

Calendar No. 125

104TH CONGRESS
1ST SESSION

H. R. 4

[Report No. 104-96]

AN ACT

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

JUNE 9 (legislative day, JUNE 5), 1995

Reported with an amendment and an amendment to the title

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IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, MARCH 27), 1995

Received; read twice and referred to the Committee on Finance

JUNE 9 (legislative day, JUNE 5), 1995

Reported under authority of the Senate on June 8 (legislative day, June 5), 1995, by Mr. PACKWOOD, with an amendment and an amendment to the title

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Personal Responsibility
5 Act of 1995”.

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

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

Sec. 1. Short title.

Sec. 2. Table of contents.

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- Sec. 713. State directory of new hires.
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1 **TITLE I—BLOCK GRANTS FOR**
 2 **TEMPORARY ASSISTANCE**
 3 **FOR NEEDY FAMILIES**

4 **SEC. 100. SENSE OF THE CONGRESS.**

5 It is the sense of the Congress that—

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

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

6 (3) the negative consequences of an out-of-wed-
7 lock birth on the child, the mother, and society are
8 well documented as follows:

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

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

15 (C) the total of all out-of-wedlock births
16 between 1970 and 1991 has risen from 10 per-
17 cent to 30 percent and if the current trend con-
18 tinues, 50 percent of all births by the year 2015
19 will be out-of-wedlock;

20 (D) $\frac{3}{4}$ of illegitimate births among whites
21 are to women with a high school education or
22 less;

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

1 (F) children born into families receiving
2 welfare assistance are 3 times more likely than
3 children not born into families receiving welfare
4 to be on welfare when they reach adulthood;

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

8 (H) children born out-of-wedlock are more
9 likely to experience low verbal cognitive attain-
10 ment, child abuse, and neglect;

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

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

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

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

1 ~~(M)~~ between 1985 and 1990, the public
2 cost of births to teenage mothers under the aid
3 to families with dependent children program,
4 the food stamp program, and the medicaid pro-
5 gram has been estimated at \$120,000,000,000;

6 ~~(N)~~ the absence of a father in the life of
7 a child has a negative effect on school perform-
8 ance and peer adjustment;

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

14 ~~(P)~~ the greater the incidence of single par-
15 ent families in a neighborhood, the higher the
16 incidence of violent crime and burglary; and

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

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

23 Title IV of the Social Security Act (42 U.S.C. 601
24 et seq.) is amended by striking part A, except sections
25 403(h) and 417, and inserting the following:

1 **“PART A—BLOCK GRANTS TO STATES FOR**
2 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

3 **“SEC. 401. PURPOSE.**

4 “~~The purpose of this part is to increase the flexibility~~
5 of States in operating a program designed to—

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

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

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

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

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

19 “(1) ~~OUTLINE OF FAMILY ASSISTANCE PRO-~~
20 GRAM.—A written document that outlines how the
21 State intends to do the following:

22 “(A) Conduct a program designed to—

23 “(i) provide cash benefits to needy
24 families with children; and

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

1 ance in finding employment, and other
2 work preparation activities and support
3 services that the State considers appro-
4 priate to enable such families to leave the
5 program and become self-sufficient.

6 “(B) Require at least 1 parent of a child
7 in any family which has received benefits for
8 more than 24 months (whether or not consecu-
9 tive) under the program to engage in work ac-
10 tivities (as defined by the State).

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

14 “(D) Treat interstate immigrants, if fami-
15 lies including such immigrants are to be treated
16 differently than other families.

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

21 “(F) Take actions to reduce the incidence
22 of out-of-wedlock pregnancies, which may in-
23 clude providing unmarried mothers and unmar-
24 ried fathers with services which will help
25 them—

1 “(i) avoid subsequent pregnancies;

2 and

3 “(ii) provide adequate care to their

4 children.

5 “(G) Reduce teenage pregnancy, including

6 (at the option of the State) through the provi-

7 sion of education and counseling to male and

8 female teenagers.

9 ~~“(2) CERTIFICATION THAT THE STATE WILL~~

10 ~~OPERATE A CHILD SUPPORT ENFORCEMENT PRO-~~

11 ~~GRAM.—A certification by the Governor of the State~~

12 ~~that, during the fiscal year, the State will operate a~~

13 ~~child support enforcement program under the State~~

14 ~~plan approved under part D, in a manner that com-~~

15 ~~plies with the requirements of such part.~~

16 ~~“(3) CERTIFICATION THAT THE STATE WILL~~

17 ~~OPERATE A CHILD PROTECTION PROGRAM.—A cer-~~

18 ~~tification by the Governor of the State that, during~~

19 ~~the fiscal year, the State will operate a child protec-~~

20 ~~tion program in accordance with part B, which in-~~

21 ~~cludes a foster care program and an adoption assist-~~

22 ~~ance program.~~

23 ~~“(b) DETERMINATIONS.—The Secretary shall deter-~~

24 ~~mine whether a plan submitted pursuant to subsection (a)~~

25 ~~contains the material required by subsection (a).~~

1 **“SEC. 403. PAYMENTS TO STATES.**

2 ~~“(a) ENTITLEMENTS.—~~

3 ~~“(1) GRANTS FOR FAMILY ASSISTANCE.—~~

4 ~~“(A) IN GENERAL.—~~Each eligible State
5 shall be entitled to receive from the Secretary
6 for each of fiscal years 1996, 1997, 1998,
7 1999, and 2000 a grant in an amount equal to
8 the State family assistance grant for the fiscal
9 year.

10 ~~“(B) GRANT INCREASED TO REWARD~~
11 ~~STATES THAT REDUCE OUT-OF-WEDLOCK~~
12 ~~BIRTHS.—~~The amount of the grant payable to
13 a State under subparagraph (A) for fiscal year
14 1998 or any succeeding fiscal year shall be in-
15 creased by—

16 ~~“(i) 5 percent if the illegitimacy ratio~~
17 ~~of the State for the fiscal year is at least~~
18 ~~1 percentage point lower than the illegit-~~
19 ~~imacy ratio of the State for fiscal year~~
20 ~~1995; or~~

21 ~~“(ii) 10 percent if the illegitimacy~~
22 ~~ratio of the State for the fiscal year is at~~
23 ~~least 2 percentage points lower than the il-~~
24 ~~legitimacy ratio of the State for fiscal year~~
25 ~~1995.~~

1 “(2) SUPPLEMENTAL GRANTS TO ADJUST FOR
2 POPULATION INCREASES.—In addition to any grant
3 under paragraph (1), each eligible State shall be en-
4 titled to receive from the Secretary for each of fiscal
5 years 1997, 1998, 1999, and 2000, a grant in an
6 amount equal to the State proportion of
7 \$100,000,000.

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

9 “(1) STATE FAMILY ASSISTANCE GRANT.—

10 “(A) IN GENERAL.—The term ‘State fam-
11 ily assistance grant’ means, with respect to a
12 fiscal year, the provisional State family assist-
13 ance grant adjusted in accordance with sub-
14 paragraph (C).

15 “(B) PROVISIONAL STATE FAMILY ASSIST-
16 ANCE GRANT.—The term ‘provisional State
17 family assistance grant’ means—

18 “(i) the greater of—

19 “(I) $\frac{1}{3}$ of the total amount of ob-
20 ligations to the State under section
21 403 of this title (as in effect before
22 October 1, 1995) for fiscal years
23 1992, 1993, and 1994 (other than
24 with respect to amounts expended for
25 child care under subsection (g) or (i)

1 of section 402 of this title (as so in ef-
2 fect)); or

3 ~~“(II) the total amount of obliga-~~
4 ~~tions to the State under such section~~
5 ~~403 for fiscal year 1994 (other than~~
6 ~~with respect to amounts expended for~~
7 ~~child care under subsection (g) or (i)~~
8 ~~of section 402 of this title (as so in ef-~~
9 ~~fect)); multiplied by~~

10 ~~“(ii)(I) the total amount of outlays to~~
11 ~~all of the States under such section 403~~
12 ~~for fiscal year 1994 (other than with re-~~
13 ~~spect to amounts expended for child care~~
14 ~~under subsection (g) or (i) of section 402~~
15 ~~of this title (as so in effect)); divided by~~

16 ~~“(II) the total amount of obligations~~
17 ~~to all of the States under such section 403~~
18 ~~for fiscal year 1994 (other than with re-~~
19 ~~spect to amounts expended for child care~~
20 ~~under subsection (g) or (i) of section 402~~
21 ~~of this title (as so in effect)).~~

22 ~~“(C) PROPORTIONAL ADJUSTMENT.—The~~
23 ~~Secretary shall determine the percentage (if~~
24 ~~any) by which each provisional State family as-~~
25 ~~sistance grant must be reduced or increased to~~

1 ensure that the sum of such grants equals
2 \$15,390,296,000, and shall adjust each provi-
3 sional State family assistance grant by the per-
4 centage so determined.

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

8 “(A) the sum of—

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

13 “(ii) the amount (if any) by which the
14 number of abortions performed in the
15 State during the most recent fiscal year for
16 which such information is available exceeds
17 the number of abortions performed in the
18 State during the fiscal year that imme-
19 diately precedes such most recent fiscal
20 year; divided by

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

24 “(3) STATE PROPORTION.—The term ‘State
25 proportion’ means, with respect to a fiscal year, the

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

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

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

18 “(c) USE OF GRANT.—

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

1 ance in meeting home heating and cooling costs.
2 Notwithstanding any other provision of this Act, a
3 State to which a grant is made under section 403
4 may not use any part of the grant to provide medi-
5 cal services.

6 ~~“(2) AUTHORITY TO TREAT INTERSTATE IMMI-~~
7 ~~GRANTS UNDER RULES OF FORMER STATE.—~~A State
8 to which a grant is made under this section may
9 apply to a family the rules of the program operated
10 under this part of another State if the family has
11 moved to the State from the other State and has re-
12 sided in the State for less than 12 months.

13 ~~“(3) AUTHORITY TO USE PORTION OF GRANT~~
14 ~~FOR OTHER PURPOSES.—~~

15 ~~“(A) IN GENERAL.—~~A State may use not
16 more than 30 percent of the amount of the
17 grant made to the State under this section for
18 a fiscal year to carry out a State program pur-
19 suant to any or all of the following provisions
20 of law:

21 ~~“(i) Part B of this title.~~

22 ~~“(ii) Title XX of this Act.~~

23 ~~“(iii) Any provision of law, enacted~~
24 into law during the 104th Congress, under

1 which grants are made to States for food
2 and nutrition.

3 ~~“(iv) The Child Care and Develop-~~
4 ~~ment Block Grant Act of 1990.~~

5 ~~“(B) APPLICABLE RULES.—Any amount~~
6 ~~paid to the State under this part that is used~~
7 ~~to carry out a State program pursuant to a pro-~~
8 ~~vision of law specified in subparagraph (A)~~
9 ~~shall not be subject to the requirements of this~~
10 ~~part, but shall be subject to the requirements~~
11 ~~that apply to Federal funds provided directly~~
12 ~~under the provision of law to carry out the~~
13 ~~program.~~

14 ~~“(4) AUTHORITY TO RESERVE CERTAIN~~
15 ~~AMOUNTS FOR EMERGENCY BENEFITS.—A State~~
16 ~~may reserve amounts paid to the State under this~~
17 ~~section for any fiscal year for the purpose of provid-~~
18 ~~ing emergency assistance under the State program~~
19 ~~operated under this part.~~

20 ~~“(5) IMPLEMENTATION OF ELECTRONIC BENE-~~
21 ~~FIT TRANSFER SYSTEM.—A State to which a grant~~
22 ~~is made under this section is encouraged to imple-~~
23 ~~ment an electronic benefit transfer system for pro-~~
24 ~~viding assistance under the State program funded~~

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

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

6 ~~“(e) PENALTIES.—~~

7 ~~“(1) FOR USE OF GRANT IN VIOLATION OF~~
8 ~~THIS PART.—~~

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

18 ~~“(B) LIMITATION ON AMOUNT OF PEN-~~
19 ~~ALTY.—In carrying out subparagraph (A), the~~
20 ~~Secretary shall not reduce any quarterly pay-~~
21 ~~ment by more than 25 percent.~~

22 ~~“(C) CARRYFORWARD OF UNRECOVERED~~
23 ~~PENALTIES.—To the extent that subparagraph~~
24 ~~(B) prevents the Secretary from recovering dur-~~
25 ~~ing a fiscal year the full amount of a penalty~~

1 imposed on a State under subparagraph (A) for
2 a prior fiscal year, the Secretary shall apply
3 subparagraph (A) to the grant otherwise pay-
4 able to the State under this section for the im-
5 mediately succeeding fiscal year.

6 ~~“(2) FOR FAILURE TO SUBMIT REQUIRED RE-~~
7 ~~PORT.—~~

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

18 ~~“(B) RESCISSION OF PENALTY.—The Sec-~~
19 ~~retary shall rescind a penalty imposed on a~~
20 ~~State under subparagraph (A) with respect to a~~
21 ~~report for a fiscal year if the State submits the~~
22 ~~report before the end of the immediately suc-~~
23 ~~ceeding fiscal year.~~

24 ~~“(3) FOR FAILURE TO PARTICIPATE IN THE IN-~~
25 ~~COME AND ELIGIBILITY VERIFICATION SYSTEM.—If~~

1 the Secretary determines that a State program fund-
2 ed under this part is not participating during a fis-
3 cal year in the income and eligibility verification sys-
4 tem required by section 1137, the Secretary shall re-
5 duce by 1 percent the amount of the grant that
6 would (in the absence of this subsection, subsection
7 (a)(1)(B) of this section, and section 404(c)(2)) be
8 payable to the State under subsection (a)(1)(A) for
9 the fiscal year.

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

14 ~~“(g) FEDERAL RAINY DAY FUND.—~~

15 ~~“(1) ESTABLISHMENT.—There is hereby estab-~~
16 lished in the Treasury of the United States a revol-
17 ving loan fund which shall be known as the ‘Federal
18 Rainy Day Fund’.

19 ~~“(2) DEPOSITS INTO FUND.—~~

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

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

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

10 “(4) USE OF FUND.—

11 “(A) LOANS TO QUALIFIED STATES.—

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

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

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

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

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

6 “(II) \$100,000,000.

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

13 “(i) more than 6.5 percent; and

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

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

19 “(a) PARTICIPATION RATE REQUIREMENTS.—

20 “(1) REQUIREMENT APPLICABLE TO ALL FAMI-
21 LIES RECEIVING ASSISTANCE.—

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

1 cal year with respect to all families receiving as-
 2 sistance under the State program funded under
 3 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 “(A) unsubsidized employment;

15 “(B) subsidized private sector employment;

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

21 “(D) on-the-job training;

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

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

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

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

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

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

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

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

17 “~~(c)~~ PENALTIES.—

18 “~~(1)~~ AGAINST INDIVIDUALS.—

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

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

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

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

24 ~~“(2) AGAINST STATES.—~~

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

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

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

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

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

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

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

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

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

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

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

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

11 **“SEC. 405. PROHIBITIONS.**

12 “(a) IN GENERAL.—

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

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

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

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

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

19 “(3) NO ASSISTANCE FOR CERTAIN ALIENS.—
20 Notwithstanding section 403(c)(1), a State to which
21 a grant is made under section 403 may not use any
22 part of the grant to provide assistance for an indi-
23 vidual who is not a citizen or national of the United
24 States, except consistent with title IV of the Per-
25 sonal Responsibility Act of 1995.

