligibility for State and Local Public Benefits Programs

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

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section, no alien who is not lawfully present in the United States (as determined in accordance with regulations of the Attorney General) shall be eligible for any State means-tested public benefits program (as defined in section 431(d)(3)).

(b) EXCEPTION FOR EMERGENCY ASSISTANCE.—Subsection (a) shall not apply to the provision of non-cash, in-kind emergency assistance (including emergency medical services).

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

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

(b) EXCEPTIONS.—

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

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

(3) TREATMENT OF TEMPORARY AGRICULTURAL WORKERS.—Subsection (a) shall not apply to a nonimmigrant admitted as a temporary agricultural worker under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act or as the spouse or minor child of such a worker under section 101(a)(15)(H)(iii) of such Act.

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

SEC. 413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IMMIGRANTS FOR STATE AND LOCAL MEANS-TESTED PUBLIC BENEFITS PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as otherwise provided in this section or section 412, a State is authorized to determine eligibility requirements for aliens who are lawfully present in the United States for any State means-tested public benefits program.

(b) EXCEPTIONS.—

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

(2) CERTAIN LONG-TERM, PERMANENT RESIDENT, AGED ALIENS.—The authority under subsection (a) shall not apply to an alien who—

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

(B) is over 75 years of age; and

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

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—The authority under subsection (a) shall not apply

to an alien who is lawfully residing in any State (or any territory or possession of the United States) and is—

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

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

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

Subparagraph (A) shall not apply in the case of a veteran who has been separated from military service on account of alienage.

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

(5) TRANSITION.—The authority under subsection (a) shall not apply to eligibility of an alien for a State means-tested public benefits program until 1 year after the date of the enactment of this Act if, on such date of enactment, the alien is lawfully present in the United States and is eligible for

benefits under the program. Nothing in the previous sentence is intended to address alien eligibility for such a program before the date of the enactment of this Act.

Subtitle C—Attribution of Income and Affidavits of Support

SEC. 421. ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO FAMILY-SPONSORED IMMIGRANTS.

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

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

(2) the income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien achieves United States citizenship through naturalization pursuant

to chapter 2 of title III of the Immigration and Nationality Act.

(c) EXCEPTION FOR HOUSING-RELATED ASSISTANCE.—Subsection (a) shall not apply to any program for housing or community development assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act.

SEC. 422. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

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

''REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

''SEC. 213A. (a) ENFORCEABILITY.—No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

''(1) which is legally enforceable against the sponsor by the Federal Government and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit; and

"(2) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2). Such contract shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to grant third party beneficiary rights to any sponsored alien under an affidavit of support.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1) The sponsor shall notify the Federal Government and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(1).

"(2) Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

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

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

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) SPONSOR.—The term 'sponsor' means an individual who—

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

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

"(C) is domiciled in any State.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

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

''Sec. 213A. Requirements for sponsor's affidavit of support.''.

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

Subtitle D—General Provisions

SEC. 431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this section, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) LAWFUL PRESENCE.—For purposes of this title, the determination of whether an alien is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. An alien shall not be considered to be lawfully present in the United States for purposes of this title merely because the alien may be considered to be permanently residing in the United States under color of law for purposes of any particular program.

(c) STATE.—As used in this title, the term ''State'' includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

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

(1) MEANS-TESTED PROGRAM.—The term ''means-tested public benefits program'' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) FEDERAL MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term ''Federal means-tested public benefits program'' means a means-tested public benefits program of (or contributed to by) the Federal Government and under which the Federal Government has specified standards for eligibility and includes the programs specified in section 403(a).

(3) STATE MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term ''State means-tested public benefits program'' means a means-tested public benefits program of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal means-tested public benefits program.

SEC. 432. CONSTRUCTION.

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

Subtitle E—Conforming Amendments

SEC. 441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking ''Secretary of Housing and Urban Development'' each place it appears and inserting ''applicable Secretary'';

(2) in subsection (b), by inserting after ''National Housing Act,'' the following: ''the direct loan program under section 502 of the Housing Act of

1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,''; (3) in paragraphs (2) through (6) of subsection (d), by striking ''Secretary'' each place it appears and inserting ''applicable Secretary''; (4) in subsection (d), in the matter following paragraph (6), by striking ''the term 'Secretary''' and inserting ''the term 'applicable Secretary'''; and (5) by adding at the end the following new subsection:

''(h) For purposes of this section, the term 'applicable Secretary' means—

''(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

''(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.''.

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking ''(1)'';

(2) by striking ''by the Secretary of Housing and Urban Development''; and

(3) by striking paragraph (2).

TITLE V—FOOD STAMP REFORM AND COMMODITY DISTRIBUTION

SEC. 501. SHORT TITLE.

This title may be cited as the ''Food Stamp Reform and Commodity Distribution Act''.

Subtitle A—Commodity Distribution Provisions

SEC. 511. SHORT TITLE.

This subtitle may be cited as the ''Commodity Distribution Act of 1995''.

SEC. 512. AVAILABILITY OF COMMODITIES.

(a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter in this subtitle referred to as the ''Secretary'') is authorized during fiscal years 1996 through 2000 to purchase a variety of nutritious and useful commodities and distribute such commodities to the States for distribution in accordance with this subtitle.

(b) In addition to the commodities described in subsection (a), the Secretary may expend funds made available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), which are not expended or needed to

carry out such sections, to purchase, process, and distribute commodities of the types customarily purchased under such section to the States for distribution in accordance with this subtitle.

(c) In addition to the commodities described in subsections (a) and (b), agricultural commodities and the products thereof made available under clause (2) of the second sentence of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), may be made available by the Secretary to the States for distribution in accordance with this subtitle.

(d) In addition to the commodities described in subsections (a), (b), and (c), commodities acquired by the Commodity Credit Corporation that the Secretary determines, in the discretion of the Secretary, are in excess of quantities need to—

(1) carry out other domestic donation programs;

(2) meet other domestic obligations;

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

(4) carry out the farm price and income stabilization purposes of the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act;

shall be made available by the Secretary, without charge or credit for such commodities, to the States for distribution in accordance with this subtitle.

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

(1) agricultural market conditions;

(2) the preferences and needs of States and distributing agencies; and

(3) the preferences of the recipients.

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

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

(b) States and eligible recipient agencies may use—

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

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

(3) the personnel, both paid or volunteer, involved in such storage, handling, or distribution;

to store, handle or distribute commodities donated for use under subsection (a).

(c) States and recipient agencies shall continue, to the maximum extent practical, to use volunteer workers, and commodities and other foodstuffs donated by charitable and other organizations, in the distribution of commodities under this subtitle.

SEC. 514. STATE PLAN.

(a) A State seeking to receive commodities under this subtitle shall submit a plan of operation and administration every four years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

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

(1) designate the State agency responsible for distributing the commodities received under this subtitle;

(2) set forth a plan of operation and administration to expeditiously distribute commodities under this subtitle in quantities requested to eligible recipient agencies in accordance with sections 516 and 520;

(3) set forth the standards of eligibility for recipient agencies; and

(4) set forth the standards of eligibility for individual or household recipients of commodities, which at minimum shall require—

(A) individuals or households to be comprised of needy persons; and

(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of application for assistance.

(c) The Secretary shall encourage each State receiving commodities under this subtitle to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this subtitle in the State.

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

(1)(A) enter into cooperative agreements with State agencies of other States to jointly provide

commodities received under this subtitle to eligible recipient agencies that serve needy persons in a single geographical area which includes such States; or

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

(2) advise the Secretary of an agreement entered into under this subsection and the transfer of commodities made pursuant to such agreement.

SEC. 515. ALLOCATION OF COMMODITIES TO STATES.

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

(1) 60 percent of the such total value of commodities shall be allocated in a manner such that the value of commodities allocated to each State bears the same ratio to 60 percent of such total value as the number of persons in households within the State having incomes below the poverty line bears to the total number of persons in households within all States having incomes below such poverty line. Each State shall receive the value of commodities allocated under this paragraph.

(2) 40 percent of such total value of commodities shall be allocated in a manner such that the

value of commodities allocated to each State bears the same ratio to 40 percent of such total value as the average monthly number of unemployed persons within the State bears to the average monthly number of unemployed persons within all States during the same fiscal year. Each State shall receive the value of commodities allocated to the State under this paragraph.

(b)(1) The Secretary shall notify each State of the amount of commodities that such State is allotted to receive under subsection (a) or this subsection, if applicable. Each State shall promptly notify the Secretary if such State determines that it will not accept any or all of the commodities made available under such allocation. On such a notification by a State, the Secretary shall reallocate and distribute such commodities as the Secretary deems appropriate and equitable. The Secretary shall further establish procedures to permit States to decline to receive portions of such allocation during each fiscal year as the State determines is appropriate and the Secretary shall reallocate and distribute such allocation as the Secretary deems appropriate and equitable.

(2) In the event of any drought, flood, hurricane, or other natural disaster affecting substantial numbers of persons in a State, county, or parish, the Secretary may

request that States unaffected by such a disaster consider assisting affected States by allowing the Secretary to reallocate commodities from such unaffected State to States containing areas adversely affected by the disaster.

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

SEC. 516. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF COMMODITIES.

(a) In distributing the commodities allocated under subsections (a) and (b) of section 515, the State agency, under procedures determined by the State agency, shall offer, or otherwise make available, its full allocation of commodities for distribution to emergency feeding organizations.

(b) If the State agency determines that the State will not exhaust the commodities allocated under subsections (a) and (b) of section 515 through distribution to organizations referred to in subsection (a), its remaining alloca-

tion of commodities shall be distributed to charitable institutions described in section 523(3) not receiving commodities under subsection (a).

(c) If the State agency determines that the State will not exhaust the commodities allocated under subsections (a) and (b) of section 515 through distribution to organizations referred to in subsections (a) and (b), its remaining allocation of commodities shall be distributed to any eligible recipient agency not receiving commodities under subsections (a) and (b).

SEC. 517. INITIAL PROCESSING COSTS.

The Secretary may use funds of the Commodity Credit Corporation to pay the costs of initial processing and packaging of commodities to be distributed under this subtitle into forms and in quantities suitable, as determined by the Secretary, for use by the individual households or eligible recipient agencies, as applicable. The Secretary may pay such costs in the form of Corporation-owned commodities equal in value to such costs. The Secretary shall ensure that any such payments in kind will not displace commercial sales of such commodities.

SEC. 518. ASSURANCES; ANTICIPATED USE.

(a) The Secretary shall take such precautions as the Secretary deems necessary to ensure that commodities made available under this subtitle will not displace com-

mercial sales of such commodities or the products thereof. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by December 31, 1997, and not less than every two years thereafter, a report as to whether and to what extent such displacements or substitutions are occurring.

(b) The Secretary shall determine that commodities provided under this subtitle shall be purchased and distributed only in quantities that can be consumed without waste. No eligible recipient agency may receive commodities under this subtitle in excess of anticipated use, based on inventory records and controls, or in excess of its ability to accept and store such commodities.

SEC. 519. AUTHORIZATION OF APPROPRIATIONS.

(a) PURCHASE OF COMMODITIES.—To carry out this subtitle, there are authorized to be appropriated $260,000,000 for each of the fiscal years 1996 through 2000 to purchase, process, and distribute commodities to the States in accordance with this subtitle.

(b) ADMINISTRATIVE FUNDS.—

(1) There are authorized to be appropriated $40,000,000 for each of the fiscal years 1996 through 2000 for the Secretary to make available to the States for State and local payments for costs as-

sociated with the distribution of commodities by eligible recipient agencies under this subtitle, excluding costs associated with the distribution of those commodities distributed under section 520. Funds appropriated under this paragraph for any fiscal year shall be allocated to the States on an advance basis dividing such funds among the States in the same proportions as the commodities distributed under this subtitle for such fiscal year are allocated among the States. If a State agency is unable to use all of the funds so allocated to it, the Secretary shall reallocate such unused funds among the other States in a manner the Secretary deems appropriate and equitable.

(2)(A) A State shall make available in each fiscal year to eligible recipient agencies in the State not less than 40 percent of the funds received by the State under paragraph (1) for such fiscal year, as necessary to pay for, or provide advance payments to cover, the allowable expenses of eligible recipient agencies for distributing commodities to needy persons, but only to the extent such expenses are actually so incurred by such recipient agencies.

(B) As used in this paragraph, the term ''allowable expenses'' includes—

(i) costs of transporting, storing, handling, repackaging, processing, and distributing commodities incurred after such commodities are received by eligible recipient agencies;

(ii) costs associated with determinations of eligibility, verification, and documentation;

(iii) costs of providing information to persons receiving commodities under this subtitle concerning the appropriate storage and preparation of such commodities; and

(iv) costs of recordkeeping, auditing, and other administrative procedures required for participation in the program under this subtitle.

(C) If a State makes a payment, using State funds, to cover allowable expenses of eligible recipient agencies, the amount of such payment shall be counted toward the amount a State must make available for allowable expenses of recipient agencies under this paragraph.

(3) States to which funds are allocated for a fiscal year under this subsection shall submit financial reports to the Secretary, on a regular basis, as to the use of such funds. No such funds may be used by States or eligible recipient agencies for costs other than those involved in covering the expenses

related to the distribution of commodities by eligible recipient agencies.

(4)(A) Except as provided in subparagraph (B), to be eligible to receive funds under this subsection, a State shall provide in cash or in kind (according to procedures approved by the Secretary for certifying these in-kind contributions) from non-Federal sources a contribution equal to the difference between—

(i) the amount of such funds so received; and

(ii) any part of the amount allocated to the State and paid by the State—

(I) to eligible recipient agencies; or

(II) for the allowable expenses of such recipient agencies; for use in carrying out this subtitle.

(B) Funds allocated to a State under this section may, upon State request, be allocated before States satisfy the matching requirement specified in subparagraph (A), based on the estimated contribution required. The Secretary shall periodically reconcile estimated and actual contributions and adjust allocations to the State to correct for overpayments and underpayments.

(C) Any funds distributed for administrative costs under section 520(b) shall not be covered by this paragraph.

(5) States may not charge for commodities made available to eligible recipient agencies, and may not pass on to such recipient agencies the cost of any matching requirements, under this subtitle.

(c) The value of the commodities made available under subsections (c) and (d) of section 512, and the funds of the Commodity Credit Corporation used to pay the costs of initial processing, packaging (including forms suitable for home use), and delivering commodities to the States shall not be charged against appropriations authorized by this section.

SEC. 520. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) From the funds appropriated under section 519(a), $94,500,000 shall be used for each fiscal year to purchase and distribute commodities to supplemental feeding programs serving woman, infants, and children or elderly individuals (hereinafter in this section referred to as the ''commodity supplemental food program''), or serving both groups wherever located.

(b) Not more than 20 percent of the funds made available under subsection (a) shall be made available to the States for State and local payments of administrative

costs associated with the distribution of commodities by eligible recipient agencies under this section. Administrative costs for the purposes of the commodity supplemental food program shall include, but not be limited to, expenses for information and referral, operation, monitoring, nutrition education, start-up costs, and general administration, including staff, warehouse and transportation personnel, insurance, and administration of the State or local office.

(c)(1) During each fiscal year the commodity supplemental food program is in operation, the types, varieties, and amounts of commodities to be purchased under this section shall be determined by the Secretary, but, if the Secretary proposes to make any significant changes in the types, varieties, or amounts from those that were available or were planned at the beginning of the fiscal year the Secretary shall report such changes before implementation to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of the fiscal years 1996 through 2000 to the Secretary.

The Secretary shall use such amounts of cheese and non-fat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.

(d) The Secretary shall, in each fiscal year, approve applications of additional sites for the program, including sites that serve only elderly persons, in areas in which the program currently does not operate, to the full extent that applications can be approved within the appropriations available for the program for the fiscal year and without reducing actual participation levels (including participation of elderly persons under subsection (e)) in areas in which the program is in effect.

(e) If a local agency that administers the commodity supplemental food program determines that the amount of funds made available to the agency to carry out this section exceeds the amount of funds necessary to provide assistance under such program to women, infants, and children, the agency, with the approval of the Secretary, may permit low-income elderly persons (as defined by the Secretary) to participate in and be served by such program.

(f)(1) If it is necessary for the Secretary to pay a significantly higher than expected price for one or more types of commodities purchased under this section, the Secretary shall promptly determine whether the price is

likely to cause the number of persons that can be served in the program in a fiscal year to decline.

(2) If the Secretary determines that such a decline would occur, the Secretary shall promptly notify the State agencies charged with operating the program of the decline and shall ensure that a State agency notify all local agencies operating the program in the State of the decline.

(g) Commodities distributed to States pursuant to this section shall not be considered in determining the commodity allocation to each State under section 515 or priority of distribution under section 516.

SEC. 521. COMMODITIES NOT INCOME.

Notwithstanding any other provision of law, commodities distributed under this subtitle shall not be considered income or resources for purposes of determining recipient eligibility under any Federal, State, or local means-tested program.

SEC. 522. PROHIBITION AGAINST CERTAIN STATE CHARGES.

Whenever a commodity is made available without charge or credit under this subtitle by the Secretary for distribution within the States to eligible recipient agencies, the State may not charge recipient agencies any amount that is in excess of the State's direct costs of storing, and transporting to recipient agencies the commodities minus

any amount the Secretary provides the State for the costs of storing and transporting such commodities.

SEC. 523. DEFINITIONS.

As used in this subtitle:

(1) The term ''average monthly number of unemployed persons'' means the average monthly number of unemployed persons within a State in the most recent fiscal year for which such information is available as determined by the Bureau of Labor Statistics of the Department of Labor.

(2) The term ''elderly persons'' means individuals 60 years of age or older.

(3) The term ''eligible recipient agency'' means a public or nonprofit organization that administers—

(A) an institution providing commodities to supplemental feeding programs serving women, infants, and children or serving elderly persons, or serving both groups;

(B) an emergency feeding organization;

(C) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that such institution serves needy persons;

(D) a summer camp for children, or a child nutrition program providing food service;

(E) a nutrition project operating under the Older Americans Act of 1965, including such project that operates a congregate nutrition site and a project that provides home-delivered meals; or

(F) a disaster relief program;and that has been designated by the appropriate State agency, or by the Secretary, and approved by the Secretary for participation in the program established under this subtitle.

(4) The term ''emergency feeding organization'' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

(5) The term ''food bank'' means a public and charitable institution that maintains an established operation involving the provision of food or edible

commodities, or the products thereof, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

(6) The term ''food pantry'' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

(7) The term ''needy persons'' means—

(A) individuals who have low incomes or who are unemployed, as determined by the State (in no event shall the income of such individual or household exceed 185% of the poverty line);

(B) households certified as eligible to participate in the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(C) individuals or households participating in any other Federal, or Federally assisted, means-tested program.

(8) The term ''poverty line'' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

(9) The term ''soup kitchen'' means a public and charitable institution that, as integral part of its normal activities, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

SEC. 524. REGULATIONS.

(a) The Secretary shall issue regulations within 120 days to implement this subtitle.

(b) In administering this subtitle, the Secretary shall minimize, to the maximum extent practicable, the regulatory, recordkeeping, and paperwork requirements imposed on eligible recipient agencies.

(c) The Secretary shall as early as feasible but not later than the beginning of each fiscal year, publish in the Federal Register a nonbinding estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under the commodity distribution program under this subtitle during the fiscal year.

(d) The regulations issued by the Secretary under this section shall include provisions that set standards

with respect to liability for commodity losses for the commodities distributed under this subtitle in situations in which there is no evidence of negligence or fraud, and conditions for payment to cover such losses. Such provisions shall take into consideration the special needs and circumstances of eligible recipient agencies.

SEC. 525. FINALITY OF DETERMINATIONS.

Determinations made by the Secretary under this subtitle and the facts constituting the basis for any donation of commodities under this subtitle, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

SEC. 526. SALE OF COMMODITIES PROHIBITED.

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

SEC. 527. SETTLEMENT AND ADJUSTMENT OF CLAIMS.

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

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

(2) waive such a claim if the Secretary determines that to do so will serve the purposes of this subtitle.

(b) Nothing contained in this section shall be construed to diminish the authority of the Attorney General of the United States under section 516 of title 28, United States Code, to conduct litigation on behalf of the United States.

SEC. 528. REPEALERS; AMENDMENTS.

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

(b) AMENDMENTS.—

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

(A) by striking section 110;

(B) by striking subtitle C of title II; and

(C) by striking section 502.

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

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

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

(A) by striking section 1571; and

(B) in section 1562(d), by striking ''section 4 of the Agricultural and Consumer Protection Act of 1973'' and inserting ''section 110 of the Commodity Distribution Act of 1995''.

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

(A) in section 4(a), by striking ''institutions (including hospitals and facilities caring for needy infants and children), supplemental feeding programs serving women, infants and children or elderly persons, or both, wherever located, disaster areas, summer camps for children'' and inserting ''disaster areas'';

(B) in subsection 4(c), by striking ''the Emergency Food Assistance Act of 1983'' and inserting ''the Commodity Distribution Act of 1995''; and

(C) by striking section 5.

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

Subtitle B—Simplification and Reform of Food Stamp Program

SEC. 531. SHORT TITLE.

This subtitle may be cited as the ''Food Stamp Simplification and Reform Act of 1995''.

CHAPTER 1—SIMPLIFIED FOOD STAMP PROGRAM AND STATE ASSISTANCE FOR NEEDY FAMILIES

SEC. 541. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP PROGRAM.

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

(1) by inserting ''(1)'' after ''(a)''; and

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

''(2) At the request of the State agency, a State may operate a program, as provided in section 24, within the State or any political subdivisions within the State in which households with one or more members receiving regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant will be issued food stamp benefits in accordance with the rules and procedures established—

''(A) by the State under the Temporary Assistance for Needy Families Block Grant or this Act; or

''(B) under the food stamp program.''.

SEC. 542. SIMPLIFIED FOOD STAMP PROGRAM.

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

"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

''(a) If a State elects to operate a program under section 4(a)(2) within the State or any political subdivision within the State—

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

''(2) benefits under such program shall be determined under the rules and procedures established by the State or political subdivision under the Temporary Assistance for Needy Families Block Grant or under the food stamp program, subject to subsection (g).

''(b) In approving a State plan to carry out a program under section 4(a)(2), the Secretary shall certify that the average level of food stamp benefits per household participating in the program under such section for the State or political subdivision in which such program is in

operation is not expected to exceed the average level of food stamp benefits per household that received benefits under the program established by a State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in such area in the preceding fiscal year, adjusted for any changes in the thrifty food plan under section 3(o). The Secretary shall compute the permissible average level of food stamp benefits per household each year for each State or political subdivision in which such program is in operation and may require a State to report any information necessary to make such computation.

''(c) When the Secretary determines that the average level of food stamp benefits per household provided by the State or political subdivision under such program has exceeded the permissible average level of food stamp benefits per household for the State or political subdivision in which the program was in operation, the State or political subdivision shall pay to the Treasury of the United States the value of the food stamp benefits in excess of the permissible average level of food stamp benefits per household in the State or political subdivision within 90 days after the notification of such excess payments.

''(d)(1) A household against which a penalty is imposed (including a reduction in benefits or disqualification) for noncompliance with the program established by

the State under the Temporary Assistance for Needy Families Block Grant may have the same penalty imposed against it (including a reduction in benefits or disqualification) in the program administered under this section.

''(2) If the penalty for noncompliance with the program established by the State under the Temporary Assistance for Needy Families block grant is a reduction in benefits in such program, the household shall not receive an increased allotment under the program administered under this section as a result of a decrease in the household's income (as determined by the State under this section) caused by such penalty.

''(3) Any household disqualified from the program administered under this subsection may, after such disqualification period has expired, apply for food stamp benefits under this Act and shall be treated as a new applicant.

''(e) If a State or political subdivision, at its option, operates a program under section 4(a)(2) for households that include any member who does not receive regular cash benefits under the program established by the State under the Temporary Assistance for Needy Families Block Grant, the Secretary shall ensure that the State plan provides that household eligibility shall be determined under this Act, benefits may be determined under the rules and

procedures established by the State under the Temporary Assistance for Needy Families Block Grant or this Act, and benefits provided under this section shall be equitably distributed among all household members.

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

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

''(A) not less that $350 per month;

''(B) earned from employment provided by a nongovernmental employer, as determined by the State; and

''(C) received from the same employer for a period of employment of not less than 3 consecutive months.

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

''(A) the Secretary shall pay to the State an amount equal to the value of the allotment that such

household would be eligible to receive under this section but for the operation of this subsection;

''(B) the State shall provide such amount to the household as cash assistance in lieu of such allotment; and

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

''(i) such cash assistance shall be considered to be an allotment; and

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

''(4) A State that makes the election in paragraph (1) shall—

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

''(B) pay the cost of any increase in cash benefits required by paragraph (1).

''(5) After a State operates a program under this subsection for 2 years, the State shall provide to the Secretary a written evaluation of the impact of cash assistance.

''(g) In operating a program under section 4(a)(2), the State or political subdivision may follow the rules and procedures established by the State or political subdivision under the Temporary Assistance for Needy Families Block Grant or under the food stamp program, except that the State or political subdivision shall comply with the requirements of—

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

''(2) section 8(a) (relating to the value of allotments, except that a household's income may be determined under the program established by the State under the Temporary Assistance for Needy Families Block Grant);

''(3) section 8(b) (allotment not considered income or resources);

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

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

''(6) section 11(e)(10) (relating to a fair hearing) or a comparable requirement established by the State under the Temporary Assistance for Needy Families Block Grant; and

''(7) section 16 (relating to administrative cost-sharing and quality control).''.

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

(1) in paragraph (24), by striking ''and'' at the end;

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

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

''(26) the plans of the State agency for operating, at the election of the State, a program under section 4(a)(2), including—

''(A) the rules and procedures to be followed by the State to determine food stamp benefits;

''(B) a statement specifying whether the program operated by the State under section 4(a)(2) will include households that include members who do not receive regular cash benefits under the program established by the State

under the Temporary Assistance for Needy Families Block Grant; and

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

SEC. 543. CONFORMING AMENDMENTS.

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

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

(1) by striking subsection (i); and

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

CHAPTER 2—FOOD STAMP PROGRAM

SEC. 551. THRIFTY FOOD PLAN.

Section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking ''(4) through January 1, 1980, adjust the cost of such diet every January 1 and July 1'' and all that follows through the end of the subsection, and inserting the following: ''(4) on October 1, 1995, adjust the cost of the thrifty food plan to reflect 103 percent of the cost of the thrifty food plan in June 1994 and increase such amount by 2 percent, rounding the result to the nearest lower dollar increment for each household size, and (5) on October 1, 1996, and each Oc-

tober 1 thereafter, increase the amount established for the preceding October 1, before such amount was rounded, by 2 percent, rounding the result to the nearest lower dollar increment for each household size.''.