1 ~~“(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK~~
2 ~~BIRTHS TO MINORS.—~~

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

9 ~~“(B) EXCEPTION FOR RAPE OR INCEST.—~~
10 ~~Subparagraph (A) shall not apply with respect~~
11 ~~to a child who is born as a result of rape or in-~~
12 ~~cest.~~

13 ~~“(C) STATE OPTION.—Nothing in subpara-~~
14 ~~graph (A) shall be construed to prohibit a State~~
15 ~~from using funds provided by section 403 from~~
16 ~~providing aid in the form of vouchers that may~~
17 ~~be used only to pay for particular goods and~~
18 ~~services specified by the State as suitable for~~
19 ~~the care of the child such as diapers, clothing,~~
20 ~~and school supplies.~~

21 ~~“(5) NO ADDITIONAL CASH ASSISTANCE FOR~~
22 ~~CHILDREN BORN TO FAMILIES RECEIVING ASSIST-~~
23 ~~ANCE.—~~

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

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

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

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

8 “(B) EXCEPTION FOR VOUCHERS.—Sub-
9 paragraph (A) shall not apply to vouchers
10 which are provided in lieu of cash benefits and
11 which may be used only to pay for particular
12 goods and services specified by the State as
13 suitable for the care of the child involved.

14 “(C) EXCEPTION FOR RAPE OR INCEST.—
15 Subparagraph (A) shall not apply with respect
16 to a child who is born as a result of rape or in-
17 cest.

18 “(6) NO ASSISTANCE FOR MORE THAN 5
19 YEARS.—

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

1 60 months (whether or not consecutive) after
2 the effective date of this part, except as pro-
3 vided under subparagraph (B).

4 “(B) HARDSHIP EXCEPTION.—

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

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

15 “(7) NO ASSISTANCE FOR FAMILIES NOT CO-
16 OPERATING IN PATERNITY ESTABLISHMENT OR
17 CHILD SUPPORT.—Notwithstanding section
18 403(c)(1), a State to which a grant is made under
19 section 403 may not use any part of the grant to
20 provide assistance to a family that includes an indi-
21 vidual whom the agency responsible for administer-
22 ing the State plan approved under part D deter-
23 mines is not cooperating with the State in establish-
24 ing the paternity of any child of the individual, or

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

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

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

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

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

1 of the amount of the assistance that would
2 (in the absence of this paragraph) be pro-
3 vided to the family with respect to the
4 child, whichever the State elects; or

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

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

12 ~~“(10) DENIAL OF ASSISTANCE FOR 10 YEARS~~
13 ~~TO A PERSON FOUND TO HAVE FRAUDULENTLY MIS-~~
14 ~~REPRESENTED RESIDENCE IN ORDER TO OBTAIN~~
15 ~~BENEFITS IN 2 OR MORE STATES.—An individual~~
16 ~~shall not be considered an eligible individual for the~~
17 ~~purposes of this title during the 10-year period that~~
18 ~~begins with the date the individual is found by a~~
19 ~~State to have made, or is convicted in Federal or~~
20 ~~State court of having made a fraudulent statement~~
21 ~~or representation with respect to the place of resi-~~
22 ~~dence of the person in order to receive benefits or~~
23 ~~services simultaneously from 2 or more States under~~
24 ~~programs that are funded under this part, title XIX,~~
25 ~~or the Food Stamp Act of 1977, or benefits in 2 or~~

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

3 ~~“(11) DENIAL OF ASSISTANCE FOR FUGITIVE~~
4 ~~FELONS AND PROBATION AND PAROLE VIOLA-~~
5 ~~TORS.—~~

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

10 ~~“(i) fleeing to avoid prosecution, or~~
11 ~~custody or confinement after conviction,~~
12 ~~under the laws of the place from which the~~
13 ~~individual flees, for a crime, or an attempt~~
14 ~~to commit a crime, which is a felony under~~
15 ~~the laws of the place from which the indi-~~
16 ~~vidual flees, or which, in the case of the~~
17 ~~State of New Jersey, is a high mis-~~
18 ~~demeanor under the laws of such State; or~~

19 ~~“(ii) violating a condition of probation~~
20 ~~or parole imposed under Federal or State~~
21 ~~law.~~

22 ~~“(B) EXCHANGE OF INFORMATION WITH~~
23 ~~LAW ENFORCEMENT AGENCIES.—If a State to~~
24 ~~which a grant is made under section 403 estab-~~
25 ~~lishes safeguards against the use or disclosure~~

1 of information about applicants or recipients of
2 assistance under the State program funded
3 under this part, the safeguards shall not pre-
4 vent the State agency administering the pro-
5 gram from furnishing a Federal, State, or local
6 law enforcement officer, upon the request of the
7 officer, with the current address of any recipi-
8 ent if the officer furnishes the agency with the
9 name of the recipient and notifies the agency
10 that—

11 (i) such recipient—

12 (I) is fleeing to avoid prosecution,
13 or custody or confinement after con-
14 viction, under the laws of the place
15 from which the recipient flees, for a
16 crime, or an attempt to commit a
17 crime, which is a felony under the
18 laws of the place from which the re-
19 cipient flees, or which, in the case of
20 the State of New Jersey, is a high
21 misdemeanor under the laws of such
22 State;

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

1 (III) has information that is nec-
2 essary for the officer to conduct the
3 official duties of the officer; and
4 (ii) the location or apprehension of the
5 recipient is within such official duties.

6 ~~“(12) DENIAL OF ASSISTANCE FOR MINOR~~
7 ~~CHILDREN WHO ARE ABSENT FROM THE HOME FOR~~
8 ~~A SIGNIFICANT PERIOD.—~~

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

20 ~~“(B) STATE AUTHORITY TO ESTABLISH~~
21 ~~GOOD CAUSE EXCEPTIONS.—The State may es-~~
22 ~~tablish such good cause exceptions to subpara-~~
23 ~~graph (A) as the State considers appropriate if~~
24 ~~such exceptions are provided for in the State~~
25 ~~plan submitted pursuant to section 402.~~

1 “(C) DENIAL OF ASSISTANCE FOR REL-
2 ATIVE WHO FAILS TO NOTIFY STATE AGENCY
3 OF ABSENCE OF CHILD.—A State to which a
4 grant is made under section 403 may not use
5 any part of the grant to provide assistance for
6 an individual who is a parent (or other care-
7 taker relative) of a minor child and who fails to
8 notify the agency administering the State pro-
9 gram funded under this part, of the absence of
10 the minor child from the home for the period
11 specified in or provided for under subparagraph
12 (A), by the end of the 5-day period that begins
13 with the date that it becomes clear to the par-
14 ent (or relative) that the minor child will be ab-
15 sent for such period so specified or provided
16 for.

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

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

20 “(2) who—

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

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

1 ~~“SEC. 406. DATA COLLECTION AND REPORTING.~~

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

9 ~~“(1) The number of adults receiving such as-~~
10 ~~sistance.~~

11 ~~“(2) The number of children receiving such as-~~
12 ~~sistance and the average age of the children.~~

13 ~~“(3) The employment status of such adults, and~~
14 ~~the average earnings of employed adults receiving~~
15 ~~such assistance.~~

16 ~~“(4) The number of 1-parent families in which~~
17 ~~the parent is a widow or widower, is divorced, is sep-~~
18 ~~arated, or has never married.~~

19 ~~“(5) The age, race, and educational attainment~~
20 ~~of the adults receiving such assistance.~~

21 ~~“(6) The average assistance provided to the~~
22 ~~families under the program.~~

23 ~~“(7) Whether, at the time of application for as-~~
24 ~~sistance under the program, the families or any~~
25 ~~member of the families receives benefits under any~~
26 ~~of the following:~~

1 “(A) Any housing program.

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

4 “(C) The Head Start programs carried out
5 under the Head Start Act.

6 “(D) Any job training program.

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

11 “(9) The total number of months for which as-
12 sistance has been provided to the families under the
13 program.

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

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

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

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

3 ~~“(b) AUTHORITY OF STATES TO USE ESTIMATES.—~~

4 A State may comply with the requirement to provide pre-
5 cise numerical information described in subsection (a) by
6 submitting an estimate which is obtained through the use
7 of scientifically acceptable sampling methods.

8 ~~“(c) REPORT ON USE OF FEDERAL FUNDS TO~~

9 ~~COVER ADMINISTRATIVE COSTS AND OVERHEAD.—~~The
10 report required by subsection (a) for a fiscal year shall
11 include a statement of the percentage of the funds paid
12 to the State under this part for the fiscal year that are
13 used to cover administrative costs or overhead.

14 ~~“(d) REPORT ON STATE EXPENDITURES ON PRO-~~

15 ~~GRAMS FOR NEEDY FAMILIES.—~~The report required by
16 subsection (a) for a fiscal year shall include a statement
17 of the total amount expended by the State during the fis-
18 cal year on programs for needy families.

19 ~~“(e) REPORT ON NONCUSTODIAL PARENTS PARTICI-~~

20 ~~PATING IN WORK ACTIVITIES.—~~The report required by
21 subsection (a) for a fiscal year shall include the number
22 of noncustodial parents in the State who participated in
23 work activities (as defined in section 404(b)(1)) during the
24 fiscal year.

1 **“SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
2 **IES.**

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

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

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

17 “(d) DISSEMINATION OF INFORMATION.—The Sec-
18 retary shall develop innovative methods of disseminating
19 information on any research, evaluations, and studies con-
20 ducted under this section, including the facilitation of the
21 sharing of information and best practices among States
22 and localities through the use of computers and other
23 technologies.

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

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

1 as necessary to obtain such information as will enable in-
2 terested persons to evaluate the impact of the amendments
3 made by title I of the Personal Responsibility Act of 1995
4 on a random national sample of recipients of assistance
5 under State programs funded under this part and (as ap-
6 propriate) other low income families; and in doing so, shall
7 pay particular attention to the issues of out-of-wedlock
8 birth, welfare dependency, the beginning and end of wel-
9 fare spells, and the causes of repeat welfare spells.

10 “(b) APPROPRIATION.—Out of any money in the
11 Treasury of the United States not otherwise appropriated,
12 the Secretary of the Treasury shall pay to the Bureau of
13 the Census \$10,000,000 for each of fiscal years 1996,
14 1997, 1998, 1999, and 2000 to carry out subsection (a).”.

15 **SEC. 102. REPORT ON DATA PROCESSING.**

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

20 (1) the status of the automated data processing
21 systems operated by the States to assist manage-
22 ment in the administration of State programs under
23 part A of title IV of the Social Security Act (wheth-
24 er in effect before or after October 1, 1995); and

1 ~~(2)~~ what would be required to establish a sys-
2 tem capable of—

3 ~~(A)~~ tracking participants in public pro-
4 grams over time; and

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

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

10 ~~(1)~~ a plan for building on the automated data
11 processing systems of the States to establish a sys-
12 tem with the capabilities described in subsection
13 ~~(a)(2)~~; and

14 ~~(2)~~ an estimate of the amount of time required
15 to establish such a system and of the cost of estab-
16 lishing such a system.

17 **SEC. 103. TRANSFERS.**

18 ~~(a)~~ CHILD SUPPORT REVIEW PENALTIES.—

19 ~~(1)~~ TRANSFER OF PROVISION.—Section 403 of
20 the Social Security Act, as added by the amendment
21 made by section 101 of this Act, is amended by add-
22 ing at the end subsection ~~(h)~~ of section 403, as in
23 effect immediately before the effective date of this
24 title.

1 (1) Section 205(c)(2)(C)(vi) of the Social Secu-
2 rity Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesign-
3 nated by section 321(a)(9)(B) of the Social Security
4 Independence and Program Improvements Act of
5 1994, is amended—

6 (A) by inserting “an agency administering
7 a program funded under part A of title IV or”
8 before “an agency operating”; and

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

11 (2) Section 228(d)(1) of such Act (42 U.S.C.
12 428(d)(1)) is amended by inserting “under a State
13 program funded under” before “part A of title IV”.

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

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

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

20 (A) by striking “aid to families with de-
21 pendent children” and inserting “assistance
22 under a State program funded under part A”;
23 and

24 (B) by striking “such aid” and inserting
25 “such assistance”; and

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

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

5 (A) by striking “aid under a State plan ap-
6 proved” and inserting “assistance under a State
7 program funded”; and

8 (B) by striking “in accordance with the
9 standards referred to in section
10 402(a)(26)(B)(ii)” and inserting “by the
11 State”.

12 ~~(4) Section 452(b) of such Act (42 U.S.C.~~
13 ~~652(b)) is amended in the last sentence by striking~~
14 ~~“plan approved under part A” and inserting “pro-~~
15 ~~gram funded under part A”.~~

16 ~~(5) Section 452(d)(3)(B)(i) of such Act (42~~
17 ~~U.S.C. 652(d)(3)(B)(i)) is amended by striking~~
18 ~~“1115(c)” and inserting “1115(b)”.~~

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

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

1 lowing clause (iii) by striking “aid was being paid
2 under the State’s plan approved” and inserting “as-
3 sistance was being provided under the State pro-
4 gram funded”.

5 (8) Section 452(g)(2) of such Act (42 U.S.C.
6 652(g)(2)) is amended in the matter following sub-
7 paragraph (B)—

8 (A) by striking “who is a dependent child
9 by reason of the death of a parent” and insert-
10 ing “with respect to whom assistance is being
11 provided under the State program funded under
12 part A”; and

13 (B) by inserting “by the State agency ad-
14 ministering the State plan approved under this
15 part” after “found”;

16 (C) by striking “under section 402(a)(26)”
17 and inserting “pursuant to section 405(a)(8)”;
18 and

19 (D) by striking “administering the plan
20 under part E determines (as provided in section
21 454(4)(B))” and inserting “determines”.

22 (9) Section 452(h) of such Act (42 U.S.C.
23 652(h)) is amended by striking “under section
24 402(a)(26)” and inserting “pursuant to section
25 405(a)(8)”.

1 ~~(10) Section 454(5) of such Act (42 U.S.C.~~
2 ~~654(5)) is amended—~~

3 (A) by striking “under section 402(a)(26)”
4 and inserting “pursuant to section 405(a)(8)”;
5 and

6 (B) by striking “except that this para-
7 graph shall not apply to such payments for any
8 month following the first month in which the
9 amount collected is sufficient to make such
10 family ineligible for assistance under the State
11 plan approved under part A;”.

12 ~~(11) Section 454(6)(D) of such Act (42 U.S.C.~~
13 ~~654(6)(D)) is amended by striking “aid under a~~
14 ~~State plan approved” and inserting “assistance~~
15 ~~under a State program funded”.~~

16 (12) Section 456 of such Act (42 U.S.C. 656)
17 is amended by striking “under section 402(a)(26)”
18 each place such term appears and inserting “pursu-
19 ant to section 405(a)(8)”.