SEC. 552. INCOME DEDUCTIONS AND ENERGY ASSISTANCE.

(a) Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(11)) is amended—

(1) by striking ''(A)''; and

(2) by striking ''or (B) under any State or local laws,'' and all that follows through ''or impracticable to do so,''.

(b) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended to read as follows:

''(e)(1) DEDUCTIONS FOR STANDARD AND EARNED INCOME.—

''(A) In computing household income, the Secretary shall allow a standard deduction of $134 a month for each household, except that households in Alaska, Hawaii, Guam, and the Virgin Islands of the United States shall be allowed a standard deduction of $229, $189, $269, and $118, respectively.

''(B) All households with earned income shall also be allowed an additional deduction of 20 percent of all earned income (other than that excluded by subsection (d) of this section and that earned

under section 16(j)), to compensate for taxes, other mandatory deductions from salary, and work expenses, except that such additional deduction shall not be allowed with respect to earned income that a household willfully or fraudulently fails (as proven in a proceeding provided for in section 6(b)) to report in a timely manner.

''(2) DEPENDENT CARE DEDUCTION.—The Secretary shall allow households a deduction with respect to expenses other than expenses paid on behalf of the household by a third party or amounts made available and excluded for the expenses under subsection (d)(3), the maximum allowable level of which shall be $200 a month for each dependent child under 2 years of age and $175 a month for each other dependent, for the actual cost of payments necessary for the care of a dependent when such care enables a household member to accept or continue employment, or training or education which is preparatory for employment.

''(3) EXCESS SHELTER EXPENSE DEDUCTION.—

''(A) The Secretary shall allow households, other than those households containing an elderly or disabled member, with respect to expenses other than expenses paid on behalf of the household by a third party, an excess shelter expense deduction to

the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

''(B) Such excess shelter expense deduction shall not exceed $231 a month in the 48 contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $402, $330, $280, and $171 a month, respectively.

''(C)(i) Notwithstanding section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)), a household may not claim as a shelter expense any payment received, or costs paid on its behalf, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

''(ii) Notwithstanding section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)), a State agency may use a standard utility allowance as provided under subparagraph (D) for heating and cooling expenses only if the household incurs out-of-pocket heating or cooling expenses in excess of any payment received, or costs paid on its behalf, under the Low-Income

Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

''(iii) For purposes of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 shall be considered to be prorated over the entire heating or cooling season for which it was provided.

''(iv) At the end of any certification period and up to one additional time during each twelve-month period, a State agency shall allow a household to switch between any standard utility allowance and a deduction based on its actual utility costs.

''(D)(i) In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance which does not fluctuate within a year to reflect seasonal variations.

''(ii) An allowance for a heating or cooling expense may not be used for a household that does not incur a heating or cooling expense, as the case may be, or does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households, with regard to such expense, only for excess utility costs.

''(iii) No such allowance may be used for a household that shares such expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

''(4) HOMELESS SHELTER DEDUCTION.—(A) A State shall develop a standard homeless shelter deduction, which shall not exceed $139 a month, for the expenses that may reasonably be expected to be incurred by households in which all members are homeless but are not receiving free shelter throughout the month. Subject to subparagraph (B), the State shall use such deduction in determining eligibility and allotments for such households.

''(B) The Secretary may prohibit the use of the standard homeless shelter deduction for households with extremely low shelter costs.

''(5) ELDERLY AND DISABLED HOUSEHOLDS.—

''(A) The Secretary shall allow households containing an elderly or disabled member, with respect to expenses other than expenses paid on behalf of the household by a third party—

''(i) an excess medical expense deduction for that portion of the actual cost of allowable

medical expenses, incurred by elderly or disabled members, exclusive of special diets, that exceed $35 a month; and

''(ii) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

''(B) State agencies shall offer eligible households a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction provided for in subparagraph (A), in lieu of submitting information or verification on actual expenses on a monthly basis. The method described in the preceding sentence shall be designed to minimize the administrative burden for eligible elderly and disabled household members choosing to deduct their recurrent medical expenses pursuant to such method, shall rely on reasonable estimates of the member's expected medical expenses for the certification period (including changes that can be reasonably anticipated based on available information about the member's medical condition, public or private medical insur-

ance coverage, and the current verified medical expenses incurred by the member), and shall not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

''(6) CHILD SUPPORT DEDUCTION.—Before determining the excess shelter expense deduction, the Secretary shall allow all households a deduction for child support payments made by a household member to or for an individual who is not a member of the household if such household member was legally obligated to make such payments, except that the Secretary is authorized to prescribe by regulation the methods, including calculation on a retrospective basis, that State agencies shall use to determine the amount of the deduction for child support payments.''.

(c) Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended by striking ''Under the rules prescribed by the Secretary, a State agency shall develop standard estimates'' and all that follows through the end of the paragraph.

SEC. 553. VEHICLE ALLOWANCE.

Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking ''a level set by the Secretary, which shall be $4,500 through August 31,

1994,'' and all that follows through the end of the paragraph, and inserting ''$4,550.''.

SEC. 554. WORK REQUIREMENTS.

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

(1) in paragraph (1)(A)(ii), by striking ''an employment and training program under paragraph (4), to the extent required under paragraph (4), including any reasonable employment requirements as are prescribed by the State agency in accordance with paragraph (4)'' and inserting ''a State job search program'';

(2) in paragraph (2)(A)—

(A) by striking ''title IV of the Social Security Act (42 U.S.C. 602)'' and inserting ''the program established by the State under the Temporary Assistance for Needy Families Block Grant''; and

(B) by striking ''that is comparable to a requirement of paragraph (1)''; and

(3) by amending paragraph (4) to read as follows:

''(4)(A) Except as provided in subparagraphs (B), (C), and (D), an individual shall not be denied initial eligibility but shall be disqualified from the food stamp pro-

gram if after 90 days from the certification of eligibility of such individual the individual was not employed a minimum of 20 hours per week, or does not participate in a program established under section 20 or a comparable program established by the State or local government.

''(B) Subparagraph (A) shall not apply in the case of an individual who—

''(i) is under eighteen or over fifty years of age;

''(ii) is certified by a physician as physically or mentally unfit for employment;

''(iii) is a parent or other member of a household with responsibility for the care of a dependent;

''(iv) is participating a minimum of 20 hours per week and is in compliance with the requirements of—

''(I) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

''(II) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

''(III) a program of employment or training operated or supervised by an agency of State or local government which meets standards deemed appropriate by the Governor; or

''(v) would otherwise be exempt under subsection (d)(2).

''(C) Upon request of the State, the Secretary may waive the requirements of subparagraph (A) in the case of some or all individuals within all or part of the State if the Secretary makes a determination that such area—

''(i) has an unemployment rate of over 10 percent; or

''(ii) does not have a sufficient number of jobs to provide employment for individuals subject to this paragraph. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the basis on which the Secretary made such a decision.

''(D) An individual who has been disqualified from the food stamp program under subparagraph (A) may reestablish eligibility for assistance if such person becomes exempt under subparagraph (B) or by—

''(i) becoming employed for a minimum of 20 hours per week during any consecutive thirty-day period; or

''(ii) participating in a program established under section 20 or a comparable program established by the State or local government.''.

(b) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) by striking subsection (h); and

(2) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(c) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026), as amended by section 543(b), is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (k) as subsections (d) through (j), respectively.

(d) Section 20 of the Food Stamp Act of 1977 (7 U.S.C. 2029) is amended to read as follows:

''SEC. 20. (a)(1) The Secretary shall permit a State that applies and submits a plan in compliance with guidelines promulgated by the Secretary to operate a program within the State or any political subdivision within the State, under which persons who are required to work under section 6(d)(4) may accept an offer from the State or political subdivision to perform work on its behalf, or on behalf of a private nonprofit entity designated by the State or political subdivision, in order to continue to qualify for benefits after they have initially been judged eligible.

''(2) The Secretary shall promulgate guidelines pursuant to paragraph (1) which, to the maximum extent practicable, enable a State or political subdivision to de-

sign and operate a program that is compatible and consistent with similar programs operated by the State or political subdivision.

''(b) To be approved by the Secretary, a program shall provide that participants work, in return for compensation consisting of the allotment to which the household is entitled under section 8(a), with each hour of such work entitling that household to a portion of its allotment equal in value to 100 percent of the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938.

''(c) No State or political subdivision that receives funds provided under this section shall replace any employed worker with an individual who is participating in a program under this section for the purposes of complying with section 6(d)(4). Such an individual may be placed in any position offered by the State or political subdivision that—

''(1) is a new position;

''(2) is a position that became available in the normal course of conducting the business of the State or political subdivision;

''(3) involves performing work that would otherwise be performed on an overtime basis by a worker

who is not an individual participating in such program; or

''(4) that is a position which became available by shifting a current employee to an alternate position.

''(d) The Secretary shall allocate among the States or political subdivisions in each fiscal year, from funds appropriated for the fiscal year under section 18(a)(1), the amount of $75,000,000 to assist in carrying out the program under this section during the fiscal year.

''(e)(1) In making the allocation required under subsection (d), the Secretary shall allocate to each State operating a program under this section that percentage of the total funds allocated under subsection (d) which equals the estimate of the Secretary of the percentage of participants who are required to work under section 6(d)(4) that reside in such State.

''(2) The State shall promptly notify the Secretary if such State determines that it will not expend the funds allocated it under paragraph (1) and the Secretary shall reallocate such funds as the Secretary deems appropriate and equitable.

''(f) Notwithstanding subsection (d), the Secretary shall ensure that each State operating a program under this section is allocated at least $50,000 by reducing, to

the extent necessary, the funds allocated to those States allocated more than $50,000.

''(g) If, in carrying out such program during such fiscal year, a State or political subdivision incurs costs that exceed the amount allocated to the State agency under subsection (d)—

''(1) the Secretary shall pay such State agency an amount equal to 50 percent of such additional costs, subject to the first limitation in paragraph (2); and

''(2) the Secretary shall also reimburse each State agency in an amount equal to 50 percent of the total amount of payments made or costs incurred by the State or political subdivision in connection with transportation costs and other expenses reasonably necessary and directly related to participation in a program under this section, except that such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs and such reimbursement shall not be made out of funds allocated under subsection (d).

''(h) The Secretary may suspend or cancel some or all of these payments, or may withdraw approval from a State or political subdivision to operate a program, upon

a finding that the State or political subdivision has failed to comply with the requirements of this section.''.

(e) Section 7(i)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(6)) is amended by striking ''section 17(f)'' and inserting ''section 17(e)''.

SEC. 555. COMPARABLE TREATMENT OF DISQUALIFIED INDIVIDUALS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following new subsection:

''(i) An individual who is a member of a household who would otherwise be eligible to participate in the food stamp program under this section and who has been disqualified for noncompliance with program requirements from the program established by the State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not be eligible to participate in the food stamp program during the period such disqualification is in effect.''.

SEC. 556. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

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

(1) by amending paragraph (1) to read as follows:

''(1)(A) State agencies are encouraged to implement an on-line electronic benefit transfer system in which household benefits determined under section 8(a) or section 24 are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.

''(B) Subject to paragraph (2), a State is authorized to procure and implement an on-line electronic benefit transfer system under the terms, conditions, and design that the State deems appropriate, except that each electronic benefit transfer card shall bear a photograph of the members of the household to which such card is issued.

''(C) Upon request of a State, the Secretary may waive any provision of this Act prohibiting the effective implementation of an electronic benefit transfer system under this subsection.'';

(2) in paragraph (2)—

(A) by striking ''effective no later than April 1, 1992,'';

(B) by striking ''the approval of'';

(C) in subparagraph (A) by striking '', in any 1 year,''; and

(D) by amending subparagraph (D) to read as follows:

''(D)(i) measures to maximize the security of such system using the most recent technology available that the State considers appropriate and cost-effective and which may include (but is not limited to) personal identification numbers (PIN), photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

''(ii) effective not later than 2 years after the date of the enactment of the Personal Responsibility Act of 1995, measures that permit such system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment.''; and

(3) in paragraph (3), by striking ''the Secretary shall not approve such a system unless—'' and inserting ''such system shall provide that—''.

(b) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 542(a), is amended by adding at the end the following new section:

''SEC. 25. ENCOURAGEMENT OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

''(a) Upon fully implementing an electronic benefit transfer system which operates in the entire State, a State may, subject to the provisions of this section, elect to re-

ceive a grant for any fiscal year to operate a low-income nutrition assistance program in such fiscal year in lieu of the food stamp program.

''(b)(1) A State that meets the requirements of this section and elects to operate such program, shall receive each fiscal year under this section the sum of—

''(A)(i) the total dollar value of all benefits issued under the food stamp program by the State during fiscal year 1994; or

''(ii) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during fiscal years 1992 through 1994; and

''(B)(i) the total amount received by the State for administrative costs under section 16(a) for fiscal year 1994; or

''(ii) the average per fiscal year of the total amount received by the State for administrative costs under section 16(a) for fiscal years 1992 through 1994.

''(2) Upon approval by the Secretary of the plan submitted by a State under subsection (c), the Secretary shall pay to the State at such times and in such manner as the Secretary may determine, the amount to which the State is eligible under subsection (b)(1).

''(c) To be eligible to operate a low-income nutrition assistance program under this section, a State shall submit for approval each fiscal year a plan of operation specifying the manner in which such a program will be conducted by the State. Such plan shall—

''(1) certify that the State has implemented a state-wide electronic benefit transfer system in accordance with section 7(i);

''(2) designate a single State agency responsible for the administration of the low-income nutrition assistance program under this section;

''(3) assess the food and nutrition needs of needy persons residing in the State;

''(4) limit the assistance to be provided under this section to the purchase of food;

''(5) describe the persons to whom such assistance will be provided;

''(6) assure the Secretary that assistance will be provided to the most needy persons in the State and that applicants for assistance shall have adequate notice and fair hearings comparable to those required under section 11;

''(7) provide that, in the operation of the low-income nutrition assistance program, there shall be

no discrimination on the basis of race, sex, religion, national origin, or political beliefs; and

''(8) include other information as may be required by the Secretary.

''(d) Payments made under this section to the State may be expended only in the fiscal year for which such payments are distributed, except that the State may reserve up to 5 percent of the grant received for a fiscal year to provide assistance under this section in subsequent fiscal years: *Provided,* That such reserved funds may not total more than 20 percent of the total grant received under this section for a fiscal year.

''(e) The State agency shall keep records concerning the operation of the program carried out under this section and shall make such records available to the Secretary and the Comptroller General of the United States.

''(f) If the Secretary finds that there is substantial failure by a State to comply with the requirements of this section, regulations issued pursuant to this section, or the plan approved under subsection (c), then the Secretary shall take one or more of the following actions:

''(1) Suspend all or part of such payment authorized by subsection (b)(2) to be made available to such State, until the Secretary determines the State

to be in substantial compliance with such requirements.

''(2) Withhold all or part of such payments until the Secretary determines that there is no longer failure to comply with such requirements, at which time the withheld payment may be paid.

''(3) Terminate the authority of the State to operate the low-income nutrition assistance program.

''(g)(1) States which receive grants under this section shall provide for—

''(A) a biennial audit, conducted in accordance with the standards of the Comptroller General, of expenditures for the provision of nutrition assistance under this section; and

''(B) not later than 120 days after the end of each fiscal year in which an audit is conducted, provide the Secretary with such audit.

States shall make the report of such audit available for public inspection.

''(2) Not later than 120 days after the end of the fiscal year for which a State receives a grant under this section, such State shall prepare an activities report comparing actual expenditures for such fiscal year for nutrition assistance under this section with the expenditures for such fiscal year predicted in the plan submitted in ac-

cordance with subsection (c). Such State shall make the activities report available for public inspection.

''(h) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than $10,000 or imprisoned for not more than 5 years, or both.''.

SEC. 557. VALUE OF MINIMUM ALLOTMENT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking '', and shall be adjusted on each October 1'' and all that follows through the end of such subsection, and inserting a period.

SEC. 558. INITIAL MONTH BENEFIT DETERMINATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking ''of more than one month'' after ''following any period''.

SEC. 559. IMPROVING FOOD STAMP PROGRAM MANAGEMENT.

(a) Section 13(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2022(a)(1)) is amended—

(1) in the fifth sentence, by inserting ''(after a determination on any request for a waiver for good cause related to the claim has been made by the Secretary)'' after ''bill for collection''; and

(2) in the sixth sentence, by striking ''1 year'' and inserting ''2 years''.

(b) Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) by striking ''national performance measure'' and inserting ''payment error tolerance level''; and

(B) by striking ''equal to—'' and all that follows through the period at the end and inserting the following:

''equal to its payment error rate less such tolerance level times the total value of allotments issued in such a fiscal year by such State agency. The amount of liability shall not be affected by corrective action under subparagraph (B).'';

(2) in paragraph (3)(A), by striking ''120 days'' and inserting ''60 days (or 90 days at the discretion of the Secretary)'';

(3) in the last sentence of paragraph (6), by inserting ''shall be used to establish a payment-error tolerance level. Such tolerance level for any fiscal year will be one percentage point added to the lowest national performance measure ever announced up to and including such fiscal year under this section.

The payment-error tolerance level'' after ''The announced national performance measure''; and

(4) by striking paragraphs (8) and (9).

SEC. 560. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

(a) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by section 542(b), is amended—

(1) in paragraph (25), by striking ''and'';

(2) in paragraph (26), by striking the period and inserting ''; and'' at the end; and

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

''(27) the plans of the State agency for including eligible food stamp recipients in a work supplementation or support program under section 16(j).''.

(b) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by section 554(b), is amended by adding at the end the following new subsection:

''(j) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

''(1) A State may elect to use the sums equal to the food stamp benefits that would otherwise be allotted to participants under the food stamp pro-

gram but for the operation of this subsection for the purposes of providing and subsidizing or supporting jobs under a work supplementation or support program established by the State.

''(2) If a State that makes the election described in paragraph (1) identifies each household that participates in the food stamp program which contains an individual who is participating in such work supplementation or support program—

''(A) the Secretary shall pay to the State an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

''(B) the State shall expend such amount in accordance with its work supplementation or support program in lieu of the allotment that the household would receive but for the operation of this subsection;

''(C) for purposes of—

''(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

''(ii) section 8(b), the amount received under this subsection shall be considered

as the value of an allotment provided to the household; and

''(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation program.

''(3) No person shall be excused by reason of the fact that such State has a work supplementation or support program from any work requirement under section 6(d), except during the periods in which such individual is employed under such work supplementation or support program.

''(4) For purposes of this subsection, the term ''work supplementation or support program'' shall mean a program in which, as determined by the Secretary, public assistance, including any benefits provided under a program established by the State and the food stamp program, is provided to an employer to be used for hiring a public assistance recipient.''.

SEC. 561. OBLIGATIONS AND ALLOTMENTS.

Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''are authorized to be appropriated such sums as are necessary for each of the fiscal years 1991 through 1995'' and inserting the following:

''is provided to be obligated, not in excess of the cost estimate made by the Congressional Budget Office for this Act, as amended by the Personal Responsibility Act of 1995, for the fiscal year ending September 30, 1996, with adjustments for any estimates of total obligations for additional fiscal years made by the Congressional Budget Office to reflect the provisions contained in the Personal Responsibility Act of 1995'';

(ii) by striking ''In each monthly report, the Secretary shall also state'' and inserting ''Also, the Secretary shall file a report every February 15, April 15, and July 15, stating''; and

(iii) by striking ''supplemental appropriations'' and inserting ''additional obligational authority''; and

(B) in paragraph (2), by striking ''authorized to be appropriated'' and inserting ''obligated'';

(2) in subsection (b)—

(A) in the first sentence, by striking ''appropriation'' and inserting ''total obligations limitation provided''; and

(B) in the second sentence, by striking ''appropriation'' and inserting ''obligational amount provided in subsection (a)(1)'';

(3) in subsection (c)—

(A) by inserting ''or under section 24'' after ''under sections 5(d) and 5(e)'';

(B) by inserting ''or under section 24'' after ''under section 5(c)'';

(C) by striking ''and'' after ''or otherwise disabled''; and

(D) by inserting before the period at the end '', and (3) adequate and appropriate recommendations on how to equitably achieve such reductions''; and

(4) in subsection (f), by striking ''No funds appropriated'' and inserting ''None of the funds obligated''.

CHAPTER 3—PROGRAM INTEGRITY

SEC. 571. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following new sentence:

''The Secretary shall establish specific time periods during which authorization to accept and redeem coupons, or to redeem benefits through an electronic benefit transfer system, under the food stamp program shall be valid.''.

SEC. 572. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)), as previously amended by this title, is amended by adding at the end the following new sentence:

''No retail food store or wholesale food concern shall be approved for participation in the food stamp program unless an authorized employee of the Department of Agriculture, wherever possible, or an official of the State or local government designated by the Department of Agriculture, has visited such retail food store or wholesale food concern for the purpose of determining whether such retail

food store or wholesale food concern should be so approved.''.

SEC. 573. WAITING PERIOD FOR RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS THAT ARE DENIED APPROVAL TO ACCEPT COUPONS.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following new sentence:

''Such retail food store or wholesale food concern shall not submit an application under subsection (a)(1) for six months from the date of receipt of the notice of denial.''.

SEC. 574. DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

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

(1) by inserting ''(1)'' after ''(a); and

(2) by inserting the following new paragraph:

''(2) A retail food store or wholesale food concern that is disqualified from participating in the program under section 17 of the Child Nutrition Act of 1966 shall for such period of disqualification also be disqualified from participating in the food stamp program.''.

SEC. 575. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by adding at the end the following new sentence:

''Notwithstanding any other provision of law, the permanent disqualification of a retail food store or wholesale food concern under section 12(b)(3) shall be effective from the date of receipt of the notice of disqualification.''.

SEC. 576. CRIMINAL FORFEITURE.

Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at the end the following new subsection:

''(h)(1) The court, in imposing sentence on a person convicted of an offense in violation of subsection (b) or (c), shall order, in addition to any other sentence imposed pursuant to this subsection, that the person forfeit to the United States all property described in paragraph (2).

''(2) All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), is subject to forfeiture to the United States.

''(3) No property shall be forfeited under this subsection to the extent of an interest of an owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of that owner.

''(4) The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

''(A) to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding that caused the sale that produced such proceeds;

''(B) to reimburse the Department of Agriculture Office of Inspector General for any costs it incurred in the law enforcement effort resulting in the forfeiture;

''(C) to reimburse any Federal or State law enforcement agencies for any costs incurred in the law enforcement effort resulting in the forfeiture; and

''(D) by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores under section 9.''.

SEC. 577. EXPANDED DEFINITION OF "COUPON".

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking ''or type of certifi-

cate'' and inserting ''type of certificate, authorization cards, cash or checks issued in lieu of coupons, or access devices, including, but not limited to, electronic benefit transfer cards or personal identification numbers''.

SEC. 578. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

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

(1) in clause (i), by striking ''six months'' and inserting ''1 year''; and

(2) in clause (ii), by striking ''1 year'' and inserting ''2 years''.

SEC. 579. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

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

(1) in subclause (II), by striking ''or'' at the end;

(2) in subclause (III), by striking the period at the end and inserting ''; or''; and

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

''(IV) a conviction of an offense under subsection (a) or (b) of section 15 involving items referred to in such subsection having a value of $500 or more.''.

SEC. 580. CLAIMS COLLECTION.

(a) Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting before the semicolon at the end ''or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code''.

(b) Section 13(d) of the Act (7 U.S.C. 2022(d)) is amended—

(1) by striking ''may'' and inserting ''shall''; and

(2) by inserting before the period at the end ''or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code''.

SEC. 581. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

''(I) An individual shall be ineligible to participate in the food stamp program as a member of any household during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent

statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under the food stamp program or under programs that are funded under part A of title IV, title XIX, or benefits in 2 or more States under the supplemental security income program under title XVI.''.

SEC. 582. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

''(i) No individual is eligible to participate in the food stamp program as a member of any household during any period such individual has any unpaid liability that is both—

''(1) under a court order for the support of a child of such individual; and

''(2) for which the court is not allowing such individual to delay payment.''.

SEC. 583. ELIMINATION OF FOOD STAMP BENEFITS WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) INELIGIBILITY FOR FOOD STAMPS.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended

by section 555, is amended by adding at the end the following:

''(j) No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household while the individual is—

''(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which he flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(2) violating a condition of probation or parole imposed under Federal or State law.''.

(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT OFFICERS.—Section 11(e)(8) of such Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking ''and (C)'' and inserting ''(C)''; and

(2) by inserting before the semicolon at the end the following: '', (D) notwithstanding any other provision of law, the address of a member of a household shall be made available, on request, to a Federal, State, or local law enforcement officer if the of-

ficer furnishes the State agency with the name of the member and notifies the agency that (i) the member (I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which he flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State, or is violating a condition of probation or parole imposed under Federal or State law, or (II) has information that is necessary for the officer to conduct the officer's official duties, (ii) the location or apprehension of the member is within the official duties of the officer, and (iii) the request is made in the proper exercise of the duties, and''.

Subtitle C—Effective Dates and Miscellaneous Provisions

SEC. 591. EFFECTIVE DATES.

(a) Except as provided in subsection (b), this title and amendments made by this title shall take effect on October 1, 1995.

(b) The amendments made by section 559 shall take effect on October 1, 1994.

SEC. 592. SENSE OF THE CONGRESS.

It is the sense of the Congress that States that operate electronic benefit systems to transfer benefits provided under the Food Stamp Act of 1977 should operate electronic benefit systems that are compatible with each other.

SEC. 593. DEFICIT REDUCTION.

It is the sense of the Committee on Agriculture of the House of Representatives that reductions in outlays resulting from subtitle B shall not be taken into account for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE VI—SUPPLEMENTAL SECURITY INCOME

SEC. 601. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following:

''(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1611(e) of such Act (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1631(a)(2)(A)(ii) of such Act (42 U.S.C. 1383(a)(2)(A)(ii)) is amended—

(A) by striking ''(I)''; and

(B) by striking subclause (II).

(3) Section 1631(a)(2)(B) of such Act (42 U.S.C. 1383(a)(2)(B)) is amended—

(A) by striking clause (vii);

(B) in clause (viii), by striking ''(ix)'' and inserting ''(viii)'';

(C) in clause (ix)—

(i) by striking ''(viii)'' and inserting ''(vii)''; and

(ii) in subclause (II), by striking all that follows ''15 years'' and inserting a period;

(D) in clause (xiii)—

(i) by striking ''(xii)'' and inserting ''(xi)''; and

(ii) by striking ''(xi)'' and inserting ''(x)''; and

(E) by redesignating clauses (viii) through (xiii) as clauses (vii) through (xii), respectively.