20 (13) Section 466(a)(3)(B) of such Act (42
21 U.S.C. 666(a)(3)(B)) is amended by striking
22 “402(a)(26)” and inserting “405(a)(8)”.

23 (14) Section 466(b)(2) of such Act (42 U.S.C.
24 666(b)(2)) is amended by striking “aid” and insert-
25 ing “assistance under a State program funded”.

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

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

10 (e) ~~AMENDMENTS TO TITLE XI.~~—

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

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

15 (B) by striking “(c)”.

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

18 (3) Section 1115(a) of such Act (42 U.S.C.
19 1315(a)) is amended—

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

22 (B) in paragraph (1), by striking “402,”;
23 and

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

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

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

5 (B) in subsection (a)(3), by striking
6 “404,”.

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

9 (A) by striking “403(a),”;

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

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

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

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

18 (B) by striking “403(a),”.

19 (7) Section 1133(a) of such Act (42 U.S.C.
20 1320b-3(a)) is amended by striking “or part A of
21 title IV,”.

22 (8) Section 1136 of such Act (42 U.S.C.
23 1320b-6) is hereby repealed.

24 (9) Section 1137 of such Act (42 U.S.C.
25 1320b-7) is amended—

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

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

5 (B) in subsection (d)(1)(B)—

6 (i) by striking “In this subsection—”
7 and all that follows through “(ii) in” and
8 inserting “In this subsection, in”; and

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

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

14 (f) AMENDMENT TO TITLE XIV.—Section
15 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amend-
16 ed by striking “aid to families with dependent children
17 under the State plan approved under section 402 of this
18 Act” and inserting “assistance under a State program
19 funded under part A of title IV”.

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

1 “aid under the State plan approved” and inserting “assist-
2 ance under a State program funded”.

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

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

9 ~~(a) Subsection (b) of section 508 of the Unemploy-~~
10 ~~ment Compensation Amendments of 1976 (42 U.S.C.~~
11 ~~603a) is amended to read as follows:~~

12 ~~“(b) PROVISION FOR REIMBURSEMENT OF EX-~~
13 ~~PENSES.—For purposes of section 455 of the Social Secu-~~
14 ~~rity Act, expenses incurred to reimburse State employment~~
15 ~~offices for furnishing information requested of such of-~~
16 ~~fices—~~

17 ~~“(1) pursuant to the third sentence of section~~
18 ~~3(a) of the Act entitled ‘An Act to provide for the~~
19 ~~establishment of a national employment system and~~
20 ~~for cooperation with the States in the promotion of~~
21 ~~such system, and for other purposes’, approved June~~
22 ~~6, 1933 (29 U.S.C. 49b(a)),~~

23 ~~“(2) by a State or local agency charged with~~
24 ~~the duty of carrying a State plan for child support~~

1 approved under part D of title IV of the Social Se-
2 curity Act,
3 shall be considered to constitute expenses incurred in the
4 administration of such State plan.”.

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

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

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

17 (e) Section 221 of the Housing and Urban-Rural Re-
18 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-
19 ment under AFDC of certain rental payments for federally
20 assisted housing, is hereby repealed.

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

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

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

6 (i) Section 903 of the Stewart B. McKinney Home-
7 less Assistance Amendments Act of 1988 (42 U.S.C.
8 11381 note), relating to demonstration projects to reduce
9 number of AFDC families in welfare hotels, is amended—

10 (1) in subsection (a), by striking “aid to fami-
11 lies with dependent children under a State plan ap-
12 proved” and inserting “assistance under a State pro-
13 gram funded”; and

14 (2) in subsection (c), by striking “aid to fami-
15 lies with dependent children in the State under a
16 State plan approved” and inserting “assistance in
17 the State under a State program funded”.

18 **SEC. 106. CONTINUED APPLICATION OF CURRENT STAND-**

19 **ARDS UNDER MEDICAID PROGRAM.**

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

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

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

3 “CONTINUED APPLICATION OF AFDC STANDARDS

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

6 “~~(1)~~ except as provided in paragraph ~~(2)~~, any
7 reference in this title (or other provision of law in
8 relation to the operation of this title) to a provision
9 of part A of title IV of this Act, or a State plan
10 under such part, shall be considered a reference to
11 such provision or plan as in effect as of March 7,
12 1995, with respect to the State and eligibility for
13 medical assistance under this title shall be deter-
14 mined as if such provision or plan (as in effect as
15 of such date) had remained in effect on and after
16 October 1, 1995; and

17 “~~(2)~~ any reference in section 1902(a)(5) or
18 1902(a)(55) to a State plan approved under part A
19 of title IV shall be deemed a reference to a State
20 program funded under such part (as in effect on and
21 after October 1, 1995).

22 “~~(b)~~ In the case of a waiver of a provision of part
23 A of title IV in effect with respect to a State as of March
24 7, 1995, if the waiver affects eligibility of individuals for
25 medical assistance under this title, such waiver may con-
26 tinue to be applied, at the option of the State, in relation

1 to this title after the date the waiver would otherwise
2 expire.”

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

5 (1) by striking “and” at the end of paragraph
6 (61),

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

9 (3) by inserting after paragraph (62) the fol-
10 lowing new paragraph:

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

15 (c) ~~CONFORMING AMENDMENTS.~~—(1) Section
16 1902(e) of such Act (42 U.S.C. 1396a(e)) is amended by
17 striking “if—” and all that follows and inserting the fol-
18 lowing: “if the State requires individuals described in sub-
19 section (f)(1) to apply for assistance under the State pro-
20 gram funded under part A of title IV as a condition of
21 applying for or receiving medical assistance under this
22 title.”.

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

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

4 ~~SEC. 107. EFFECTIVE DATE.~~

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

8 (b) ~~DELAYED APPLICABILITY OF AUTHORITY TO~~
9 ~~TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMI-~~
10 ~~LIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS~~
11 ~~NOT ESTABLISHED.~~—Section 405(a)(9) of the Social Se-
12 curity Act, as added by the amendment made by section
13 101 of this Act, shall not apply to individuals who, imme-
14 diately before the effective date of this title, are recipients
15 of aid under a State plan approved under part A of title
16 IV of the Social Security Act, until the end of the 1-year
17 (or, at the option of the State, 2-year) period that begins
18 with such effective date.

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

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

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

4 **TITLE II—CHILD PROTECTION**
5 **BLOCK GRANT PROGRAM**

6 **SEC. 201. ESTABLISHMENT OF PROGRAM.**

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

9 **“PART B—BLOCK GRANTS TO STATES FOR THE**
10 **PROTECTION OF CHILDREN**

11 **“SEC. 421. PURPOSE.**

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

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

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

18 “(3) investigate families reported to abuse or
19 neglect their children;

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

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

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

4 ~~“(7) provide for continuing evaluation and im-~~
5 ~~provement of child protection laws, regulations, and~~
6 ~~services.~~

7 **~~“SEC. 422. ELIGIBLE STATES.~~**

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

13 ~~“(1) OUTLINE OF CHILD PROTECTION PRO-~~
14 ~~GRAM.—A written document that outlines the activi-~~
15 ~~ties the State intends to conduct to achieve the pur-~~
16 ~~pose of this part, including the procedures to be~~
17 ~~used for—~~

18 ~~“(A) receiving reports of child abuse or ne-~~
19 ~~glect;~~

20 ~~“(B) investigating such reports;~~

21 ~~“(C) protecting children in families in~~
22 ~~which child abuse or neglect is found to have~~
23 ~~occurred;~~

24 ~~“(D) removing children from dangerous~~
25 ~~settings;~~

1 “(E) protecting children in foster care;

2 “(F) promoting timely adoptions;

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

8 “(H) preventing child abuse and neglect;
9 and

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

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

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

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

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

3 ~~“(5) CERTIFICATION OF STATE PROCEDURES~~
4 ~~FOR DEVELOPING AND REVIEWING WRITTEN PLANS~~
5 ~~FOR PERMANENT PLACEMENT OF REMOVED CHIL-~~
6 ~~DREN.—A certification that the State has in effect~~
7 ~~procedures for ensuring that a written plan is pre-~~
8 ~~pared for children who have been removed from their~~
9 ~~families, which specifies the goal for achieving a per-~~
10 ~~manent placement for the child in a timely fashion,~~
11 ~~for ensuring that the written plan is reviewed every~~
12 ~~6 months, and for ensuring that information about~~
13 ~~such children is collected regularly and recorded in~~
14 ~~case records, and a description of such procedures.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

8 “(I) merely prolong dying;

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

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

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

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

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

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

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

7 ~~“(a) ENTITLEMENT.—~~

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

13 ~~“(2) ADDITIONAL GRANT.—~~

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

21 ~~“(B) LIMITATION ON AUTHORIZATION OF~~
22 ~~APPROPRIATIONS.—~~For grants under subpara-
23 graph (A), there are authorized to be appro-
24 priated to the Secretary an amount not to ex-

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

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

4 “(1) CHILD PROTECTION AMOUNT.—The term
5 ‘child protection amount’ means—

6 “(A) \$3,930,000,000 for fiscal year 1996;

7 “(B) \$4,195,000,000 for fiscal year 1997;

8 “(C) \$4,507,000,000 for fiscal year 1998;

9 “(D) \$4,767,000,000 for fiscal year 1999;

10 and

11 “(E) \$5,071,000,000 for fiscal year 2000.

12 “(2) STATE SHARE.—

13 “(A) IN GENERAL.—The term ‘State
14 share’ means the qualified child protection ex-
15 penses of the State divided by the sum of the
16 qualified child protection expenses of all of the
17 States.

18 “(B) QUALIFIED CHILD PROTECTION EX-
19 PENSES.—The term ‘qualified child protection
20 expenses’ means, with respect to a State the
21 greater of—

22 “(i) $\frac{1}{3}$ of the total amount of obliga-
23 tions to the State under the provisions of
24 law specified in subparagraph (C) for fiscal
25 years 1992, 1993, and 1994; or

1 “(ii) the total amount of obligations to
2 the State under such provisions of law for
3 fiscal year 1994.

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

8 “(i) Section 474(a) (other than sub-
9 paragraphs (C) and (D) of paragraph (3))
10 of this Act.

11 “(ii) Section 304 of the Family Vio-
12 lence Prevention and Services Act.

13 “(iii) Section 107(a) of the Child
14 Abuse Prevention and Treatment Act.

15 “(iv) Section 201(d) of the Child
16 Abuse Prevention and Treatment Act.

17 “(v) Section 423 of this Act.

18 “(3) STATE.—The term ‘State’ includes the
19 several States, the District of Columbia, the Com-
20 monwealth of Puerto Rico, the United States Virgin
21 Islands, Guam, and American Samoa.

22 “(c) USE OF GRANT.—

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

1 plish the purpose of this part, including setting up
2 abuse and neglect reporting systems, abuse and ne-
3 glect prevention, family preservation, foster care,
4 adoption, program administration, and training.

5 ~~“(2) AUTHORITY TO USE PORTION OF GRANT~~
6 ~~FOR OTHER PURPOSES.—~~

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

13 ~~“(i) Part A of this title.~~

14 ~~“(ii) Title XX of this Act.~~

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

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

21 ~~“(B) APPLICABLE RULES.—~~Any amount
22 paid to the State under this part that is used
23 to carry out a State program pursuant to a pro-
24 vision of law specified in subparagraph (A)
25 shall not be subject to the requirements of this

1 part, but shall be subject to the requirements
2 that apply to Federal funds provided directly
3 under the provision of law to carry out the pro-
4 gram.

5 “(3) TIMING OF EXPENDITURES.—A State to
6 which a grant is made under this section for a fiscal
7 year shall expend the total amount of the grant not
8 later than the end of the immediately succeeding fis-
9 cal year.

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

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

17 “(e) PENALTIES.—

18 “(1) FOR USE OF GRANT IN VIOLATION OF
19 THIS PART.—

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

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

5 “(B) LIMITATION.—In carrying out sub-
6 paragraph (A), the Secretary shall not reduce
7 any quarterly payment by more than 25
8 percent.

9 “(C) CARRYFORWARD OF UNRECOVERED
10 PENALTY.—To the extent that subparagraph
11 (B) prevents the Secretary from recovering dur-
12 ing a fiscal year the full amount of a penalty
13 imposed on a State under subparagraph (A) for
14 a prior fiscal year, the Secretary shall apply
15 subparagraph (A) to the grant otherwise pay-
16 able to the State under this section for the im-
17 mediately succeeding fiscal year.

18 “(2) FOR FAILURE TO MAINTAIN EFFORT.—If
19 an audit conducted pursuant to chapter 75 of title
20 31, United States Code, finds that the amount ex-
21 pended by a State (other than from amounts pro-
22 vided by the Federal Government) during fiscal year
23 1996 or 1997 to carry out the State program funded
24 under this part is less than the total amount ex-
25 pended by the State (other than from amounts pro-

1 vided by the Federal Government) during fiscal year
2 1995 under parts B and E of this title, then the
3 Secretary shall reduce the amount of the grant that
4 would (in the absence of this subsection) be payable
5 to the State under this section for the immediately
6 succeeding fiscal year by the amount of the dif-
7 ference.

8 ~~“(3) FOR FAILURE TO SUBMIT REQUIRED RE-~~
9 ~~PORT.—~~

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

19 ~~“(B) RESCISSION OF PENALTY.—~~The Sec-
20 retary shall rescind a penalty imposed on a
21 State under subparagraph (A) with respect to a
22 report for a fiscal year if the State submits the
23 report before the end of the immediately suc-
24 ceeding fiscal year.

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

5 “**SEC. 424. CHILD PROTECTION STANDARDS.**

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

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

13 “(2) Each State shall investigate reports of
14 abuse and neglect promptly.

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

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

23 “(b) PLACEMENT OF CHILDREN WITH REL-
24 ATIVES.—A State to which a grant is made under this
25 part may consider—

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

6 “(A) adult relatives of such children would
7 be the preferred placement option if such rel-
8 atives meet all relevant child protection stand-
9 ards established by the State;

10 “(B) the State would make a needs-based
11 payment and provide supportive services, as ap-
12 propriate, with respect to children placed in a
13 kinship care arrangement; and

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

18 **“SEC. 425. CITIZEN REVIEW PANELS.**

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

22 “(b) COMPOSITION.—Each panel established under
23 subsection (a) shall be broadly representative of the com-
24 munity from which drawn.

1 “(c) FREQUENCY OF MEETINGS.—Each panel estab-
2 lished under subsection (a) shall meet not less frequently
3 than quarterly.

4 “(d) DUTIES.—

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

14 “(2) CONFIDENTIALITY.—The members and
15 staff of any panel established under subsection (a)
16 shall not disclose to any person or government any
17 information about any specific child protection case
18 with respect to which the panel is provided informa-
19 tion.

20 “(e) STATE ASSISTANCE.—Each State that estab-
21 lishes a panel under subsection (a) shall afford the panel
22 access to any information on any case that the panel de-
23 sires to review, and shall provide the panel with staff as-
24 sistance in performing its duties.