(4) Section 1631(a)(2)(D)(i)(II) of such Act (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking all that follows ''$25.00 per month'' and inserting a period.

(5) Section 1634 of such Act (42 U.S.C. 1383c) is amended by striking subsection (e).

(6) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking ''—'' and all that follows through ''(A)'' the 1st place such term appears;

(B) by striking ''and'' the 3rd place such term appears;

(C) by striking subparagraph (B);

(D) by striking ''either subparagraph (A) or subparagraph (B)'' and inserting ''the preceding sentence''; and

(E) by striking ''subparagraph (A) or (B)'' and inserting ''the preceding sentence''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995, and shall apply with respect to months beginning on or after such date.

(d) FUNDING OF CERTAIN PROGRAMS FOR DRUG ADDICTS AND ALCOHOLICS.—

(1) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are hereby appropriated—

(A) for carrying out section 1971 of the Public Health Service Act (as amended by paragraph (2) of this subsection), $95,000,000 for each of the fiscal years 1997 through 2000; and

(B) for carrying out the medication development project to improve drug abuse and drug treatment research (administered through the National Institute on Drug Abuse), $5,000,000 for each of the fiscal years 1997 through 2000.

(2) CAPACITY EXPANSION PROGRAM REGARDING DRUG ABUSE TREATMENT.—Section 1971 of the Public Health Service Act (42 U.S.C. 300y) is amended—

(A) in subsection (a)(1), by adding at the end the following sentence: ''This paragraph is subject to subsection (j).'';

(B) by redesignating subsection (j) as subsection (k);

(C) in subsection (j) (as so redesignated), by inserting before the period the following:

''and for each of the fiscal years 1995 through 2000''; and

(D) by inserting after subsection (i) the following subsection:

''(j) FORMULA GRANTS FOR CERTAIN FISCAL YEARS.—

''(1) IN GENERAL.—For each of the fiscal years 1997 through 2000, the Director shall, for the purpose described in subsection (a)(1), make a grant to each State that submits to the Director an application in accordance with paragraph (2). Such a grant for a State shall consist of the allotment determined for the State under paragraph (3). For each of the fiscal years 1997 through 2000, grants under this paragraph shall be the exclusive grants under this section.

''(2) REQUIREMENTS.—The Director may make a grant under paragraph (1) only if, by the date specified by the Director, the State submits to the Director an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Director determines to be necessary to carry out this subsection, and if the application contains an agreement by the State in accordance with the following:

''(A) The State will expend the grant in accordance with the priority described in subsection (b)(1).

''(B) The State will comply with the conditions described in each of subsections (c), (d), (g), and (h).

''(3) ALLOTMENT.—

''(A) For purposes of paragraph (1), the allotment under this paragraph for a State for a fiscal year shall, except as provided in subparagraph (B), be the product of—

''(i) the amount appropriated in section 601(d)(1)(A) of the Personal Responsibility Act of 1995 for the fiscal year, together with any additional amounts appropriated to carry out this section for the fiscal year; and

''(ii) the percentage determined for the State under the formula established in section 1933(a).

''(B) Subsections (b) through (d) of section 1933 apply to an allotment under subparagraph (A) to the same extent and in the same manner as such subsections apply to an allotment under subsection (a) of section 1933.''.

SEC. 602. SUPPLEMENTAL SECURITY INCOME BENEFITS FOR DISABLED CHILDREN.

(a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENEFITS.—

(1) IN GENERAL.—Section 1614(a)(3)(A) of the Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is amended—

(A) by inserting ''(i)'' after ''(3)(A)'';

(B) by inserting ''who has attained 18 years of age'' before ''shall be considered'';

(C) by striking ''he'' and inserting ''the individual'';

(D) by striking ''(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment impairment of comparable severity)''; and

(E) by adding after and below the end the following:

''(ii) An individual who has not attained 18 years of age shall be considered to be disabled for purposes of this title for a month if the individual—

''(I) meets all non-disability-related requirements for eligibility for cash benefits under this title;

''(II) has any medically determinable physical or mental impairment (or combination of impair-

ments) that meets the requirements, applicable to individuals who have not attained 18 years of age, of the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations (revised as of April 1, 1994), or that is equivalent in severity to such an impairment (or such a combination of impairments); and

''(III)(aa) for the month preceding the first month for which this clause takes effect, was eligible for cash benefits under this title by reason of disability; or

''(bb) as a result of the impairment (or combination of impairments) involved—

''(1) is in a hospital, skilled nursing facility, nursing facility, residential treatment facility, intermediate care facility for the mentally retarded, or other medical institution; or

''(2) would be required to be placed in such an institution if the individual were not receiving personal assistance necessitated by the impairment (or impairments).

''(iii) As used in clause (ii)(III)(bb)(2), the term 'personal assistance' includes at least hands-on or stand-by assistance, supervision, or cueing, with activities of daily living and the administration of medical treatment (where

applicable). For purposes of the preceding sentence, the term 'acitivities of daily living' means eating, toileting, dressing, bathing, and transferring.''.

(2) NOTICE.—Within 1 month after the date of the enactment of this Act, the Commissioner of Social Security shall notify each individual whose eligibility for cash supplemental security income benefits under title XVI of the Social Security Act will terminate by reason of the amendments made by paragraph (1) of such termination.

(3) ANNUAL REPORTS ON LISTINGS OF IMPAIRMENTS.—The Commissioner of Social Security shall annually submit to the Congress a report on the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations (revised as of April 1, 1994), that are applicable to individuals who have not attained 18 years of age, and recommend any necessary revisions to the listings.

(b) ESTABLISHMENT OF PROGRAM OF BLOCK GRANTS REGARDING CHILDREN WITH DISABILITIES.—

(1) IN GENERAL.—Title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) is amended by adding at the end the following:

"PART C—BLOCK GRANTS TO STATES FOR CHILDREN WITH DISABILITIES

"SEC. 1641. ENTITLEMENT TO GRANTS.

''Each State that meets the requirements of section 1642 for fiscal year 1997 or any subsequent fiscal year shall be entitled to receive from the Commissioner for the fiscal year a grant in an amount equal to the allotment (as defined in section 1646(1)) of the State for the fiscal year.

"SEC. 1642. REQUIREMENTS.

''(a) IN GENERAL.—A State meets the requirements of this section for a grant under section 1641 for a fiscal year if by the date specified by the Commissioner, the State submits to the Commissioner an application for the grant that is in such form, is made in such manner, and contain such agreements, assurances, and information as the Commissioner determines to be necessary to carry out this part, and if the application contains an agreement by the State in accordance with the following:

''(1) The grant will not be expended for any purpose other than providing authorized services (as defined in section 1646(2)) to qualifying children (as defined in section 1646(3)).

''(2)(A) In providing authorized services, the State will make every reasonable effort to obtain payment for the services from other Federal or State

programs that provide payment for such services and from private entities that are legally liable to make the payments pursuant to insurance policies, prepaid plans, or other arrangements.

''(B) The State will expend the grant only to the extent that payments from the programs and entities described in subparagraph (A) are not available for authorized services provided by the State.

''(3) The State will comply with the condition described in subsection (b).

''(4) The State will comply with the condition described in subsection (c).

''(b) MAINTENANCE OF EFFORT.—

''(1) IN GENERAL.—The condition referred to in subsection (a)(3) for a State for a fiscal year is that, with respect to the purposes described in paragraph (2), the State will maintain expenditures of non-Federal amounts for such purposes at a level that is not less than the following, as applicable:

''(A) For the first fiscal year for which the State receives a grant under section 1641, an amount equal to the difference between—

''(i) the average level of such expenditures maintained by the State for the 2-year period preceding October 1, 1995 (ex-

cept that, if such first fiscal year is other than fiscal year 1997, the amount of such average level shall be increased to the extent necessary to offset the effect of inflation occurring after October 1, 1995); and

''(ii) the aggregate of non-Federal expenditures made by the State for such 2-year period pursuant to section 1618 (as such section was in effect for such period).

''(B) For each subsequent fiscal year, the amount applicable under subparagraph (A) increased to the extent necessary to offset the effect of inflation occurring after the beginning of the fiscal year to which such subparagraph applies.

''(2) RELEVANT PURPOSES.—The purposes described in this paragraph are any purposes designed to meet (or assist in meeting) the unique needs of qualifying children that arise from physical and mental impairments, including such purposes that are authorized to be carried out under title XIX.

''(3) RULE OF CONSTRUCTION.—With respect to compliance with the agreement made by a State pursuant to paragraph (1), the State has discretion to select, from among the purposes described in

paragraph (2), the purposes for which the State expends the non-Federal amounts reserved by the State for such compliance.

''(4) USE OF CONSUMER PRICE INDEX.—Determinations under paragraph (1) of the extent of inflation shall be made through use of the consumer price index for all urban consumers, U.S. city average, published by the Bureau of Labor Statistics.

''(c) ASSESSMENT OF NEED FOR SERVICES.—The condition referred to in subsection (a)(4) for a State for a fiscal year is that each qualifying child will be permitted to apply for authorized services, and will be provided with an opportunity to have an assessment conducted to determine the need of such child for authorized services.

''SEC. 1643. AUTHORITY OF STATE.

''The following decisions are in the discretion of a State with respect to compliance with an agreement made by the State under section 1642(a)(1):

''(1) Decisions regarding which of the authorized services are provided.

''(2) Decisions regarding who among qualifying children in the State receives the services.

''(3) Decisions regarding the number of services provided for the qualifying child involved and the duration of the services.

"SEC. 1644. AUTHORIZED SERVICES.

''(a) AUTHORITY OF COMMISSIONER.—The Commissioner, subject to subsection (b), shall issue regulations designating the purposes for which grants under section 1641 are authorized to be expended by the States.

''(b) REQUIREMENTS REGARDING SERVICES.—The Commissioner shall ensure that the purposes authorized under subsection (a)—

''(1) are designed to meet (or assist in meeting) the unique needs of qualifying children that arise from physical and mental impairments;

''(2) include medical and nonmedical services; and

''(3) do not include the provision of cash benefits.

"SEC. 1645. GENERAL PROVISIONS.

''(a) ISSUANCE OF REGULATIONS.—Regulations under this part shall be issued in accordance with procedures established for the issuance of substantive rules under section 553 of title 5, United States Code. Payments under grants under section 1641 for fiscal year 1997 shall begin not later than January 1, 1997, without regard to whether final rules under this part have been issued and without regard to whether such rules have taken effect.

''(b) PROVISIONS REGARDING OTHER PROGRAMS.—

"(1) INAPPLICABILITY OF VALUE OF SERVICES.—The value of authorized services provided under this part shall not be taken into account in determining eligibility for, or the amount of, benefits or services under any Federal or federally-assisted program.

"(2) MEDICAID PROGRAM.—For purposes of title XIX, each qualifying child shall be considered to be a recipient of supplemental security income benefits under this title (without regard to whether the child has received authorized services under this part and without regard to whether the State involved is receiving a grant under section 1641). The preceding sentence applies on and after the date of the enactment of this part.

"(c) USE BY STATES OF EXISTING DELIVERY SYSTEMS.—With respect to the systems utilized by the States to deliver services to individuals with disabilities (including systems utilized before the date of the enactment of the Personal Responsibility Act of 1995), it is the sense of the Congress that the States should utilize such systems in providing authorized services under this part.

"(d) REQUIRED PARTICIPATION OF STATES.—Subparagraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall not apply to a State that does not participate in the pro-

gram established in this part for fiscal year 1997 or any succeeding fiscal year.

"SEC. 1646. DEFINITIONS.

''As used in this part:

''(1) ALLOTMENT.—The term 'allotment' means, with respect to a State and a fiscal year, the product of—

''(A) an amount equal to the difference between—

''(i) the number of qualifying children in the State (as determined for the most recent 12-month period for which data are available to the Commissioner); and

''(ii) the number of qualifying children in the State receiving cash benefits under this title by reason of disability (as so determined); and

''(B) an amount equal to 75 percent of the mean average of the respective annual totals of cash benefits paid under this title to each qualifying child described in subparagraph (A)(ii) (as so determined).

''(2) AUTHORIZED SERVICE.—The term 'authorized service' means each purpose authorized by the Commissioner under section 1644(a).

''(3) QUALIFYING CHILD.—

''(A) IN GENERAL.—The term 'qualifying child' means an individual who—

''(i) has not attained 18 years of age; and

''(ii)(I) is eligible for cash benefits under this title by reason of disability; or

''(II) meets the conditions described in subclauses (I) and (II) of section 1614(a)(3)(A)(ii), but (by reason of subclause (III) of such section) is not eligible for such cash benefits.

''(B) RESPONSIBILITIES OF COMMISSIONER.—The Commissioner shall provide for determinations of whether individuals meet the criteria established in subparagraph (A) for status as qualifying children. Such determinations shall be made in accordance with the provisions otherwise applicable under this title with respect to such criteria.''.

(2) RULE REGARDING CERTAIN MILITARY PARENTS; CASH BENEFITS FOR QUALIFYING CHILDREN.—Section 1614(a)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amended by striking ''United States, and who, for the

month'' and all that follows and inserting the following: ''United States, and—

''(I) who, for the month before the parent reported for such assignment, received a cash benefit under this title by reason of blindness, or

''(II) for whom, for such month, a determination was in effect that the child is a qualifying child under section 1646(3).''.