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

4 **“SEC. 426. CLEARINGHOUSE AND HOTLINE ON MISSING**
5 **AND RUNAWAY CHILDREN.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 ~~“(c) AUTHORITY OF STATES TO USE ESTIMATES.—~~

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

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

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

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

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

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

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

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

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

1 “(1) have a longitudinal component; and

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

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

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

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

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

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

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

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

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

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

25 “(d) REPORTS.—

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

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

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

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

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

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

25 “(b) ~~MULTIETHNIC PLACEMENTS.~~—

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

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

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

15 “(2) PENALTIES.—

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

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

25 “(3) PRIVATE CAUSE OF ACTION.—

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

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

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

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

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

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

19 (B) by striking “or 471(a)(17)”.

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

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

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

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

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

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

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

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

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

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

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

16 **SEC. 203. CONTINUED APPLICATION OF CURRENT STAND-**
17 **ARDS UNDER MEDICAID PROGRAM.**

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

20 (1) in subsection (a)(1)—

21 (A) by striking “part A of”, and

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

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

1 **SEC. 204. EFFECTIVE DATE.**

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

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

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

10 (2) administrative actions and proceedings com-
11 menced before such date, or authorized before such
12 date to be commenced, under such provisions.

13 **SEC. 205. SENSE OF THE CONGRESS REGARDING TIMELY**
14 **ADOPTION OF CHILDREN.**

15 It is the sense of the Congress that—

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

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

22 (3) studies have shown that States spend an ex-
23 cess of \$15,000 each year on each special needs
24 child in foster care, and would save significant
25 amounts of money if they offered incentives to fami-
26 lies to adopt special needs children;

1 (4) States should allocate sufficient funds under
2 this title for adoption assistance and medical assist-
3 ance to encourage more families to adopt children
4 who otherwise would languish in the foster care sys-
5 tem for a period that many experts consider det-
6 rimental to their development;

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

10 (6) when it is necessary for a State to remove
11 a child from the home of the child's biological par-
12 ents, the State should strive—

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

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

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

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

3 **TITLE III—BLOCK GRANTS FOR**
4 **CHILD CARE AND FOR NUTRI-**
5 **TION ASSISTANCE**

6 **Subtitle A—Child Care Block**
7 **Grants**

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

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

13 (1) in the heading of such section by inserting
14 “**AND GOALS**” after “**TITLE**”,

15 (2) by inserting “(a) **SHORT TITLE.**—” before
16 “This”, and

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

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

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

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

1 “(3) to encourage States to provide consumer
2 education information to help parents make in-
3 formed choices about child care;

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

7 “(5) to assist States in implementing the
8 health, safety, licensing, and registration standards
9 established in State regulations.”.

10 (b) **AUTHORIZATION OF APPROPRIATIONS.**—Section
11 658B of the Child Care and Development Block Grant Act
12 of 1990 (42 U.S.C. 9858) is amended to read as follows:

13 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

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

17 (c) **LEAD ENTITY.**—Section 658D of the Child Care
18 and Development Block Grant Act of 1990 (42 U.S.C.
19 9858b) is amended—

20 (1) in the heading of such section by striking
21 **“AGENCY”** inserting **“ENTITY”**,

22 (2) in subsection (a) by inserting “or other en-
23 tity” after “State agency”, and

24 (3) by striking “lead agency” each place it ap-
25 pears and inserting “lead entity”.

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

4 (1) in subsection (b)—

5 (A) by striking “implemented—” and all
6 that follows through “(2)” and inserting “im-
7 plemented”, and

8 (B) by striking “for subsequent State
9 plans”,

10 (2) in subsection (c)—

11 (A) in paragraph (1)—

12 (i) in the heading of such paragraph
13 by striking “AGENCY” and inserting “EN-
14 TITY”, and

15 (ii) by striking “agency” and inserting
16 “entity”,

17 (B) in paragraph (2)—

18 (i) in subparagraph (A)—

19 (I) in clause (i) by striking “,
20 other than through assistance pro-
21 vided under paragraph (3)(C),” and

22 (II) by striking “except” and all
23 that follows through “1992”, and in-
24 serting “and provide a detailed de-
25 scription of the procedures the State

1 will implement to carry out the re-
2 quirements of this subparagraph”;

3 ~~(ii) in subparagraph (B)—~~

4 ~~(I) by striking “Provide assur-~~
5 ~~ances” and inserting “Certify”, and~~

6 ~~(II) by inserting before the pe-~~
7 ~~riod at the end “and provide a de-~~
8 ~~tailed description of such procedures”;~~

9 ~~(iii) in subparagraph (C)—~~

10 ~~(I) by striking “Provide assur-~~
11 ~~ances” and inserting “Certify”, and~~

12 ~~(II) by inserting before the pe-~~
13 ~~riod at the end “and provide a de-~~
14 ~~tailed description of how such record~~
15 ~~is maintained and is made available”;~~

16 ~~(iv) by amending subparagraph (D) to~~

17 read as follows:

18 ~~“(D) CONSUMER EDUCATION INFORMA-~~
19 ~~TION.—Provide assurances that the State will~~
20 ~~collect and disseminate to parents of eligible~~
21 ~~children and the general public, consumer edu-~~
22 ~~cation information that will promote informed~~
23 ~~child care choices.”;~~

24 ~~(v) in subparagraph (E)—~~

1 (I) by striking “Provide assur-
2 ances” and inserting “Certify”,

3 (II) in clause (i) by inserting
4 “health, safety, and” after “comply
5 with all”,

6 (III) in clause (i) by striking “;
7 and” at the end,

8 (IV) by striking “that—” and all
9 that follows through “(i)”, and insert-
10 ing “that”, and

11 (V) by striking “(ii)” and all that
12 follows through the end of such sub-
13 paragraph, and inserting “and provide
14 a detailed description of such require-
15 ments and of how such requirements
16 are effectively enforced.”, and

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

19 (C) in paragraph (3)—

20 (i) in subparagraph (A) by inserting
21 “or as authorized by section 658T” before
22 the period at the end,

23 (ii) in subparagraph (B)—

24 (I) by striking “.—Subject to the
25 reservation contained in subparagraph

1 (C), the” and inserting “AND RELAT-
2 ED ACTIVITIES.—The”;

3 (II) by inserting “; other than
4 amounts transferred under section
5 658T,” after “subchapter”;

6 (III) in clause (i) by striking “;
7 and” at the end and inserting a pe-
8 riod,

9 (IV) by striking “for—” and all
10 that follows through “section
11 658E(c)(2)(A)” and inserting “for
12 child care services, activities that im-
13 prove the quality or availability of
14 such services, and any other activity
15 that the State deems appropriate to
16 realize any of the goals specified in
17 paragraphs (2) through (5) of section
18 658A(b)”;

19 (V) by striking clause (ii), and
20 (iii) by amending subparagraph (C) to
21 read as follows:

22 “(C) LIMITATION ON ADMINISTRATIVE
23 COSTS.—Not more than 5 percent of the aggre-
24 gate amount of payments received under this
25 subchapter by a State in each fiscal year may

1 be expended for administrative costs incurred
2 by such State to carry out all its functions and
3 duties under this subchapter.”;

4 (D) in paragraph (4)(A)—

5 (i) by striking “provide assurances”
6 and inserting “certify”;

7 (ii) in the first sentence by inserting
8 “and shall provide a summary of the facts
9 relied on by the State to determine that
10 such rates are sufficient to ensure such ac-
11 cess” before the period; and

12 (iii) by striking the last sentence; and

13 (E) by striking paragraph (5).

14 (e) LIMITATIONS ON STATE ALLOTMENTS—Section
15 658F(b)(2) of the Child Care and Development Block
16 Grant Act of 1990 (42 U.S.C. 9858d(b)(2)) is amended
17 by striking “referred to in section 658E(c)(2)(F)”.

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

22 (g) ADMINISTRATION AND ENFORCEMENT.—Section
23 658I(a) of the Child Care and Development Block Grant
24 Act of 1990 (42 U.S.C. 9858g(a)) is amended—

1 (1) in paragraph (1) by inserting “and” at the
2 end,

3 (2) by striking paragraph (2), and

4 (3) by redesignating paragraph (3) as para-
5 graph (2).

6 (h) PAYMENTS.—Section 658J(c) of the Child Care
7 and Development Block Grant Act of 1990 (42 U.S.C.
8 9858h(c)) is amended—

9 (1) by striking “expended” and inserting “obli-
10 gated”, and

11 (2) by striking “3 fiscal years” and inserting
12 “fiscal year”.

13 (i) ANNUAL REPORT AND AUDITS.—Section 658K of
14 the Child Care and Development Block Grant Act of 1990
15 (42 U.S.C. 9858i) is amended—

16 (1) in the heading of such section by inserting
17 “, **EVALUATION PLANS,**” after “**REPORT**”,

18 (2) in subsection (a)—

19 (A) by striking “, 1992” and inserting
20 “following the end of the first fiscal year with
21 respect to which the amendments made by the
22 Personal Responsibility Act of 1995 apply”,

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

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

4 ~~“(A)~~ the number and ages of children
5 being assisted with funds provided under this
6 subchapter;

7 ~~“(B)~~ with respect to the families of such
8 children—

9 ~~“(i)~~ the number of other children in
10 such families;

11 ~~“(ii)~~ the number of such families that
12 include only 1 parent;

13 ~~“(iii)~~ the number of such families that
14 include both parents;

15 ~~“(iv)~~ the ages of the mothers of such
16 children;

17 ~~“(v)~~ the ages of the fathers of such
18 children;

19 ~~“(vi)~~ the sources of the economic re-
20 sources of such families, including the
21 amount of such resources obtained from
22 (and separately identified as being from)—

23 ~~“(I)~~ employment, including self-
24 employment;

1 “(II) assistance received under
2 part A of title IV of the Social Secu-
3 rity Act (~~42 U.S.C. 601 et seq.~~);

4 “(III) part B of title IV of the
5 Social Security Act (~~42 U.S.C. 621 et~~
6 ~~seq.~~);

7 “(IV) the Child Nutrition Act of
8 1966 (~~42 U.S.C. 1771 et seq.~~);

9 “(V) the National School Lunch
10 Act (~~42 U.S.C. 1751 et seq.~~);

11 “(VI) assistance received under
12 title XVI of the Social Security Act
13 (~~42 U.S.C. 1381 et seq.~~);

14 “(VII) assistance received under
15 title XIV of the Social Security Act
16 (~~42 U.S.C. 1351 et seq.~~);

17 “(VIII) assistance received under
18 title XIX of the Social Security Act
19 (~~42 U.S.C. 1396 et seq.~~);

20 “(IX) assistance received under
21 title XX of the Social Security Act
22 (~~42 U.S.C. 1397 et seq.~~); and

23 “(X) any other source of eco-
24 nomic resources the Secretary deter-
25 mines to be appropriate;

1 ~~“(C) the number of such providers sepa-~~
2 ~~rately identified with respect to each type of~~
3 ~~child care provider specified in section 658P(5)~~
4 ~~that provided child care services obtained with~~
5 ~~assistance provided under this subchapter;~~

6 ~~“(D) with respect to cost of such serv-~~
7 ~~ices—~~

8 ~~“(i) the cost imposed by such provid-~~
9 ~~ers to provide such services; and~~

10 ~~“(ii) the portion of such cost paid~~
11 ~~with assistance provided under this sub-~~
12 ~~chapter;~~

13 ~~“(E) with respect to consumer education~~
14 ~~information described in section 658E(c)(2)(D)~~
15 ~~provided by such State—~~

16 ~~“(i) the manner in which such infor-~~
17 ~~mation was provided; and~~

18 ~~“(ii) the number of parents to whom~~
19 ~~such information was provided; and~~

20 ~~“(F) with respect to complaints received by~~
21 ~~such State regarding child care services ob-~~
22 ~~tained with assistance provided under this sub-~~
23 ~~chapter—~~

24 ~~“(i) the number of such complaints~~
25 ~~that were found to have merit; and~~

1 “(ii) a description of the actions taken
2 by the State to correct the circumstances
3 on which such complaints were based.”,

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

6 “~~(3)~~ containing evidence demonstrating that the
7 State satisfied the requirements of section
8 658E(c)(2)(F); and

9 “~~(4)~~ identifying each State program operated
10 under a provision of law specified in section 658F to
11 which the State transferred funds under the author-
12 ity of such section, specifying the amount of funds
13 so transferred to such program, and containing a
14 justification for so transferring such amount;”, and

15 ~~(3)~~ in subsection (b)—

16 (A) in paragraph (1) by striking “a appli-
17 cation” and inserting “an application”,

18 (B) in paragraph (2) by striking “any
19 agency administering activities that receive”
20 and inserting “the State that receives”, and

21 (C) in paragraph (4) by striking “entitles”
22 and inserting “entitled”, and

23 (4) by redesignating subsection (b) as sub-
24 section (c), and

1 (5) by inserting after subsection (a) the follow-
2 ing:

3 ~~“(b) STATE EVALUATION PLAN AND EVALUATION~~
4 ~~RESULTS.—~~

5 ~~“(1) EVALUATION PLAN.—~~In the first report
6 submitted under subsection (a) after the date of the
7 enactment of the Personal Responsibility Act of
8 1995, and in the report for each alternating 1-year
9 period thereafter, the State shall include a plan the
10 State intends to carry out in the 1-year period sub-
11 sequent to the period for which such report is sub-
12 mitted, to evaluate the extent to which the State has
13 realized each of the goals specified in paragraphs (2)
14 through (5) of section 658A(b). The State shall in-
15 clude in such plan a description of the types of data
16 and other information the State will collect to deter-
17 mine whether the State has realized such goals.

18 ~~“(2) EVALUATION RESULTS.—~~In the second re-
19 port submitted under subsection (a) after the date
20 of the enactment of the Personal Responsibility Act
21 of 1995, and in the report for each alternating 1-
22 year period thereafter, the State shall include a sum-
23 mary of the results of an evaluation carried out
24 under the evaluation plan contained in the report

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

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

6 (1) by striking “, 1993, and annually” and in-
7 serting “following the end of the second fiscal year
8 with respect to which the amendments made by the
9 Personal Responsibility Act of 1995 apply, and bien-
10 nially”;

11 (2) by striking “Committee on Education and
12 Labor” and inserting “Speaker”;

13 (3) by striking “Committee on Labor and
14 Human Resources” and inserting “President pro
15 tempore”;

16 (4) by striking the last sentence.

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

20 (1) in subsection (a)(1)—

21 (A) by striking “POSSESSIONS” and insert-
22 ing “POSSESSIONS”;

23 (B) by inserting “and” after “States,”
24 and

1 (C) by striking “, and the Trust Territory
2 of the Pacific Islands”;

3 (2) by amending subsection (b) to read as fol-
4 lows:

5 “(b) STATE ALLOTMENT.—From the amount appro-
6 priated under section 658B for each fiscal year remaining
7 after reservations under subsection (a), the Secretary shall
8 allot to each State (excluding Guam, American Samoa, the
9 Virgin Islands of the United States, and the Common-
10 wealth of the Northern Mariana Islands) an amount that
11 bears the same ratio to the amount so appropriated for
12 such fiscal year as the aggregate of the amounts received
13 by the State under—

14 “(1) this subchapter for fiscal year 1994;

15 “(2) section 403 of the Social Security Act,
16 with respect to expenditures by the State for child
17 care under section 402(g)(1) of such Act during fis-
18 cal year 1994; and

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

21 bears to the aggregate of the amounts received by all the
22 States (excluding Guam, American Samoa, the Virgin Is-
23 lands of the United States, and the Commonwealth of the
24 Northern Mariana Islands) under paragraphs (1), (2), and
25 (3).”;

1 (3) in subsection (c)—

2 (A) in paragraph (2)(A) by striking “agen-
3 cy” and inserting “entity”, and

4 (B) in paragraph (5) by striking “our”
5 and inserting “out”,

6 (4) by striking subsection (e), and

7 (5) by redesignating subsection (f) as sub-
8 section (e).

9 (f) DEFINITIONS.—Section 658P of the Child Care
10 and Development Block Grant Act of 1990 (42 U.S.C.
11 9858n) is amended—

12 (1) in paragraph (5)(A)—

13 (A) in clause (i) by striking “and” at the
14 end and inserting “or”,

15 (B) by striking “that—” and all that fol-
16 lows through “(i)”, and inserting “that”, and

17 (C) by striking clause (ii),

18 (2) by amending paragraph (8) to read as fol-
19 lows:

20 “(8) LEAD ENTITY.—The term ‘lead entity’
21 means the State agency or other entity designated
22 under section 658B(a).”;

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

24 (4) by inserting after paragraph (2) the follow-
25 ing:

1 “(3) CHILD CARE SERVICES.—The term ‘child
2 care services’ means services that constitute physical
3 care of a child and may include services that are de-
4 signed to enhance the educational, social, cultural,
5 emotional, and recreational development of a child
6 but that are not intended to serve as a substitute for
7 compulsory educational services.”,

8 (5) in paragraph (13)—

9 (A) by inserting “or” after “Samoa,” and

10 (B) by striking “, and the Trust Territory

11 of the Pacific Islands”, and

12 (6) by redesignating paragraphs (11), (13), and

13 (14) as paragraphs (10), (11), and (12), respec-
14 tively.

15 (m) AUTHORITY TO TRANSFER FUNDS.—The Child
16 Care and Development Block Grant Act of 1990 (42
17 U.S.C. 9858 et seq.) is amended by inserting after section
18 658S the following:

19 “**SEC. 658T. TRANSFER OF FUNDS.**

20 “(a) AUTHORITY.—Of the aggregate amount of pay-
21 ments received under this subchapter by a State in each
22 fiscal year, the State may transfer not more than 20 per-
23 cent for use by the State to carry out State programs
24 under 1 or more of the following provisions of law:

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

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

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

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

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

11 “(b) REQUIREMENTS APPLICABLE TO FUNDS
12 TRANSFERRED.—Funds transferred under subsection (a)
13 to carry out a State program operated under a provision
14 of law specified in such subsection shall not be subject to
15 the requirements of this subchapter, but shall be subject
16 to the same requirements that apply to Federal funds pro-
17 vided directly under such provision of law to carry out
18 such program.”.

19 **SEC. 302. REPEAL OF CHILD CARE ASSISTANCE AUTHOR-**
20 **IZED BY ACTS OTHER THAN THE SOCIAL SE-**
21 **CURITY ACT.**

22 (a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP
23 ASSISTANCE ACT OF 1985.—Title VI of the Human Serv-
24 ices Reauthorization Act of 1986 (42 U.S.C. 10901–
25 10905) is repealed.

1 (b) STATE DEPENDENT CARE DEVELOPMENT
2 GRANTS ACT.—Subchapter E of chapter 8 of subtitle A
3 of title VI of the Omnibus Budget Reconciliation Act of
4 1981 (42 U.S.C. 9871–9877) is repealed.

5 (c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title
6 X of the Elementary and Secondary Education Act of
7 1965, as amended by Public Law 103–382 (108 Stat.
8 3809 et seq.), is amended—

9 (1) in section 10413(a) by striking paragraph
10 (4),

11 (2) in section 10963(b)(2) by striking subpara-
12 graph (G), and

13 (3) in section 10974(a)(6) by striking subpara-
14 graph (G).

15 (d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION
16 CENTERS.—Section 9205 of the Native Hawaiian Edu-
17 cation Act (Public Law 103–382; 108 Stat. 3794) is re-
18 pealed.

19 **Subtitle B—Family and School-**

20 **Based Nutrition Block Grants**

21 **CHAPTER 1—FAMILY NUTRITION BLOCK**

22 **GRANT PROGRAM**

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

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

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

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

4 “(b) TABLE OF CONTENTS.—The table of contents
5 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.

6 **“SEC. 2. AUTHORIZATION.**

7 “(a) IN GENERAL.—In the case of each State that
8 in accordance with section 4 submits to the Secretary of
9 Agriculture an application for a fiscal year, the Secretary
10 shall provide a grant for the year to the State for the pur-
11 pose of achieving the goals described in subsection (b).
12 The grant shall consist of the allotment determined for
13 the State under section 3.

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

15 “(1) to provide nutritional risk assessment, food
16 assistance based on such risk assessment, and nutri-
17 tion education and counseling to economically dis-
18 advantaged pregnant women, postpartum women,
19 breastfeeding women, infants, and young children
20 who are determined to be at nutritional risk;

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

4 “(3) to provide nutrition education to such
5 women in order to increase their awareness of the
6 types of foods which should be consumed to main-
7 tain good health;

8 “(4) to provide food assistance, including nutri-
9 tious meal supplements, to such women in order to
10 reduce incidences of low-birthweight babies and ba-
11 bies born with birth defects as a result of nutritional
12 deficiencies;

13 “(5) to provide food assistance, including nutri-
14 tious meal supplements, to such women, infants, and
15 young children in order to ensure their future good
16 health;

17 “(6) to ensure that such women, infants, and
18 children are referred to other health services, includ-
19 ing routine pediatric and obstetric care, when nec-
20 essary;

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

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

3 ~~“(8) to provide summer food service programs~~
4 ~~to meet the nutritional needs of children from eco-~~
5 ~~nomically disadvantaged families during months~~
6 ~~when school is not in session.~~

7 ~~“(c) TIMING OF PAYMENTS.—The Secretary shall~~
8 ~~provide payments under a grant under this Act to States~~
9 ~~on a quarterly basis.~~

10 ~~“SEC. 3. ALLOTMENT.~~

11 ~~“The Secretary shall allot the amount appropriated~~
12 ~~to carry out this Act for a fiscal year among the States~~
13 ~~as follows:~~

14 ~~“(1) FIRST FISCAL YEAR.—~~

15 ~~“(A) IN GENERAL.—With respect to the~~
16 ~~first fiscal year for which the Secretary provides~~
17 ~~grants to States under this Act, the amount al-~~
18 ~~lotted to each State shall bear the same propor-~~
19 ~~tion to such amount appropriated as the aggre-~~
20 ~~gate of the amounts described in subparagraph~~
21 ~~(B) that were received by each such State~~
22 ~~under the provisions of law described in such~~
23 ~~subparagraph (as such provisions of law were in~~
24 ~~effect on the day before the date of the enact-~~
25 ~~ment of the Personal Responsibility Act of~~

1 1995) for the preceding fiscal year bears to the
2 aggregate of the amounts described in subpara-
3 graph (B) that were received by all such States
4 under such provisions of law for such preceding
5 fiscal year.

6 “(B) AMOUNTS DESCRIBED.—The
7 amounts described in this subparagraph are the
8 following:

9 “(i) The amount received under the
10 special supplemental nutrition program for
11 women, infants, and children under section
12 17 of this Act (42 U.S.C. 1786).

13 “(ii) The amount received under the
14 homeless children nutrition program estab-
15 lished under section 17B of the National
16 School Lunch Act (42 U.S.C. 1766b).

17 “(iii) 87.5 percent of the sum of the
18 amounts received under the following pro-
19 grams:

20 “(I) The child and adult care
21 food program under section 17 of the
22 National School Lunch Act (42
23 U.S.C. 1766), except for subsection
24 (e) of such section.

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

5 “(III) The special milk program
6 established under section 3 of this Act
7 (42 U.S.C. 1772).

8 “(2) SECOND FISCAL YEAR.—With respect to
9 the second fiscal year for which the Secretary pro-
10 vides grants to States under this Act—

11 “(A) 95 percent of such amount appro-
12 priated shall be allotted among the States by al-
13 lotting to each State an amount that bears the
14 same proportion to such amount appropriated
15 as the amount allotted to each such State from
16 a grant under this Act for the preceding fiscal
17 year bears to the aggregate of the amounts al-
18 lotted to all such States from grants under this
19 Act for such preceding fiscal year; and

20 “(B) 5 percent of such amount appro-
21 priated shall be allotted among the States by al-
22 lotting to each State an amount that bears the
23 same proportion to such amount appropriated
24 as the relative number of individuals receiving
25 assistance during the 1-year period ending on

1 June 30 of the preceding fiscal year in such
2 State from amounts received from a grant
3 under this Act for such preceding fiscal year
4 bears to the total number of individuals receiv-
5 ing assistance in all States from amounts re-
6 ceived from grants under this Act for the pre-
7 ceeding fiscal year.

8 ~~“(3) THIRD AND FOURTH FISCAL YEARS.—~~

9 With respect to each of the third and fourth fiscal
10 years for which the Secretary provides grants to
11 States under this Act—

12 ~~“(A) 90 percent of such amount appro-~~
13 ~~priated shall be allotted among the States by al-~~
14 ~~lotting to each State an amount determined in~~
15 ~~accordance with the formula described in para-~~
16 ~~graph (2)(A); and~~

17 ~~“(B) 10 percent of such amount appro-~~
18 ~~priated shall be allotted among the States by al-~~
19 ~~lotting to each State an amount determined in~~
20 ~~accordance with the formula described in para-~~
21 ~~graph (2)(B).~~

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

1 “(A) 85 percent of such amount appro-
2 priated shall be allotted among the States by al-
3 lotting to each State an amount determined in
4 accordance with the formula described in para-
5 graph (2)(A); and

6 “(B) 15 percent of such amount appro-
7 priated shall be allotted among the States by al-
8 lotting to each State an amount determined in
9 accordance with the formula described in para-
10 graph (2)(B).

11 **“SEC. 4. APPLICATION.**

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

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

18 “(2) except as provided in paragraph (3), an
19 agreement that the State will set minimum nutri-
20 tional requirements for food assistance provided
21 under this Act based on the most recent tested nu-
22 tritional research available, except that—

23 “(A) such requirements shall not be con-
24 strued to prohibit the substitution of foods to

1 accommodate the medical or other special die-
2 tary needs of individual students; and

3 ~~“(B) such requirements shall, at a mini-~~
4 ~~imum, be based on—~~

5 ~~“(i) the weekly average of the nutrient~~
6 ~~content of school lunches; or~~

7 ~~“(ii) such other standards as the~~
8 ~~State may prescribe;~~

9 ~~“(3) an agreement that the State, with respect~~
10 ~~to the provision of food assistance to economically~~
11 ~~disadvantaged pregnant women, postpartum women,~~
12 ~~breastfeeding women, infants, and young children,~~
13 ~~shall—~~

14 ~~“(A) implement the minimum nutritional~~
15 ~~requirements described in paragraph (2) for~~
16 ~~such food assistance; or~~

17 ~~“(B) implement the model nutrition stand-~~
18 ~~ards developed under section 8 for such food as-~~
19 ~~sistance;~~

20 ~~“(4) an agreement that the State will take such~~
21 ~~reasonable steps as the State deems necessary to re-~~
22 ~~strict the use and disclosure of information about in-~~
23 ~~dividuals and families receiving assistance under this~~
24 ~~Act;~~

1 ~~“(5)~~ an agreement that the State will use not
2 more than 5 percent of the amount of such grant for
3 administrative costs incurred to provide assistance
4 under this Act, except that costs associated with the
5 nutritional risk assessment of individuals described
6 in section 5(a)(1) and costs associated with nutrition
7 education and counseling provided to such individ-
8 uals shall not be considered to be administrative
9 costs; and

10 ~~“(6)~~ an agreement that the State will submit to
11 the Secretary a report in accordance with section 6.

12 **~~“SEC. 5. USE OF AMOUNTS.~~**

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

16 ~~“(1)~~ subject to subsection (b), to provide nutri-
17 tional risk assessment, food assistance based on such
18 risk assessment, and nutrition education and coun-
19 seling to economically disadvantaged pregnant
20 women, postpartum women, breastfeeding women,
21 infants, and young children who are determined to
22 be at nutritional risk;

23 ~~“(2)~~ to provide milk in nonprofit nursery
24 schools, child care centers, settlement houses, sum-
25 mer camps, and similar institutions devoted to the

1 care and training of children, to children from eco-
2 nomically disadvantaged families;

3 ~~“(3) to provide food service programs in institu-~~
4 ~~tions and family day care homes providing child care~~
5 ~~to children from economically disadvantaged fami-~~
6 ~~lies;~~

7 ~~“(4) to provide summer food service programs~~
8 ~~carried out by nonprofit food authorities, local gov-~~
9 ~~ernments, nonprofit higher education institutions~~
10 ~~participating in the National Youth Sports Program,~~
11 ~~and residential nonprofit summer camps to children~~
12 ~~from economically disadvantaged families; and~~

13 ~~“(5) to provide nutritious meals to pre-school~~
14 ~~age homeless children in shelters and other facilities~~
15 ~~servicing the homeless population.~~

16 ~~“(b) ADDITIONAL REQUIREMENTS WITH RESPECT~~
17 ~~TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND~~
18 ~~BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—~~

19 ~~“(1) MINIMUM AMOUNT OF ASSISTANCE.—The~~
20 ~~State shall ensure that not less than 80 percent of~~
21 ~~the amount of the grant is used to provide nutri-~~
22 ~~tional risk assessment, food assistance based on such~~
23 ~~nutritional risk assessment, and nutrition education~~
24 ~~and counseling to economically disadvantaged preg-~~
25 ~~nant women, postpartum women, breastfeeding~~

1 women, infants, and young children under sub-
2 section (a)(1).

3 ~~“(2) COST CONTAINMENT MEASURES REGARD-~~
4 ~~ING PROCUREMENT OF INFANT FORMULA.—~~

5 ~~“(A) IN GENERAL.—~~The State shall, with
6 respect to the provision of food assistance to
7 economically disadvantaged pregnant women,
8 postpartum women, breastfeeding women, in-
9 fants, and young children under subsection
10 (a)(1), establish and carry out a cost contain-
11 ment system for the procurement of infant for-
12 mula.

13 ~~“(B) USE OF AMOUNTS RESULTING FROM~~
14 ~~SAVINGS.—~~The State shall use amounts avail-
15 able to the State as result of savings in costs
16 to the State from the implementation of the
17 cost containment system described in subpara-
18 graph (A) for the purpose of providing the as-
19 sistance described in paragraphs (1) through
20 (5) of subsection (a).