(c) PROVISIONS RELATING TO SSI CASH BENEFITS AND SSI SERVICE BENEFITS.—

(1) CONTINUING DISABILITY REVIEWS FOR CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

(A) by inserting ''(i)'' after ''(G)''; and

(B) by adding at the end the following:

''(ii)(I) Not less frequently than once every 3 years, the Commissioner shall redetermine the eligibility for cash benefits under this title and for services under part C—

''(aa) of each individual who has not attained 18 years of age and is eligible for such cash benefits by reason of disability; and

''(bb) of each qualifying child (as defined in section 1646(3)).

"(II) Subclause (I) shall not apply to an individual if the individual has an impairment (or combination of impairments) which is (or are) not expected to improve.".

(2) DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.—

(A) IN GENERAL.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended by paragraph (1) of this subsection, is amended by adding at the end the following:

"(iii)(I) The Commissioner shall redetermine the eligibility of a qualified individual for supplemental security income benefits under this title by reason of disability, by applying the criteria used in determining eligibility for such benefits of applicants who have attained 18 years of age.

"(II) The redetermination required by subclause (I) with respect to a qualified individual shall be conducted during the 1-year period that begins on the date the qualified individual attains 18 years of age.

"(III) As used in this clause, the term 'qualified individual' means an individual who attains 18 years of age and for whom, for the month preceding the month in which the individual attained such age, a determination was in effect that the individual is a qualifying child under section 1646(3).

''(IV) A redetermination under subclause (I) of this clause shall be considered a substitute for a review required under any other provision of this subparagraph.''.

(B) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under section 1614(a)(3)(G)(iii) of the Social Security Act.

(C) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(3) DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G) of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended by paragraphs (1) and (2) of this subsection, is amended by adding at the end the following:

''(iv)(I) The Commissioner shall redetermine the eligibility for—

''(aa) cash benefits under this title by reason of disability of an individual whose low birth weight is

a contributing factor material to the Commissioner's determination that the individual is disabled; and

''(bb) services under part C of an individual who is eligible for such services by reason of low birth weight.

''(II) The redetermination required by subclause (I) shall be conducted once the individual has received such benefits for 12 months.

''(III) A redetermination under subclause (I) of this clause shall be considered a substitute for a review required under any other provision of this subparagraph.''.

(4) APPLICABILITY OF MEDICAID RULES REGARDING COUNTING OF CERTAIN ASSETS AND TRUSTS OF CHILDREN.—Section 1613(c) of the Social Security Act (42 U.S.C. 1382b(c)) is amended to read as follows:

''TREATMENT OF CERTAIN ASSETS AND TRUSTS IN ELIGIBILITY DETERMINATIONS FOR CHILDREN

''(c) Subsections (c) and (d) of section 1917 shall apply to determinations of eligibility for benefits under this title in the case of an individual who has not attained 18 years of age in the same manner as such subsections apply to determinations of eligibility for medical assistance under a State plan under title XIX, except that—

''(1) the amount described in section 1917(c)(1)(E)(i)(II) shall be the amount of cash

benefits payable under this title to an eligible individual who does not have an eligible spouse and who has no income or resources;

''(2) the look-back date specified in section 1917(c)(1)(B) shall be the date that is 36 months before the date the individual has applied for benefits under this title; and

''(3) any assets in a trust over which the individual has control shall be considered assets of the individual.''.

(d) CONFORMING AMENDMENTS.—

(1) Subsections (b)(1), (b)(2), (c)(3), (c)(5), and (e)(1)(B) of section 1611 of the Social Security Act (42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5), and (e)(1)(B)) are each amended by inserting ''cash'' before ''benefit under this title''.

(2) Section 1611(c)(1) of such Act (42 U.S.C. 1382(c)(1)) is amended—

(A) by striking ''a benefit'' and inserting ''benefits'';

(B) by striking ''such benefit'' and inserting ''the cash benefit under this title''; and

(C) by striking ''and the amount of such benefits'' and inserting ''benefits under this

title and the amount of any cash benefit under this title''.

(3) Section 1611(c)(2) of such Act (42 U.S.C. 1382(c)(2)) is amended—

(A) by striking ''such benefit'' and inserting ''the cash benefit'';

(B) by inserting ''cash'' before ''benefits'' each place such term appears; and

(C) in subpargraph (B), by inserting ''cash'' before ''benefit''.

(4) Section 1611(c)(3) of such Act (42 U.S.C. 1382(c)(3)) is amended by inserting ''cash'' before ''benefits under this title''.

(5) Section 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is amended by inserting ''cash'' before ''benefit of''.

(6) Section 1614(a)(4) of such Act (42 U.S.C. 1382c(a)(4)) is amended by inserting ''or impairment'' after ''disability'' each place such term appears.

(7) Section 1614(f)(1) of such Act (42 U.S.C. 1382c(f)(1)) is amended by striking ''and the amount of benefits'' and inserting ''benefits under this title and the amount of any cash benefit under this title''.

(8) Section 1614(f)(2)(A) of such Act (42 U.S.C. 1382c(f)(2)(A)) is amended by striking ''and the amount of benefits'' and inserting ''benefits under this title and the amount of any cash benefit''.

(9) Section 1614(f)(3) of such Act (42 U.S.C. 1382c(f)(3)) is amended by striking ''and the amount of benefits'' and inserting ''benefits under this title and the amount of any cash benefit under this title''.

(10) Section 1616(e)(1) of such Act (42 U.S.C. 1382e(e)(1)) is amended by inserting ''cash'' before ''supplemental''.

(11) Section 1621(a) of such Act (42 U.S.C. 1382j(a)) is amended by striking ''and the amount of benefits'' and inserting ''benefits under this title and the amount of any cash benefit under this title''.

(12) Section 1631(a)(4) of such Act (42 U.S.C. 1383(a)(4)) is amended by inserting ''cash'' before ''benefits'' the 1st place such term appears in each of subparagraphs (A) and (B).

(13) Section 1631(a)(7)(A) of such Act (42 U.S.C. 1383(a)(7)(A)) is amended by inserting ''cash'' before ''benefits based''.

(14) Section 1631(a)(8)(A) of such Act (42 U.S.C. 1383(a)(8)(A)) is amended by striking ''ben-

efits based on disability or blindness under this title'' and inserting ''benefits under this title (other than by reason of age)''.

(15) Section 1631(c) of such Act (42 U.S.C. 1383(c)) is amended—

(A) by striking ''payment'' each place such term appears and inserting ''benefits''; and

(B) by striking ''payments'' each place such term appears and inserting ''benefits''.

(16) Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(A) in paragraph (1)(B), by striking ''amounts of such benefits'' and inserting ''amounts of cash benefits under this title'';

(B) in paragraph (2), by inserting ''cash'' before ''benefits'' each place such term appears;

(C) by redesignating the 2nd paragraph (6) and paragraph (7) as paragraphs (7) and (8), respectively; and

(D) in paragraph (7) (as so redesignated), by inserting ''cash'' before ''benefits'' each place such term appears.

(17) Section 1631(g)(2) of such Act (42 U.S.C. 1383(g)(2)) is amended by striking ''supplemental security income'' and inserting ''cash''.

(18) Section 1635(a) of such Act (42 U.S.C. 1383d(a)) is amended by striking ''by reason of disability or blindness''.

(e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS FOR POOR DISABLED CHILDREN RESIDING IN STATES APPLYING ALTERNATIVE INCOME ELIGIBILITY STANDARDS UNDER MEDICAID.—

(1) IN GENERAL.—For the period beginning upon the 1st day of the 1st month that begins 90 or more days after the date of the enactment of this Act and ending upon the close of fiscal year 1996, an individual described in paragraph (2) shall be considered to be eligible for cash benefits under title XVI of the Social Security Act, by reason of disability notwithstanding that the individual does not meet any of the conditions described in section 1614(a)(3)(A)(ii)(III) of such Act.

(2) REQUIREMENTS.—For purposes of paragraph (1), an individual described in this paragraph is an individual who—

(A) has not attained 18 years of age;

(B) meets the conditions described in subclauses (I) and (II) of section 1614(a)(3)(A)(ii) of the Social Security Act;

(C) resides in a State that, pursuant to section 1902(f) of such Act, restricts eligibility for medical assistance under title XIX of such Act with respect to aged, blind, and disabled individuals; and

(D) is not eligible for medical assistance under the State plan under such title XIX.

(f) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.—Section 1611(e)(1)(B) of the Social Security Act (42 U.S.C. 1382(e)(1)(B)) is amended by inserting ''or under any health insurance policy issued by a private provider of such insurance'' after ''title XIX''.

(g) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a)(1), (c), (d) and (f), and section 1645(b)(2) of the Social Security Act (as added by the amendment made by subsection (b) of this section), shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) DELAYED APPLICABILITY TO CURRENT SSI RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The amendments made by subsection (a)(1) shall not apply, during the first 6 months that begin after the month in which this Act becomes law, to an individual who is a recipient of cash supplemental security income benefits under title XVI of the Social Security Act for the month in which this Act becomes law.

(h) REGULATIONS.—Within 3 months after the date of the enactment of this Act—

(1) the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by subsections (a)(1), (c), (d), and (f) and to implement subsection (e); and

(2) the Secretary of Health and Human Services shall prescribe such regulations as may be necessary to implement section 1645(b)(2) of the Social Security Act, as added by the amendment made by subsection (b) of this section.

SEC. 603. EXAMINATION OF MENTAL LISTINGS USED TO DETERMINE ELIGIBILITY OF CHILDREN FOR SSI BENEFITS BY REASON OF DISABILITY.

Section 202(e)(2) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note) is amended—

(1) by striking ''and'' at the end of subparagraph (F); and

(2) by redesignating subparagraph (G) as subparagraph (H) and inserting after subparagraph (F) the following:

''(G) whether the criteria in the mental disorders listings in the Listings of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, are appropriate to ensure that eligibility of individuals who have not attained 18 years of age for cash benefits under the supplemental security income program by reason of disability is limited to those who have serious disabilities and for whom such benefits are necessary to improve their condition or quality of life; and''.

SEC. 604. LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM UNDER PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED.

Section 1108 of the Social Security Act (42 U.S.C. 1308), as amended by section 104(e)(1) of this Act, is amended by inserting before ''The total'' the following:

''(a) PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED.—The total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI (as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972)—

''(1) for payment to Puerto Rico shall not exceed $18,053,940;

''(2) for payment to the Virgin Islands shall not exceed $473,659; and

''(3) for payment to Guam shall not exceed $900,718.

''(b) MEDICAID PROGRAMS.—''.

SEC. 605. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 of the Social Security Act (42 U.S.C. 1382g) is hereby repealed.

SEC. 606. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)) is amended by adding at the end the following:

''(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.''.

SEC. 607. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(c) of the Social Security Act (42 U.S.C. 1382(e)), as amended by section 601(b)(1) of this Act, is amended by inserting after paragraph (2) the following:

''(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with re-

spect to any month if, throughout the month, the person is—

''(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(B) violating a condition of probation or parole imposed under Federal or State law.''.

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following:

''(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

''(A) the recipient—

''(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the

laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

''(ii) is violating a condition of probation or parole imposed under Federal or State law; or

''(iii) has information that is necessary for the officer to conduct the officer's official duties;

''(B) the location or apprehension of the recipient is within the official duties of the officer; and

''(C) the request is made in the proper exercise of such duties.''.

TITLE VII—CHILD SUPPORT

SEC. 700. REFERENCES.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following:

''(4) provide that the State will—

''(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

''(i) each child for whom cash assistance is provided under the State program funded under part A of this title, benefits or services are provided under the State program funded under part B of this title, or medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (28)) that it is against the best interests of the child to do so; and

''(ii) any other child, if an individual applies for such services with respect to the child; and

''(B) enforce any support obligation established with respect to—

''(i) a child with respect to whom the State provides services under the plan; or

''(ii) the custodial parent of such a child.''; and

(2) in paragraph (6)—

(A) by striking ''provide that'' and inserting ''provide that—'';

(B) by striking subparagraph (A) and inserting the following:

''(A) services under the plan shall be made available to nonresidents on the same terms as to residents;'';

(C) in subparagraph (B), by inserting ''on individuals not receiving assistance under any State program funded under part A'' after ''such services shall be imposed'';

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left

margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking ''454(6)'' and inserting ''454(4)''.

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking ''454(6)'' each place it appears and inserting ''454(4)(A)(ii)''.

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking ''in the case of overdue support which a State has agreed to collect under section 454(6)'' and inserting ''in any other case''.

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking ''paragraph (4) or (6) of section 454'' and inserting ''section 454(4)''.

SEC. 702. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

''(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

''(1) FAMILIES RECEIVING CASH ASSISTANCE.—In the case of a family receiving cash assistance from the State, the State shall—

''(A) retain, or distribute to the family, the State share of the amount so collected; and

''(B) pay to the Federal Government the Federal share of the amount so collected.

''(2) FAMILIES THAT FORMERLY RECEIVED CASH ASSISTANCE.—In the case of a family that formerly received cash assistance from the State:

''(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

''(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the

amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

''(i) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR AFTER THE FAMILY RECEIVED CASH ASSISTANCE.—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrears with respect to the family that accrued before or after the family received cash assistance from the State.

''(ii) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—To the extent that clause (i) does not apply to the amount, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share of the amount so collected, to the extent necessary to reimburse amounts paid to the family as cash assistance from the State.

''(iii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither clause (i) nor clause (ii) applies to

the amount so collected, the State shall distribute the amount to the family.

''(3) FAMILIES THAT NEVER RECEIVED CASH ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

''(b) DEFINITIONS.—As used in subsection (a):

''(1) CASH ASSISTANCE.—The term 'cash assistance from the State' means—

''(A) cash assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1995); or

''(B) cash benefits under the State program funded under part B or under the State plan approved under part B or E of this title (as in effect before October 1, 1995).

''(2) FEDERAL SHARE.—The term 'Federal share' means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

''(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

"(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1995), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

"(4) FEDERAL REIMBURSEMENT PERCENTAGE.—The term 'Federal reimbursement percentage' means, with respect to a fiscal year—

"(A) the total amount paid to the State under section 403 for the fiscal year; divided by

"(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

"(5) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(c) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—When a family with respect to which services are provided under a State plan approved under this part ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under section 454, except that an application or other request to continue services shall not be required of such a family and section 454(6)(B) shall not apply to the family.".

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendment made by subsection (a) shall become effective on October 1, 1999.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING CASH ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

SEC. 703. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking ''and'' at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting ''; and''; and

(3) by adding after paragraph (24) the following:

''(25) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

''(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

''(B) prohibitions against the release of information on the whereabouts of one party to another party against whom a protective order with respect to the former party has been entered; and

''(C) prohibitions against the release of information on the whereabouts of one party to another party if the State has reason to believe that the release of the information may result

in physical or emotional harm to the former party.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 711. STATE CASE REGISTRY.

Section 454A, as added by section 745(a)(2) of this Act, is amended by adding at the end the following:

''(e) STATE CASE REGISTRY.—

''(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

''(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

''(B) each support order established or modified in the State on or after October 1, 1998.

''(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrears, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

''(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

''(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

''(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

''(B) information obtained from comparison with Federal, State, or local sources of information;

''(C) information on support collections and distributions; and

''(D) any other relevant information.

''(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive infor-

mation from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX,

and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

''(4) INTRA- AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.''.

SEC. 712. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 703(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting ''; and''; and

(3) by adding after paragraph (25) the following:

''(26) provide that, on and after October 1, 1998, the State agency will—

''(A) operate a State disbursement unit in accordance with section 454B; and

''(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

''(i) monitor and enforce support collections through the unit (including carrying out the automated data processing responsibilities described in section 454A(g)); and

''(ii) take the actions described in section 466(c)(1) in appropriate cases.''.

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 745(a)(2) of this Act, is amended by inserting after section 454A the following:

''SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

''(a) STATE DISBURSEMENT UNIT.—

''(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section. The Secretary must agree that the system will not cost more nor take more time to establish than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

''(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

''(2) for accurate identification of payments;

''(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

''(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

''(c) TIMING OF DISBURSEMENTS.—The State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

''(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.''.

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 745(a)(2) of this Act and as amended by section 711 of this Act, is amended by adding at the end the following:

''(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(i) within 2 business days after receipt (from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State) of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) where payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 713. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 703(a) and 712(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following:

"(27) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers and labor organizations on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) GOVERNMENTAL EMPLOYERS.—The term 'employer' includes any governmental entity.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning

given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

''(b) EMPLOYER INFORMATION.—

''(1) REPORTING REQUIREMENT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

''(B) MULTISTATE EMPLOYERS.—An employer who has employees who are employed in 2 or more States may comply with subparagraph (A) by transmitting the report described in subparagraph (A) magnetically or electronically to the State in which the greatest number of employees of the employer are employed.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee; or

"(B) the date the employee first receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or the equivalent, and may be transmitted by first class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) $25; or

"(B) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such

section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

''(e) INFORMATION COMPARISONS.—

''(1) IN GENERAL.—Not later than October 1, 1997, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

''(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(f) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 4 business days after the State Directory of New Hires receives information from employers pursuant to this section, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires

extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

''(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

''(g) OTHER USES OF NEW HIRE INFORMATION.—

''(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (e)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

''(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

SEC. 714. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1) INCOME WITHHOLDING.—

"(A) UNDER ORDERS ENFORCED UNDER THE STATE PLAN.—Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) UNDER CERTAIN ORDERS PREDATING CHANGE IN REQUIREMENT.—Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to with-

holding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 466(a)(8)(B)(iii) (42 U.S.C. 666(a)(8)(B)(iii)) is amended—

(i) by striking ''(5),''; and

(ii) by inserting '', and, at the option of the State, the requirements of subsection (b)(5)'' before the period.

(B) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''.

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows ''administered by'' and inserting ''the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.''.

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking ''to the appropriate agency'' and all that follows and inserting ''to the State disbursement

unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.'';

(ii) in clause (ii), by inserting ''be in a standard format prescribed by the Secretary, and'' after ''shall''; and

(iii) by adding at the end the following:

''(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.''.

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking ''any employer'' and all that follows and inserting the following:

''any employer who—

''(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which is imposes upon the employer; or

''(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.''.

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following:

''(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order through electronic means and without advance notice to the obligor.''.

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 715. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following:

''(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.''.

SEC. 716. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows ''subsection (c))'' and inserting '', for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

''(1) information on, or facilitating the discovery of, the location of any individual—

''(A) who is under an obligation to pay child support;

''(B) against whom such an obligation is sought; or

''(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer; and

''(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage).''; and

(2) in subsection (b), in the matter preceding paragraph (1), by striking ''social security'' and all that follows through ''absent parent'' and inserting ''information described in subsection (a)''.

(b) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting ''in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)'' before the period.

(c) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following:

''(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).''.

(d) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),

653(b), 663(a), 663(e), and 663(f)) are each amended by inserting ''Federal'' before ''Parent'' each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding ''FEDERAL'' before ''PARENT''.

(e) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (c) of this section, is amended by adding at the end the following:

''(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

''(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly up-

dated), pursuant to section 454A(f), by State agencies administering programs under this part.

''(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

''(i) NATIONAL DIRECTORY OF NEW HIRES.—

''(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(f)(2).

''(2) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have

access to the information in the Federal Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

''(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

''(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

''(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

''(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

''(i) The name, social security number, and birth date of each such individual.

''(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support order abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the infor-

mation in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

''(B) disclose information in such registries to such State agencies.

''(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

''(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

''(k) FEES.—

''(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security,

at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

''(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

''(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

''(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly pro-

vided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

''(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

''(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

''(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.''.

(f) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

''(B) the Federal Parent Locator Service established under section 453;''.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''Secretary of Health, Education, and Welfare'' each place such term ap-

pears and inserting ''Secretary of Health and Human Services'';

(B) in subparagraph (B), by striking ''such information'' and all that follows and inserting ''information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;'';

(C) by striking ''and'' at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

''(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and''.

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking ''and'' at the end of paragraph (8);

(B) by striking ''and'' at the end of paragraph (9);

(C) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(D) by adding after paragraph (10) the following:

''(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.''.

SEC. 717. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 715 of this Act, is amended by adding at the end the following:

''(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

''(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

''(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

''(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.''.

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking ''may require'' and inserting ''shall require'';

(2) in clause (ii), by inserting after the 1st sentence the following: ''In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof) or any State agency having administrative responsibility for the law involved, the social security number of the party.'';

(3) in clause (vi), by striking ''may'' and inserting ''shall''; and

(4) by adding at the end the following:

''(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

''(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter.''.

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 721. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following:

''(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

''(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

''(2) EXPANDED APPLICATION.—The State law enacted pursuant to paragraph (1) shall be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

''(3) JURISDICTION TO MODIFY ORDERS.—The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

''(1) the following requirements are met:

''(i) the child, the individual obligee, and the obligor—

''(I) do not reside in the issuing State; and

''(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

''(ii) (in any case where another State is exercising or seeks to exercise jurisdiction to modify the order) the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

''(4) SERVICE OF PROCESS.—The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding.''.

SEC. 722. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking ''subsection (e)'' and inserting ''subsections (e), (f), and (i)'';

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

''child's home State' means the State in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month period.'';

(3) in subsection (c), by inserting ''by a court of a State'' before ''is made'';

(4) in subsection (c)(1), by inserting ''and subsections (e), (f), and (g)'' after ''located'';

(5) in subsection (d)—

(A) by inserting ''individual'' before ''contestant''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(6) in subsection (e), by striking ''make a modification of a child support order with respect to a child that is made'' and inserting ''modify a child support order issued'';

(7) in subsection (e)(1), by inserting ''pursuant to subsection (i)'' before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting ''individual'' before ''contestant'' each place such term appears; and

(B) by striking ''to that court's making the modification and assuming'' and inserting ''with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume'';

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following:

''(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If one or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

''(1) If only one court has issued a child support order, the order of that court must be recognized.

''(2) If two or more courts have issued child support orders for the same obligor and child, and

only one of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

''(3) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

''(4) If two or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

''(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.'';

(11) in subsection (g) (as so redesignated)—

(A) by striking ''PRIOR'' and inserting ''MODIFIED''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting ''including the duration of current payments and other obligations of support'' before the comma; and

(B) in paragraph (3), by inserting ''arrears under'' after ''enforce''; and

(13) by adding at the end the following:

''(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.''.

SEC. 723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 715 and 717(a) of this Act, is amended by adding at the end the following:

''(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

''(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

''(ii) the term 'business day' means a day on which State offices are open for regular business;

''(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

''(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

''(ii) shall constitute a certification by the requesting State—

''(I) of the amount of support under the order the payment of which is in arrears; and

''(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

''(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the

case to be transferred to the caseload of such other State; and

''(D) the State shall maintain records of—

''(i) the number of such requests for assistance received by the State;

''(ii) the number of cases for which the State collected support in response to such a request; and

''(iii) the amount of such collected support.''.

SEC. 724. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking ''and'' at the end of parargraph (9);

(2) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(3) by adding at the end the following:

''(11) not later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

''(A) collection of child support through income withholding;

''(B) imposition of liens; and

''(C) administrative subpoenas.''.

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

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

(2) by inserting ''and'' at the end of subparagraph (D); and

(3) by adding at the end the following:

''(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;''.

SEC. 725. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 714 of this Act, is amended—

(1) in subsection (a)(2), by strking the 1st sentence and inserting the following: ''Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations.''; and

(2) by inserting after subsection (b) the following:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) DEFAULT ORDERS.—To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of a putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) SUBPOENAS.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(D) ACCESS TO PERSONAL AND FINANCIAL INFORMATION.—To obtain access, subject to safeguards on privacy and information security, to the records of all other State and local government agencies (including law enforcement and corrections records), including automated access to records maintained in automated data bases.

"(E) CHANGE IN PAYEE.—In cases where support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the

obligor or other payor to change the payee to the appropriate government entity.

''(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

''(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

''(i) intercepting or seizing periodic or lump sum payments from—

''(I) a State or local agency (including unemployment compensation, workers' compensation, and other benefits); and

''(II) judgments, settlements, and lotteries;

''(ii) attaching and seizing assets of the obligor held in financial institutions; and

''(iii) attaching public and private retirement funds.

''(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (sub-

ject to such conditions or limitations as the State may provide).

''(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

''(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

''(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party (including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer); and

''(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort

has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

''(B) STATEWIDE JURISDICTION.—Procedures under which—

''(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

''(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between administrative areas in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.''.

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 745(a)(2) of this Act

and as amended by sections 711 and 712(c) of this Act, is amended by adding at the end the following:

''(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).''.

Subtitle D—Paternity Establishment

SEC. 731. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

''(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

''(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

''(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

''(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dis-

missed becasue a statute of limitations of less than 18 years was then in effect in the State.

''(B) PROCEDURES CONCERNING GENETIC TESTING.—

''(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case, to require the child and all other parties (other than individuals found under section 454(28) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

''(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

''(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a

minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

''(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

''(iii) PATERNITY ESTABLISHMENT SERVICES.—

''(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

''(II) REGULATIONS.—

''(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by

hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF FEDERAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such

procedures must require the State and those required to establish paternity to use only the affidavit developed under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State.

''(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

''(i) LEGAL FINDING OF PATERNITY.—Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

''(ii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be sus-

pended during the challenge, except for good cause shown.

''(iii) RESCISSION.—Procedures under which, after the 60-day period referred to in clause (i), a minor who has signed an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

''(I) attaining the age of majority; or

''(II) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent or guardian ad litem, or an attorney.

''(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are

not required or permitted to ratify an unchallenged acknowledgment of paternity.

''(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

''(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

''(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

''(II) performed by a laboratory approved by such an accreditation body;

''(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

''(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other

proof of authenticity or accuracy, unless objection is made.

''(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

''(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

''(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

''(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing

evidence of paternity (on the basis of genetic tests or other evidence).

''(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

''(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

''(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.''.

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting '', and develop an affidavit to be

used for the voluntary acknowledgment of paternity which shall include the social security number of each parent'' before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking ''a simple civil process for voluntarily acknowledging paternity and''.

SEC. 732. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting ''and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate'' before the semicolon.

SEC. 733. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 703(a), 712(a), and 713(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting ''; and''; and

(3) by inserting after paragraph (27) the following:

''(28) provide that the State agency responsible for administering the State plan—

''(A) shall require each individual who has applied for or is receiving assistance under the State program funded under part A to cooperate with the State in establishing the paternity of, and in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the father of the child, subject to such good cause and other exceptions as the State may establish; and

''(B) may require the individual and the child to submit to genetic tests.''.

Subtitle E—Program Administration and Funding

SEC. 741. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

''(2) The percent specified in this paragraph for any quarter is 66 percent.''.