21 ~~“(C) ANNUAL REPORTS.—~~The State shall
22 submit to the Secretary for each fiscal year a
23 report containing—

24 ~~“(i) a description of the cost contain-~~
25 ~~ment system for infant formula imple-~~

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

3 “(ii) the estimated amount of savings
4 in costs derived by the State in providing
5 food assistance described in such subpara-
6 graph under such cost containment system
7 for such fiscal year as compared to the
8 amount of such savings derived by the
9 State under the cost containment system
10 for the preceding fiscal year, where appro-
11 priate.

12 “(3) ASSISTANCE FOR MEMBERS OF THE
13 ARMED FORCES AND THEIR DEPENDENTS.—The
14 State shall ensure that assistance described in sub-
15 section (a)(1) is provided to members of the Armed
16 Forces and dependents of such members (regardless
17 of the State of residence of such members or de-
18 pendents) who meet the requirements of such sub-
19 section on an equitable basis with assistance pro-
20 vided to all other individuals under such subsection
21 in such State.

22 “(c) ADDITIONAL REQUIREMENT WITH RESPECT TO
23 CHILD CARE ASSISTANCE ON MILITARY INSTALLA-
24 TIONS.—

1 “(1) IN GENERAL.—To the extent consistent
2 with the number of children who are receiving assist-
3 ance under child care programs established and car-
4 ried out on military installations in such State by
5 the Department of Defense, the State, after timely
6 and appropriate consultation with representatives of
7 such programs, shall provide assistance to such pro-
8 grams for such children (regardless of the State of
9 residence of such children) in accordance with sub-
10 section (a)(3) on an equitable basis with assistance
11 provided in accordance with such subsection to all
12 other child care programs carried out in such State.

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

19 “(d) AUTHORITY TO USE AMOUNTS FOR OTHER
20 PURPOSES.—

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

1 ~~“(A) Part A of title IV of the Social Secu-~~
2 ~~urity Act (42 U.S.C. 601 et seq.).~~

3 ~~“(B) Part B of title IV of the Social Secu-~~
4 ~~urity Act (42 U.S.C. 621 et seq.).~~

5 ~~“(C) Title XX of the Social Security Act~~
6 ~~(42 U.S.C. 1397 et seq.).~~

7 ~~“(D) The National School Lunch Act (42~~
8 ~~U.S.C. 1751 et seq.).~~

9 ~~“(E) The Child Care and Development~~
10 ~~Block Grant Act of 1990 (42 U.S.C. 9858 et~~
11 ~~seq.).~~

12 ~~“(2) SUFFICIENT FUNDING DETERMINATION.—~~
13 ~~Prior to using any amounts received from a grant~~
14 ~~under this Act for a fiscal year to carry out a State~~
15 ~~program pursuant to any or all of the provisions of~~
16 ~~law described in paragraph (1), the appropriate~~
17 ~~State agency shall make a determination that suffi-~~
18 ~~cient amounts will remain available for such fiscal~~
19 ~~year to carry out this Act.~~

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

1 same requirements that apply to Federal funds pro-
2 vided directly under the provision of law to carry out
3 the program.

4 **“SEC. 6. REPORTS.**

5 “The Secretary may provide a grant under this Act
6 to a State for a fiscal year only if the State agrees that
7 it will submit, for such fiscal year, a report to the Sec-
8 retary describing—

9 “(1) the number of individuals receiving assist-
10 ance under the grant in accordance with each of
11 paragraphs (1) through (5) of section 5(a);

12 “(2) the different types of assistance provided
13 to such individuals in accordance with such para-
14 graphs;

15 “(3) the extent to which such assistance was ef-
16 fective in achieving the goals described in section
17 2(b);

18 “(4) the standards and methods the State is
19 using to ensure the nutritional quality of such assist-
20 ance, including meals and supplements;

21 “(5) the number of low birthweight births in
22 the State in such fiscal year compared to the num-
23 ber of such births in the State in the previous fiscal
24 year; and

1 ~~“(6) any other information which can be rea-~~
2 ~~sonably required by the Secretary.~~

3 **~~“SEC. 7. PENALTIES.~~**

4 ~~“(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION~~
5 ~~OF THIS ACT.—~~

6 ~~“(1) IN GENERAL.—The Secretary shall reduce~~
7 ~~the amounts otherwise payable to a State under a~~
8 ~~grant under this Act by any amount paid to the~~
9 ~~State under this Act which an audit conducted pur-~~
10 ~~suant to chapter 75 of title 31, United States Code,~~
11 ~~finds has been used in violation of this Act.~~

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

15 ~~“(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED~~
16 ~~REPORT.—The Secretary shall reduce by 3 percent the~~
17 ~~amount otherwise payable to a State under a grant under~~
18 ~~this Act for a fiscal year if the Secretary determines that~~
19 ~~the State has not submitted the report required by section~~
20 ~~6 for the immediately preceding fiscal year, within 6~~
21 ~~months after the end of the immediately preceding fiscal~~
22 ~~year.~~

1 **“SEC. 8. MODEL NUTRITION STANDARDS FOR FOOD ASSIST-**
2 **ANCE FOR PREGNANT, POSTPARTUM, AND**
3 **BREASTFEEDING WOMEN, INFANTS AND**
4 **CHILDREN.**

5 “(a) **IN GENERAL.**—Not later than April 1, 1996, the
6 Food and Nutrition Board of the Institute of Medicine of
7 the National Academy of Sciences, in cooperation with pe-
8 diatricians, obstetricians, nutritionists, and directors of
9 programs providing nutritional risk assessment, food as-
10 sistance, and nutrition education and counseling to eco-
11 nomically disadvantaged pregnant women, postpartum
12 women, breastfeeding women, infants, and young children,
13 shall develop model nutrition standards for food assistance
14 provided to such women, infants, and children under this
15 Act.

16 “(b) **REQUIREMENT.**—Such model nutrition stand-
17 ards shall require that food assistance provided to such
18 women, infants, and children contain nutrients that are
19 lacking in the diets of such women, infants, and children,
20 as determined by nutritional research.

21 “(c) **REPORT TO CONGRESS.**—Not later than 1 year
22 after the date on which the model nutrition standards are
23 developed under subsection (a), the Food and Nutrition
24 Board of the Institute of Medicine of the National Acad-
25 emy of Sciences shall prepare and submit to the Congress

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

3 **“SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

4 “(a) IN GENERAL.—There are authorized to be ap-
5 propriated to carry out this Act \$4,606,000,000 for fiscal
6 year 1996, \$4,777,000,000 for fiscal year 1997,
7 \$4,936,000,000 for fiscal year 1998, \$5,120,000,000 for
8 fiscal year 1999, and \$5,308,000,000 for fiscal year 2000.

9 “(b) AVAILABILITY.—Amounts authorized to be ap-
10 propriated under subsection (a) are authorized to remain
11 available until the end of the fiscal year subsequent to the
12 fiscal year for which such amounts are appropriated.

13 **“SEC. 10. DEFINITIONS.**

14 “For purposes of this Act:

15 “(1) BREASTFEEDING WOMEN.—The term
16 ‘breastfeeding women’ means women up to 1 year
17 postpartum who are breastfeeding their infants.

18 “(2) ECONOMICALLY DISADVANTAGED.—The
19 term ‘economically disadvantaged’ means an individ-
20 ual or a family, as the case may be, whose annual
21 income does not exceed 185 percent of the applicable
22 family size income levels contained in the most re-
23 cent income poverty guidelines prescribed by the Of-
24 fice of Management and Budget and based on data
25 from the Bureau of the Census.

1 “(3) INFANTS.—The term ‘infants’ means indi-
2 viduals under 1 year of age.

3 “(4) POSTPARTUM WOMEN.—The term
4 ‘postpartum women’ means women who are in the
5 180-day period beginning on the termination of
6 pregnancy.

7 “(5) PREGNANT WOMEN.—The term ‘pregnant
8 women’ means women who have 1 or more fetuses
9 in utero.

10 “(6) SCHOOL.—The term ‘school’ means a pub-
11 lic or private nonprofit elementary, intermediate, or
12 secondary school.

13 “(7) SECRETARY.—The term ‘Secretary’ means
14 the Secretary of Agriculture.

15 “(8) STATE.—The term ‘State’ means any of
16 the several States, the District of Columbia, the
17 Commonwealth of Puerto Rico, the Commonwealth
18 of the Northern Mariana Islands, American Samoa,
19 Guam, the Virgin Islands, or a tribal organization
20 (as defined in section 4(l) of the Indian Self-Deter-
21 mination and Education Assistance Act (25 U.S.C.
22 450b(1))).

23 “(9) YOUNG CHILDREN.—The term ‘young chil-
24 dren’ means individuals who have attained the age
25 of 1 but have not attained the age of 5.”.

1 **CHAPTER 2—SCHOOL-BASED NUTRITION**
 2 **BLOCK GRANT PROGRAM**

3 **SEC. 341. AMENDMENT TO NATIONAL SCHOOL LUNCH ACT.**

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

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

7 “(a) **SHORT TITLE.**—This Act may be cited as the
 8 ‘National School Lunch Act’.

9 “(b) **TABLE OF CONTENTS.**—The table of contents
 10 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.

11 **“SEC. 2. AUTHORIZATION.**

12 “(a) **ENTITLEMENT.**—

13 “(1) **IN GENERAL.**—In the case of each State
 14 that in accordance with section 4 submits to the
 15 Secretary of Agriculture an application for a fiscal
 16 year, each such State shall be entitled to receive
 17 from the Secretary for such fiscal year a grant for
 18 the purpose of achieving the goals described in sub-
 19 section (b). Subject to paragraph (2), the grant shall

1 consist of the allotment for such State determined
2 under section 3 of the school-based nutrition amount
3 for the fiscal year.

4 ~~“(2) REQUIREMENT TO PROVIDE COMMOD-~~
5 ~~ITIES.—9 percent of the amount of the assistance~~
6 ~~available under this Act for each State shall be in~~
7 ~~the form of commodities.~~

8 ~~“(3) SCHOOL-BASED NUTRITION AMOUNT.—~~

9 ~~“(A) IN GENERAL.—For purposes of this~~
10 ~~Act, the term ‘school-based nutrition amount’~~
11 ~~means, subject to the reservation contained in~~
12 ~~subparagraph (B), \$6,681,000,000 for fiscal~~
13 ~~year 1996, \$6,956,000,000 for fiscal year 1997,~~
14 ~~\$7,237,000,000 for fiscal year 1998,~~
15 ~~\$7,538,000,000 for fiscal year 1999, and~~
16 ~~\$7,849,000,000 for fiscal year 2000.~~

17 ~~“(B) RESERVATION.—For each fiscal year~~
18 ~~described in subparagraph (A), the Secretary~~
19 ~~shall reserve an amount equal to the amount~~
20 ~~determined under subsection (c) of section 9 for~~
21 ~~such fiscal year from the school-based nutrition~~
22 ~~amount for the purpose of establishing and ear-~~
23 ~~rying out nutritious food service programs at~~
24 ~~Department of Defense overseas dependents’~~
25 ~~schools in accordance with such section.~~

1 “(4) AVAILABILITY.—Payments under a grant
2 to a State from the allotment determined under sec-
3 tion 3 for any fiscal year may be obligated by the
4 State in that fiscal year or in the succeeding fiscal
5 year.

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

7 “(1) to safeguard the health and well-being of
8 children through the provision of nutritious, well-bal-
9 anced meals and food supplements;

10 “(2) to provide economically disadvantaged chil-
11 dren access to nutritious free or low cost meals, food
12 supplements, and low-cost milk;

13 “(3) to ensure that children served under this
14 Act are receiving the nutrition they require to take
15 advantage of the educational opportunities provided
16 to them;

17 “(4) to emphasize foods which are naturally
18 good sources of vitamins and minerals over foods
19 which have been enriched with vitamins and min-
20 erals and are high in fat or sodium content;

21 “(5) to provide a comprehensive school nutri-
22 tion program for children; and

23 “(6) to minimize paperwork burdens and ad-
24 ministrative expenses for participating schools.

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

4 “**SEC. 3. ALLOTMENT.**

5 “The Secretary shall allot the school-based nutrition
6 amount to carry out this Act for a fiscal year among the
7 States as follows:

8 “(1) FIRST FISCAL YEAR.—

9 “(A) IN GENERAL.—With respect to the
10 first fiscal year for which the Secretary provides
11 grants to States under this Act, the amount al-
12 lotted to each State shall bear the same propor-
13 tion to such school-based nutrition amount as
14 the aggregate of the amounts described in sub-
15 paragraph (B) that were received by each such
16 State under the provisions of law described in
17 such subparagraph (as such provisions of law
18 were in effect on the day before the date of the
19 enactment of the Personal Responsibility Act of
20 1995) for the preceding fiscal year bears to the
21 aggregate of the amounts described in subpara-
22 graph (B) that were received by all such States
23 under such provisions of law for such preceding
24 fiscal year.

1 “(B) AMOUNTS DESCRIBED.—The
2 amounts described in this subparagraph are the
3 following:

4 “(i) The amount received under the
5 school breakfast program established under
6 section 4 of the Child Nutrition Act of
7 1966 (42 U.S.C. 1773).

8 “(ii) The amount received under the
9 school lunch program established under
10 this Act (42 U.S.C. 1751 et seq.).

11 “(iii) 12.5 percent of the sum of the
12 amounts received under the following pro-
13 grams:

14 “(I) The child and adult care
15 food program under section 17 of this
16 Act (42 U.S.C. 1766), except for sub-
17 section (o) of such section.

18 “(II) The summer food service
19 program for children established
20 under section 13 of this Act (42
21 U.S.C. 1761).

22 “(III) The special milk program
23 established under section 3 of the
24 Child Nutrition Act of 1966 (42
25 U.S.C. 1772).

1 “(2) SECOND FISCAL YEAR.—With respect to
2 the second fiscal year for which the Secretary pro-
3 vides grants to States under this Act—

4 “(A) 95 percent of such school-based nu-
5 trition amount shall be allotted among the
6 States by allotting to each State an amount
7 that bears the same proportion to such school-
8 based nutrition amount as the amount allotted
9 to each such State from a grant under this Act
10 for the preceding fiscal year bears to the aggre-
11 gate of the amounts allotted to all such States
12 from grants under this Act for such preceding
13 fiscal year; and

14 “(B) 5 percent of such school-based nutri-
15 tion amount shall be allotted among the States
16 by allotting to each State an amount that bears
17 the same proportion to such school-based nutri-
18 tion amount as the relative number of meals
19 served during the 1-year period ending on June
20 30 of the preceding fiscal year in a State from
21 amounts received from a grant under this Act
22 for such preceding fiscal year bears to the total
23 number of meals served in all States from
24 amounts received from grants under this Act
25 for the preceding fiscal year.

1 ~~“(3) THIRD AND FOURTH FISCAL YEARS.—~~

2 With respect to each of the third and fourth fiscal
3 years for which the Secretary provides grants to
4 States under this Act—

5 ~~“(A) 90 percent of such school-based nu-~~
6 ~~trition amount shall be allotted among the~~
7 ~~States by allotting to each State an amount de-~~
8 ~~termined in accordance with the formula de-~~
9 ~~scribed in paragraph (2)(A); and~~

10 ~~“(B) 10 percent of such school-based nu-~~
11 ~~trition amount shall be allotted among the~~
12 ~~States by allotting to each State an amount de-~~
13 ~~termined in accordance with the formula de-~~
14 ~~scribed in paragraph (2)(B).~~

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

18 ~~“(A) 85 percent of such school-based nu-~~
19 ~~trition amount shall be allotted among the~~
20 ~~States by allotting to each State an amount de-~~
21 ~~termined in accordance with the formula de-~~
22 ~~scribed in paragraph (2)(A); and~~

23 ~~“(B) 15 percent of such school-based nu-~~
24 ~~trition amount shall be allotted among the~~
25 ~~States by allotting to each State an amount de-~~

1 terminated in accordance with the formula de-
2 scribed in paragraph (2)(B).

3 **“SEC. 4. APPLICATION.**

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

7 “~~(1)~~ an agreement that the State will use
8 amounts received from such grant in accordance
9 with section 5;

10 “~~(2)~~ except as provided in paragraph (3), an
11 agreement that the State will set minimum nutri-
12 tional requirements for meals provided under this
13 Act based on the most recent tested nutritional re-
14 search available, except that—

15 “~~(A)~~ such requirements shall not be con-
16 strued to prohibit the substitution of foods to
17 accommodate the medical or other special die-
18 tary needs of individual students; and

19 “~~(B)~~ such requirements shall, at a mini-
20 mum, be based on—

21 “~~(i)~~ the weekly average of the nutrient
22 content of school lunches; or

23 “~~(ii)~~ such other standards as the
24 State may prescribe;

1 ~~“(3) an agreement that the State, with respect~~
2 ~~to the provision of meals to students, shall—~~

3 ~~“(A) implement the minimum nutritional~~
4 ~~requirements described in paragraph (2) for~~
5 ~~such meals; or~~

6 ~~“(B) implement the model nutrition stand-~~
7 ~~ards developed under section 10 for such meals;~~

8 ~~“(4) an agreement that the State will take such~~
9 ~~reasonable steps as the State deems necessary to re-~~
10 ~~strict the use and disclosure of information about in-~~
11 ~~dividuals and families receiving assistance under this~~
12 ~~Act;~~

13 ~~“(5) an agreement that the State will use not~~
14 ~~more than 2 percent of the amount of such grant for~~
15 ~~administrative costs incurred to provide assistance~~
16 ~~under this Act; and~~

17 ~~“(6) an agreement that the State will submit to~~
18 ~~the Secretary a report in accordance with section 6.~~

19 **~~“SEC. 5. USE OF AMOUNTS.~~**

20 ~~“(a) IN GENERAL.—The Secretary may provide a~~
21 ~~grant under this Act to a State only if the State agrees~~
22 ~~that it will use all amounts received from such grant to~~
23 ~~provide assistance to schools to establish and carry out~~
24 ~~nutritious food service programs that provide affordable~~
25 ~~meals and supplements to students, which may include—~~

1 ~~“(1) nonprofit school breakfast programs;~~

2 ~~“(2) nonprofit school lunch programs;~~

3 ~~“(3) nonprofit before and after school supple-~~
4 ~~ment programs;~~

5 ~~“(4) nonprofit low-cost milk services; and~~

6 ~~“(5) nonprofit summer meals programs.~~

7 ~~“(b) ADDITIONAL REQUIREMENTS.—~~

8 ~~“(1) MINIMUM AMOUNT OF GRANT FOR FREE~~
9 ~~OR LOW COST MEALS OR SUPPLEMENTS.—In provid-~~
10 ~~ing assistance to schools to establish and carry out~~
11 ~~nutritious food service programs in accordance with~~
12 ~~subsection (a), the State shall ensure that not less~~
13 ~~than 80 percent of the amount of the grant is used~~
14 ~~to provide free or low cost meals or supplements to~~
15 ~~economically disadvantaged children.~~

16 ~~“(2) PROVISION OF FOOD SERVICE PROGRAMS~~
17 ~~IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT~~
18 ~~OF DEFENSE DOMESTIC DEPENDENTS’ SCHOOLS.—~~

19 ~~To the extent consistent with the number of children~~
20 ~~in the State who are enrolled in private nonprofit~~
21 ~~schools and Department of Defense domestic de-~~
22 ~~pendents’ schools, the State, after timely and appro-~~
23 ~~priate consultation with representatives of such~~
24 ~~schools, as the case may be, shall ensure that nutri-~~
25 ~~tious food service programs are established and ear-~~

1 ried out in such schools in accordance with sub-
2 section (a) on an equitable basis with nutritious food
3 service programs established and carried out in pub-
4 lic nonprofit schools in the State.

5 “(c) AUTHORITY TO USE AMOUNTS FOR OTHER
6 PURPOSES.—

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

12 “(A) Part A of title IV of the Social Secu-
13 rity Act (42 U.S.C. 601 et seq.).

14 “(B) Part B of title IV of the Social Secu-
15 rity Act (42 U.S.C. 621 et seq.).

16 “(C) Title XX of the Social Security Act
17 (42 U.S.C. 1397 et seq.).

18 “(D) The Child Nutrition Act of 1966 (42
19 U.S.C. 1771 et seq.).

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

23 “(2) SUFFICIENT FUNDING DETERMINATION.—
24 Prior to using any amounts received from a grant
25 under this Act for a fiscal year to carry out a State

1 program pursuant to any or all of the provisions of
2 law described in paragraph (1), the appropriate
3 State agency shall make a determination that suffi-
4 cient amounts will remain available for such fiscal
5 year to carry out this Act.

6 ~~“(3) RULES GOVERNING USE OF AMOUNTS FOR~~
7 ~~OTHER PURPOSES.—~~Amounts paid to the State
8 under a grant under this Act that are used to carry
9 out a State program pursuant to a provision of law
10 specified in paragraph (1) shall not be subject to the
11 requirements of this Act, but shall be subject to the
12 same requirements that apply to Federal funds pro-
13 vided directly under the provision of law to carry out
14 the program.

15 ~~“(d) LIMITATION ON PROVISION OF COMMODITIES~~
16 ~~TO CERTAIN SCHOOL DISTRICTS, PRIVATE NONPROFIT~~
17 ~~SCHOOLS, AND DEPARTMENT OF DEFENSE DOMESTIC~~
18 ~~DEPENDENTS’ SCHOOLS.—~~

19 ~~“(1) IN GENERAL.—~~A State may not require a
20 school district, private nonprofit school, or Depart-
21 ment of Defense domestic dependents’ school de-
22 scribed in paragraph (2), except upon the request of
23 such school district, private school, or domestic de-
24 pendents’ school, as the case may be, to accept com-
25 modities for use in the food service program of such

1 school district, private school, or domestic depend-
2 ents' school in accordance with this section. Such
3 school district, private school, or domestic depend-
4 ents' school may continue to receive commodity as-
5 sistance in the form that it received such assistance
6 as of January 1, 1987.

7 “(2) SCHOOL DISTRICT, PRIVATE NONPROFIT
8 SCHOOL, AND DEPARTMENT OF DEFENSE DOMESTIC
9 DEPENDENTS' SCHOOL DESCRIBED.—A school dis-
10 trict, private nonprofit school, or Department of De-
11 fense domestic dependents' school described in this
12 paragraph is a school district, private nonprofit
13 school, or Department of Defense domestic depend-
14 ents' school, as the case may be, that as of January
15 1, 1987, was receiving all cash payments or all com-
16 modity letters of credit in lieu of entitlement com-
17 modities for the school lunch program of such school
18 district, private school, or domestic dependents'
19 school under section 18(b) of the National School
20 Lunch Act (42 U.S.C. 1751 et seq.), as such section
21 was in effect on the day before the date of the enact-
22 ment of the Personal Responsibility Act of 1995.

23 “(e) PROHIBITION ON PHYSICAL SEGREGATION,
24 OVERT IDENTIFICATION, OR OTHER DISCRIMINATION
25 WITH RESPECT TO CHILDREN ELIGIBLE FOR FREE OR

1 LOW COST MEALS OR SUPPLEMENTS.—In providing as-
2 sistance to schools to establish and carry out nutritious
3 food service programs in accordance with subsection (a),
4 the State shall ensure that such schools do not—

5 “(1) physically segregate children eligible to re-
6 ceive free or low cost meals or supplements on the
7 basis of such eligibility;

8 “(2) provide for the overt identification of such
9 children by special tokens or tickets, announced or
10 published list of names, or other means; or

11 “(3) otherwise discriminate against such chil-
12 dren.

13 **“SEC. 6. REPORTS.**

14 “The Secretary may provide a grant under this Act
15 to a State for a fiscal year only if the State agrees that
16 it will submit, for such fiscal year, a report to the Sec-
17 retary describing—

18 “(1) the number of individuals receiving assist-
19 ance under the grant;

20 “(2) the different types of assistance provided
21 to such individuals;

22 “(3) the total number of meals served to stu-
23 dents under the grant, including the percentage of
24 such meals served to economically disadvantaged
25 students;

1 ~~“(4)~~ the extent to which such assistance was ef-
2 fective in achieving the goals described in section
3 ~~2(b)~~;

4 ~~“(5)~~ the standards and methods the State is
5 using to ensure the nutritional quality of such assist-
6 ance, including meals and supplements; and

7 ~~“(6)~~ any other information which can be rea-
8 sonably required by the Secretary.

9 **“SEC. 7. PENALTIES.**

10 ~~“(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION~~
11 ~~OF THIS ACT.—~~

12 ~~“(1) IN GENERAL.—~~The Secretary shall reduce
13 the amounts otherwise payable to a State under a
14 grant under this Act by any amount paid to the
15 State under this Act which an audit conducted pur-
16 suant to chapter 75 of title 31, United States Code,
17 finds has been used in violation of this Act.

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

21 ~~“(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED~~
22 ~~REPORT.—~~The Secretary shall reduce by 3 percent the
23 amount otherwise payable to a State under a grant under
24 this Act for a fiscal year if the Secretary determines that
25 the State has not submitted the report required by section

1 6 for the immediately preceding fiscal year, within 6
2 months after the end of the immediately preceding fiscal
3 year.

4 **“SEC. 8. ASSISTANCE TO CHILDREN ENROLLED IN PRIVATE**
5 **NONPROFIT SCHOOLS AND DEPARTMENT OF**
6 **DEFENSE DOMESTIC DEPENDENTS’ SCHOOLS**
7 **IN CASE OF RESTRICTIONS ON STATE OR**
8 **FAILURE BY STATE TO PROVIDE ASSISTANCE.**

9 “(a) ~~IN GENERAL.~~—If, by reason of any other provi-
10 sion of law, a State is prohibited from providing assistance
11 from amounts received from a grant under this Act to pri-
12 vate nonprofit schools or Department of Defense domestic
13 dependents’ schools for a fiscal year to establish and carry
14 out nutritious food service programs in such schools in ac-
15 cordance with section 5(a), or the Secretary determines
16 that a State has substantially failed or is unwilling to pro-
17 vide such assistance to such private nonprofit schools or
18 domestic dependents’ schools for such fiscal year, the Sec-
19 retary shall, after consultation with appropriate represent-
20 atives of the State and private nonprofit schools or domes-
21 tic dependents’ schools, as the case may be, arrange for
22 the provision of such assistance to private nonprofit
23 schools or domestic dependents’ schools in the State for
24 such fiscal year in accordance with the requirements this
25 Act.

1 “(b) REDUCTION IN AMOUNT OF STATE GRANT.—
2 If the Secretary arranges for the provision of assistance
3 to private nonprofit schools or Department of Defense do-
4 mestic dependents’ schools in a State for a fiscal year
5 under subsection (a), the amount of the grant for such
6 State for such fiscal year shall be reduced by the amount
7 of such assistance provided to such private nonprofit
8 schools or domestic dependents’ schools, as the case may
9 be.

10 **“SEC. 9. FOOD SERVICE PROGRAMS FOR DEPARTMENT OF**
11 **DEFENSE OVERSEAS DEPENDENTS’ SCHOOLS.**

12 “(a) IN GENERAL.—The Secretary shall make avail-
13 able to the Secretary of Defense for each fiscal year funds
14 and commodities in an amount determined in accordance
15 with subsection (c) for the purpose of establishing and car-
16 rying out nutritious food service programs that provide af-
17 fordable meals and supplements to students attending De-
18 partment of Defense overseas dependents’ schools.

19 “(b) REQUIREMENTS.—In carrying out nutritious
20 food service programs under subsection (a), the Secretary
21 of Defense—

22 “(1) shall ensure that not less than 80 percent
23 of the amount of assistance provided to each school
24 for a fiscal year is used to provide free or low cost

1 meals or supplements to economically disadvantaged
2 children; and

3 ~~“(2) shall ensure that, with respect to the pro-~~
4 ~~vision of meals to students, each such school will—~~

5 ~~“(A) implement minimum nutritional re-~~
6 ~~quirements for meals provided under this sec-~~
7 ~~tion based on the most recent tested nutritional~~
8 ~~research available, except that—~~

9 ~~“(i) such requirements shall not be~~
10 ~~construed to prohibit the substitution of~~
11 ~~foods to accommodate the medical or other~~
12 ~~special dietary needs of individual stu-~~
13 ~~dents; and~~

14 ~~“(ii) such requirements shall, at a~~
15 ~~minimum, be based on—~~

16 ~~“(I) the weekly average of the~~
17 ~~nutrient content of school lunches; or~~

18 ~~“(II) such other standards as the~~
19 ~~Secretary of Agriculture may pre-~~
20 ~~scribe; or~~

21 ~~“(B) implement the model nutrition stand-~~
22 ~~ards developed under section 10 for such meals.~~

23 ~~“(c) AMOUNT AND SOURCE OF FUNDS AND COMMOD-~~
24 ~~ITIES.—~~

1 “(1) AMOUNT.—The Secretary, in consultation
2 with the Secretary of Defense, shall determine the
3 amount of funds and commodities necessary for each
4 fiscal year to establish and carry out nutritious food
5 service programs described in subsection (a).

6 “(2) SOURCE.—Such amount of funds and com-
7 modities shall consist of the reservation of the
8 school-based nutrition amount in accordance with
9 section 2(a)(3)(B).

10 **“SEC. 10. MODEL NUTRITION STANDARDS FOR MEALS FOR**
11 **STUDENTS.**

12 “(a) MODEL NUTRITION STANDARDS.—Not later
13 than April 1, 1996, the Food and Nutrition Board of the
14 Institute of Medicine of the National Academy of Sciences,
15 in cooperation with nutritionists and directors of programs
16 providing meals to students under this Act, shall develop
17 model nutrition standards for meals provided to such stu-
18 dents under this Act.