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking ''From'' and inserting ''Subject to subsection (c), from''; and

(2) by inserting after subsection (b) the following:

''(c) MAINTENANCE OF EFFORT.—Notwithstanding subsection (a), the total expenditures under the State plan approved under this part for fiscal year 1997 and each succeeding fiscal year, reduced by the percentage specified in paragraph (2) for the fiscal year shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.''.

SEC. 742. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

''SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.

''(a) INCENTIVE ADJUSTMENTS.—

''(1) IN GENERAL.—Beginning with fiscal year 1999, the Secretary shall increase the percent specified in section 455(a)(2) that applies to payments to a State under section 455(a)(1)(A) for each quarter in a fiscal year by a factor reflecting the sum of the applicable incentive adjustments (if any) determined

in accordance with regulations under this section with respect to the paternity establishment percentage of the State for the immediately preceding fiscal year and with respect to overall performance of the State in child support enforcement during such preceding fiscal year.

''(2) STANDARDS.—

''(A) IN GENERAL.—The Secretary shall specify in regulations—

''(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which a State must attain to qualify for an incentive adjustment under this section; and

''(ii) the amounts of incentive adjustment that shall be awarded to a State that achieves specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

''(I) 12 percentage points, in connection with paternity establishment; and

''(II) 12 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1994, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of the incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) RECYCLING OF INCENTIVE ADJUSTMENT.—A State to which funds are paid by the Federal Government as a result of an incentive adjustment under this section shall expend the funds

in the State program under this part within 2 years after the date of the payment.

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

''(1) PATERNITY ESTABLISHMENT PERCENTAGE.—The term 'paternity establishment percentage' means, with respect to a State and a fiscal year—

''(A) the total number of children in the State who were born out of wedlock, who have not attained 1 year of age and for whom paternity is established or acknowledged during the fiscal year; divided by

''(B) the total number of children born out of wedlock in the State during the fiscal year.

''(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

''(A) the percentage of cases requiring a support order in which such an order was established;

''(B) the percentage of cases in which child support is being paid;

''(C) the ratio of child support collected to child support due; and

''(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations (after consultation with the States).''.

(b) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking ''incentive payments'' the 1st place such term appears and inserting ''incentive adjustments''; and

(2) by striking ''any such incentive payments made to the State for such period'' and inserting ''any increases in Federal payments to the State resulting from such incentive adjustments''.

(c) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) in the matter preceding subparagraph (A) by inserting ''its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and'' after ''1994,''; and

(B) in each of subparagraphs (A) and (B), by striking ''75'' and inserting ''90''.

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking ''paternity establishment percentage'' and inserting ''IV–D paternity establishment percentage''; and

(B) by striking ''(or all States, as the case may be)''.

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking ''the percentage of children born out-of-wedlock in a State'' and inserting ''the percentage of children in a State who are born out of wedlock or for whom support has not been established''; and

(C) in subparagraph (B) (as so redesignated)—

(i) by inserting ''and overall performance in child support enforcement'' after ''paternity establishment percentages''; and

(ii) by inserting ''and securing support'' before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—(A) The amendments made by subsections (a) and (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

SEC. 743. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking ''(14)'' and inserting ''(14)(A)'';

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following:

''(15) provide for—

''(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

''(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.''.

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

''(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

''(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

''(C) conduct audits, in accordance with the government auditing standards of the Comptroller General of the United States—

''(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

''(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

''(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

''(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

''(iii) for such other purposes as the Secretary may find necessary;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this section.

SEC. 744. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting '', and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the re-

quirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures'' before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 703(a), 712(a), 713(a), and 733 of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting ''; and''; and

(3) by adding after paragraph (28) the following:

''(29) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.''.

SEC. 745. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking '', at the option of the State,'';

(B) by inserting ''and operation by the State agency'' after ''for the establishment'';

(C) by inserting ''meeting the requirements of section 454A'' after ''information retrieval system'';

(D) by striking ''in the State and localities thereof, so as (A)'' and inserting ''so as'';

(E) by striking ''(i)''; and

(F) by striking ''(including'' and all that follows and inserting a semicolon.

(2) Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following:

''SEC. 454A. AUTOMATED DATA PROCESSING.

''(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

''(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

''(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

''(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

''(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

''(1) use the automated system—

''(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

''(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

''(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 703(a)(2) and 712(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

''(A) by October 1, 1995, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

''(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 745(a)(3) of the Personal Responsibility Act of 1995.''.

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking ''90 percent'' and inserting ''the percent specified in paragraph (3)'';

(ii) by striking ''so much of''; and

(iii) by striking ''which the Secretary'' and all that follows and inserting '', and''; and

(B) by adding at the end the following:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16).

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is the greater of—

"(I) 80 percent; or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 746. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

''(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

''(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

''(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.''.

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by

section 716(e) of this Act, is amended by adding at the end the following:

''(n) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.''.

SEC. 747. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking ''this part;'' and inserting ''this part, including—''; and

(B) by adding at the end the following:

''(i) the total amount of child support payments collected as a result of services

furnished during the fiscal year to individuals receiving services under this part;

''(ii) the cost to the States and to the Federal Government of so furnishing the services; and

''(iii) the number of cases involving families—

''(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

''(II) with respect to whom a child support payment was received in the month;''.

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking ''with the data required under each clause being separately stated for cases'' and inserting ''separately stated for (1) cases'';

(ii) by striking ''cases where the child was formerly receiving'' and inserting ''or formerly received'';

(iii) by inserting ''or 1912'' after ''471(a)(17)''; and

(iv) by inserting ''(2)'' before ''all other'';

(B) in each of clauses (i) and (ii), by striking '', and the total amount of such obligations'';

(C) in clause (iii), by striking ''described in'' and all that follows and inserting ''in which support was collected during the fiscal year;'';

(D) by striking clause (iv);

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following:

''(iv) the total amount of support collected during such fiscal year and distributed as current support;

''(v) the total amount of support collected during such fiscal year and distributed as arrearages;

''(vi) the total amount of support due and unpaid for all fiscal years; and''.

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking ''on the use of Federal courts and''.

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 751. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

''(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS.—Procedures under which the State shall review and adjust each support order being enforced under this part. Such procedures shall provide the following:

''(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

''(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

''(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

''(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

''(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

''(C) The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, apply

the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

''(D) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

''(E) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to subparagraph (D). The notice may be included in the order.''.

SEC. 752. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following:

''(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making

the request certifies to the consumer reporting agency that—

''(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

''(B) the person has provided at least 10 days prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested, and

''(C) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

''(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.''.

Subtitle G—Enforcement of Support Orders

SEC. 761. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—

(1) Subsection (c) of section 6402 of the Internal Revenue Code of 1986 is amended by striking the third sentence and inserting the following new sentences: ''A reduction under this subsection shall be after any other reduction allowed by subsection (d) with respect to the Department of Health and Human Services and the Department of Education with respect to a student loan and before any other reduction allowed by law and before such overpayment is credited to the future liability for tax of such person pursuant to subsection (b). A reduction under this subsection shall be assigned to the State with respect to past-due support owed to individuals for periods such individuals were receiving assistance under part A or B of title IV of the Social Security Act only after satisfying all other past-due support.''.

(2) Paragraph (2) of section 6402(d) of such Code is amended—

(A) by striking ''Any overpayment'' and inserting ''Except in the case of past-due legally enforceable debts owed to the Department of Health and Human Services or to the Department of Education with respect to a student loan, any overpayment''; and

(B) by striking ''with respect to past-due support collected pursuant to an assignment under section 402(a)(26) of the Social Security Act''.

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking ''(a)'' and inserting ''(a) OFFSET AUTHORIZED.—'';

(B) in paragraph (1)—

(i) in the 1st sentence, by striking ''which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)''; and

(ii) in the 2nd sentence, by striking ''in accordance with section 457(b)(4) or (d)(3)'' and inserting ''as provided in paragraph (2)'';

(C) by striking paragraph (2) and inserting the following:

''(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

''(A) in accordance with section 457(a), in the case of past-due support assigned to a State pursuant to requirements imposed pursuant to section 405(a)(8); and

''(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.''; and

(D) in paragraph (3)—

(i) by striking ''or (2)'' each place such term appears; and

(ii) in subparagraph (B), by striking ''under paragraph (2)'' and inserting ''on account of past-due support described in paragraph (2)(B)''.

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking ''(b)(1)'' and inserting the following:

''(b) REGULATIONS.—''; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking ''(c)(1) Except as provided in paragraph (2), as'' and inserting the following:

''(c) DEFINITION.—As''; and

(B) by striking paragraphs (2) and (3).

SEC. 762. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

''SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

''(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject,

in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

''(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

''(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

''(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

''(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

''(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

''(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

''(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

''(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State

procedures, comply with all applicable provisions of section 466; and

''(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

''(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

''(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

''(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

''(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar

as this section applies to moneys due from (or payable by)—

''(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

''(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

''(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

''(h) MONEYS SUBJECT TO PROCESS.—

''(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

''(A) consist of—

''(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances,

or otherwise (including severance pay, sick pay, and incentive pay);

''(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

''(I) under the insurance system established by title II;

''(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

''(III) as compensation for death under any Federal program;

''(IV) under any Federal program established to provide 'black lung' benefits; or

''(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensa-

tion paid by the Secretary to a member of the Armed Forces who is in receipt of retired or retainer pay if the member has waived a portion of the retired pay of the member in order to receive the compensation); and

''(iii) worker's compensation benefits paid under Federal or State law but

''(B) do not include any payment—

''(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

''(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

''(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

''(A) are owed by the individual to the United States;

''(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

''(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

''(D) are deducted as health insurance premiums;

''(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

''(F) are deducted as normal life insurance premiums from salary or other remuneration

for employment (not including amounts deducted for supplementary coverage).

''(i) DEFINITIONS.—As used in this section:

''(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

''(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued

in accordance with applicable State law by a court of competent jurisdiction.

''(3) ALIMONY.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

''(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

''(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

''(A) which is issued by—

''(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

''(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

''(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; and

''(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.''.

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking ''sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)'' and inserting ''section 459 of the Social Security Act (42 U.S.C. 659)''.

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding after subparagraph (C) the following:

''(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this

subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.''.

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting ''or a court order for the payment of child support not included in or accompanied by such a decree or settlement,'' before ''which—''.

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting ''(OR FOR BENEFIT OF)'' before ''SPOUSE OR''; and

(B) in paragraph (1), in the first sentence, by inserting ''(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)'' before ''in an amount sufficient''.

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following:

''(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 763. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term ''court'' has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term ''child support'' has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 762(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following:

''(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.''.

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following: ''In the case of a spouse or former spouse who, pursuant to section 405(a)(8) of the Social Security Act (42 U.S.C. 605(a)(8)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.''.

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following:

''(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which

provides for payments from the disposable retired pay of a member to satisy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.''.

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the first pay period that begins after such 30-day period.

SEC. 764. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 721 of this Act, is amended by adding at the end the following:

''(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

''(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

''(B) the Uniform Fraudulent Transfer Act of 1984; or

''(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

''(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

''(A) seek to void such transfer; or

''(B) obtain a settlement in the best interests of the child support creditor.''.

SEC. 765. SENSE OF THE CONGRESS THAT STATES SHOULD SUSPEND DRIVERS', BUSINESS, AND OCCUPATIONAL LICENSES OF PERSONS OWING PAST-DUE CHILD SUPPORT.

It is the sense of the Congress that each State should suspend any driver's license, business license, or occupational license issued to any person who owes past-due child support.

SEC. 766. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 701(a), 715, 717(a), and

723 of this Act, is amended by adding at the end the following:

''(16) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

''(A) Procedures requiring the State, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

''(i) pay such support in accordance with a plan approved by the court; or

''(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 404(b)(1)) as the court deems appropriate.

''(B) As used in subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.''.

SEC. 767. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 716 and 746(b) of this Act, is amended by adding at the end the following:

''(o) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means an order issued by a court or an administrative process established under State law that requires support and maintenance of a child or of a child and the parent with whom the child is living.''.

SEC. 768. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

''(4) Procedures under which—

''(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

''(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.''.

SEC. 769. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 715, 717(a), and 723 of this Act, is amended by adding at the end the following:

''(15) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.''.

Subtitle H—Medical Support

SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking ''issued by a court of competent jurisdiction'';

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

''if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

''(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

''(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

''(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

''(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

''(2) shall not be required to operate such programs on a statewide basis; and

''(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.''.

Subtitle J—Effect of Enactment

SEC. 791. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State

plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon enactment.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions, but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this title.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 801. SCORING.

Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subparagraph:

''(H) SPECIAL ALLOWANCE FOR WELFARE REFORM.—For any fiscal year, the adjustments shall be appropriations for discretionary programs resulting from the Personal Responsibility Act of 1995 (as described in the joint explanatory statement accompanying a conference report on that Act) in discretionary accounts and the outlays flowing in all years from such appropriations (but not to exceed amounts authorized for those programs by that Act for that fiscal year) minus appropriations for comparable discretionary programs for fiscal year 1995 (as described in the joint explanatory statement accompanying a conference report on that Act.''.

SEC. 802. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

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

(1) by striking ''(d) In the event'' and inserting ''(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

''(1) IN GENERAL.—In the event''; and

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

''(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

''(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

''(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

"(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

"(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

"(ii) otherwise superseding the application of any State or local law.

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits

established by Federal, State, or local governments.''.

Passed the House of Representatives March 24, 1995.

Attest: ROBIN H. CARLE,
Clerk.

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