19 “(b) REPORT TO CONGRESS.—Not later than 1 year
20 after the date on which the model nutrition standards are
21 developed under subsection (a), the Food and Nutrition
22 Board of the Institute of Medicine of the National Acad-
23 emy of Sciences shall prepare and submit to the Congress
24 a report regarding the efforts of States to implement such
25 model nutrition standards.

1 **“SEC. 11. DEFINITIONS.**

2 “For purposes of this Act:

3 “(1) DEPARTMENT OF DEFENSE DOMESTIC DE-
4 PENDENTS’ SCHOOL.—The term ‘Department of De-
5 fense domestic dependents’ school’ means an elemen-
6 tary or secondary school established pursuant to sec-
7 tion 2164 of title 10, United States Code.

8 “(2) DEPARTMENT OF DEFENSE OVERSEAS DE-
9 PENDENTS’ SCHOOL.—The term ‘Department of De-
10 fense overseas dependents’ school’ means a Depart-
11 ment of Defense dependents’ school which is located
12 outside the United States and the territories or pos-
13 sessions of the United States.

14 “(3) ECONOMICALLY DISADVANTAGED.—The
15 term ‘economically disadvantaged’ means an individ-
16 ual or a family, as the case may be, whose annual
17 income does not exceed 185 percent of the applicable
18 family size income levels contained in the most re-
19 cent income poverty guidelines prescribed by the Of-
20 fice of Management and Budget and based on data
21 from the Bureau of the Census.

22 “(4) SCHOOL.—The term ‘school’ means a pub-
23 lic or private nonprofit elementary, intermediate, or
24 secondary school.

25 “(5) SECRETARY.—The term ‘Secretary’ means
26 the Secretary of Agriculture.

1 “(6) STATE.—The term ‘State’ means any of
 2 the several States, the District of Columbia, the
 3 Commonwealth of Puerto Rico, the Commonwealth
 4 of the Northern Mariana Islands, American Samoa,
 5 Guam, the Virgin Islands, or a tribal organization
 6 (as defined in section 4(l) of the Indian Self-Deter-
 7 mination and Education Assistance Act (25 U.S.C.
 8 450b(l))).”.

9 **CHAPTER 3—MISCELLANEOUS**
 10 **PROVISIONS**

11 **SEC. 361. REPEALERS.**

12 The following Acts are repealed:

13 (1) The Commodity Distribution Reform Act
 14 and WIC Amendments of 1987 (Public Law 100–
 15 237; 101 Stat. 1733).

16 (2) The Child Nutrition and WIC Reauthoriza-
 17 tion Act of 1989 (Public Law 101–147; 103 Stat.
 18 877).

19 **Subtitle C—Other Repealers and**
 20 **Conforming Amendments**

21 **SEC. 371. AMENDMENTS TO LAWS RELATING TO CHILD**
 22 **PROTECTION BLOCK GRANT.**

23 (a) ABANDONED INFANTS ASSISTANCE.—

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

4 (2) CONFORMING AMENDMENT.—Section
5 421(7) of the Domestic Volunteer Service Act of
6 1973 (42 U.S.C. 5061(7)) is amended to read as fol-
7 lows:

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

13 (b) CHILD ABUSE PREVENTION AND TREATMENT.—

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

17 (2) CONFORMING AMENDMENTS.—The Victims
18 of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is
19 amended—

20 (A) in section 1402—

21 (i) in subsection (d)—

22 (I) by striking paragraph (2);

23 (II) by redesignating paragraphs

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

25 (3), respectively; and

- 1 (III) in paragraph (2) (as reded-
- 2 ignated by subclause (II))—
- 3 (aa) in subparagraph (A);
- 4 by striking the semicolon at the
- 5 end and inserting “; and”;
- 6 (bb) by striking subpara-
- 7 graph (B); and
- 8 (cc) by redesignating sub-
- 9 paragraph (C) as subparagraph
- 10 (B); and
- 11 (ii) by striking subsection (g); and
- 12 (B) by striking section 1404A.

13 (c) ADOPTION OPPORTUNITIES.—The Child Abuse

14 Prevention and Treatment and Adoption Reform Act of

15 1978 (42 U.S.C. 5111 et seq.) is repealed.

16 (d) CRISIS NURSERIES.—The Temporary Child Care

17 for Children with Disabilities and Crisis Nurseries Act of

18 1986 (42 U.S.C. 5117 et seq.) is amended—

19 (1) in the title heading by striking “AND CRI-

20 SIS NURSERIES”;

21 (2) in section 201 by striking “and Crisis Nurs-

22 eries”;

23 (3) in section 202—

24 (A) by striking “provide: (A) temporary”

25 and inserting “to provide temporary”; and

1 ~~(B)~~ by striking “children, and ~~(B)~~” and all
2 that follows through the period and inserting
3 “children.”;

4 ~~(4)~~ by striking section 204; and

5 ~~(5)~~ in section 205—

6 ~~(A)~~ in subsection (a)—

7 ~~(i)~~ in paragraph ~~(1)(A)~~ by striking
8 “or 204”; and

9 ~~(ii)~~ in paragraph ~~(2)~~—

10 ~~(I)~~ by striking subparagraph ~~(D)~~;

11 and

12 ~~(II)~~ by redesignating subpara-
13 graph ~~(E)~~ as subparagraph ~~(D)~~;

14 ~~(B)~~ by striking subsection ~~(b)(3)~~; and

15 ~~(C)~~ in subsection ~~(d)~~—

16 ~~(i)~~ by striking paragraph ~~(3)~~; and

17 ~~(ii)~~ by redesignating paragraphs ~~(4)~~

18 and ~~(5)~~ as paragraph ~~(3)~~ and ~~(4)~~, respec-

19 tively.

20 ~~(e)~~ MISSING CHILDREN’S ASSISTANCE ACT.—The

21 Missing Children’s Assistance Act (~~42 U.S.C. 5771–5779~~)

22 is repealed.

23 ~~(f)~~ FAMILY SUPPORT CENTERS.—Subtitle F of title

24 VII of the Stewart B. McKinney Homeless Assistance Act

25 (~~42 U.S.C. 11481–11489~~) is repealed.

1 (g) INVESTIGATION AND PROSECUTION OF CHILD
2 ABUSE CASES.—Subtitle A of title II of the Victims of
3 Child Abuse Act of 1990 (42 U.S.C. 13001–13004) is re-
4 pealed.

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

8 **Subtitle D—Related Provisions**

9 **SEC. 381. REQUIREMENT THAT DATA RELATING TO THE IN-**
10 **CIDENCE OF POVERTY IN THE UNITED**
11 **STATES BE PUBLISHED AT LEAST EVERY 2**
12 **YEARS.**

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

23 (b) CONTENT; FREQUENCY.—Data under this sec-
24 tion—

25 (1) shall include—

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

4 (B) for each State and county referred to
5 in subsection (a), the number of individuals age
6 65 or older below the poverty level; and

7 (2) shall be published—

8 (A) for each State, county, and local unit
9 of general purpose government referred to in
10 subsection (a), in 1996 and at least every sec-
11 ond year thereafter; and

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

14 (c) AUTHORITY TO AGGREGATE.—

15 (1) IN GENERAL.—If reliable data could not
16 otherwise be produced, the Secretary may, for pur-
17 poses of subsection (b)(1)(A), aggregate school dis-
18 tricts, but only to the extent necessary to achieve re-
19 liability.

20 (2) INFORMATION RELATING TO USE OF AU-
21 THORITY.—Any data produced under this subsection
22 shall be appropriately identified and shall be accom-
23 panied by a detailed explanation as to how and why
24 aggregation was used (including the measures taken
25 to minimize any such aggregation).

1 (d) REPORT TO BE SUBMITTED WHENEVER DATA
2 IS NOT TIMELY PUBLISHED.—If the Secretary is unable
3 to produce and publish the data required under this sec-
4 tion for any State, county, local unit of general purpose
5 government, or school district in any year specified in sub-
6 section (b)(2), a report shall be submitted by the Secretary
7 to the President of the Senate and the Speaker of the
8 House of Representatives, not later than 90 days before
9 the start of the following year, enumerating each govern-
10 ment or school district excluded and giving the reasons
11 for the exclusion.

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

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

22 (g) DEFINITION.—For the purpose of this section,
23 the term “Secretary” means the Secretary of Health and
24 Human Services.

1 (3) demographic data, including household com-
2 position, marital status, relationship of householders,
3 racial and ethnic designation, age, and educational
4 attainment.

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

9 (d) DEFINITION.—For the purpose of this section,
10 the term “Secretary” means the Secretary of Health and
11 Human Services.

12 (e) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to carry out this section
14 \$2,500,000 in fiscal year 1996, \$10,000,000 for each of
15 fiscal years 1997 through 2002, and \$2,000,000 for fiscal
16 year 2003.

17 **Subtitle E—General Effective Date;**
18 **Preservation of Actions, Obliga-**
19 **tions, and Rights**

20 **SEC. 391. EFFECTIVE DATE.**

21 Except as otherwise provided in this title, this title
22 and the amendments made by this title shall take effect
23 on October 1, 1995.

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

2 An amendment or repeal made by this title shall not
3 apply with respect to—

4 (1) powers, duties, functions, rights, claims,
5 penalties, or obligations applicable to financial as-
6 sistance provided before the effective date of amend-
7 ment or repeal, as the case may be, under the Act
8 so amended or so repealed; and

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

12 **TITLE IV—RESTRICTING WEL-**
13 **FARE AND PUBLIC BENEFITS**
14 **FOR ALIENS**

15 **SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING**
16 **WELFARE AND IMMIGRATION.**

17 The Congress makes the following statements con-
18 cerning national policy with respect to welfare and immi-
19 gration:

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

23 (2) It continues to be the immigration policy of
24 the United States that—

25 (A) aliens within the nation's borders not
26 depend on public resources to meet their needs,

1 but rather rely on their own capabilities and the
2 resources of their families, their sponsors, and
3 private organizations, and

4 ~~(B)~~ the availability of public benefits not
5 constitute an incentive for immigration to the
6 United States.

7 ~~(3)~~ Despite the principle of self-sufficiency,
8 aliens have been applying for and receiving public
9 benefits from Federal, State, and local governments
10 at increasing rates.

11 ~~(4)~~ Current eligibility rules for public assistance
12 and unenforceable financial support agreements have
13 proved wholly incapable of assuring that individual
14 aliens not burden the public benefits system.

15 ~~(5)~~ It is a compelling government interest to
16 enact new rules for eligibility and sponsorship agree-
17 ments in order to assure that aliens be self-reliant
18 in accordance with national immigration policy.

19 ~~(6)~~ It is a compelling government interest to re-
20 move the incentive for illegal immigration provided
21 by the availability of public benefits.

1 **Subtitle A—Eligibility for Federal**
2 **Benefits Programs**

3 **SEC. 401. INELIGIBILITY OF ILLEGAL ALIENS FOR CERTAIN**
4 **PUBLIC BENEFITS PROGRAMS.**

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

10 (b) ~~EXCEPTION FOR EMERGENCY ASSISTANCE.~~—
11 Subsection (a) shall not apply to the provision of non-cash,
12 in-kind emergency assistance (including emergency medi-
13 cal services).

14 (c) ~~TREATMENT OF HOUSING-RELATED ASSIST-~~
15 ~~ANCE.~~—Subsection (a) shall not apply to any program for
16 housing or community development assistance adminis-
17 tered by the Secretary of Housing and Urban Develop-
18 ment, any program under title V of the Housing Act of
19 1949, or any assistance under section 306C of the Consoli-
20 dated Farm and Rural Development Act, except that in
21 the case of financial assistance (as defined in section
22 214(b) of the Housing and Community Development Act
23 of 1980), the provisions of section 214 of such Act shall
24 apply instead of subsection (a).

1 ~~SEC. 402. INELIGIBILITY OF NONIMMIGRANTS FOR CER-~~
2 ~~TAIN PUBLIC BENEFITS PROGRAMS.~~

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

8 (b) ~~EXCEPTIONS.~~—

9 (1) ~~EMERGENCY ASSISTANCE.~~—Subsection (a)
10 shall not apply to the provision of non-cash, in-kind
11 emergency assistance (including emergency medical
12 services).

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

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

25 (c) ~~TREATMENT OF HOUSING-RELATED ASSIST-~~
26 ~~ANCE.~~—Subsection (a) shall not apply to any program for

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

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

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

19 (a) IN GENERAL.—Notwithstanding any other provi-
20 sion of law and except as provided in subsection (b), any
21 alien who is lawfully present in the United States shall
22 not be eligible for any of the following Federal means-test-
23 ed public benefits programs:

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

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

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

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

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

12 (b) EXCEPTIONS.—

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

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

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

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

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

3 ~~(3) VETERAN AND ACTIVE DUTY EXCEPTION.—~~

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

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

10 (B) on active duty (other than active duty
11 for training) in the Armed Forces of the United
12 States, or

13 (C) the spouse or unmarried dependent
14 child of an individual described in subparagraph
15 (A) or (B).

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

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

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

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

5 ~~(6) CERTAIN PERMANENT RESIDENT AND DIS-~~
6 ~~ABLED ALIENS.—~~Subsection (a) shall not apply to
7 an alien who—

8 (A) has been lawfully admitted to the
9 United States for permanent residence; and

10 (B) is unable because of physical or devel-
11 opmental disability or mental impairment (in-
12 cluding Alzheimer's disease) to comply with the
13 naturalization requirements of section 312(a) of
14 the Immigration and Naturalization Act.

15 **SEC. 404. NOTIFICATION.**

16 Each Federal agency that administers a program to
17 which section 401, 402, or 403 applies shall, directly or
18 through the States, post information and provide general
19 notification to the public and to program recipients of the
20 changes regarding eligibility for any such program pursu-
21 ant to this subtitle.

1 **Subtitle B—Eligibility for State**
2 **and Local Public Benefits Pro-**
3 **grams**

4 **SEC. 411. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE**
5 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

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

13 (b) **EXCEPTION FOR EMERGENCY ASSISTANCE.**—
14 Subsection (a) shall not apply to the provision of non-cash,
15 in-kind emergency assistance (including emergency medi-
16 cal services).

17 **SEC. 412. INELIGIBILITY OF NONIMMIGRANTS FOR STATE**
18 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

19 (a) **IN GENERAL.**—Notwithstanding any other provi-
20 sion of law and except as otherwise provided in this sec-
21 tion, no alien who is lawfully present in the United States
22 as a nonimmigrant shall be eligible for any State means-
23 tested public benefits program (as defined in section
24 431(d)(3)).

25 (b) **EXCEPTIONS.**—

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

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

10 (3) ~~TREATMENT OF TEMPORARY AGRICUL-~~
11 ~~TURAL WORKERS.~~—Subsection (a) shall not apply to
12 a nonimmigrant admitted as a temporary agricul-
13 tural worker under section 101(a)(15)(H)(ii)(a) of
14 the Immigration and Nationality Act or as the
15 spouse or minor child of such a worker under section
16 101(a)(15)(H)(iii) of such Act.

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

1 **SEC. 413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IM-**
2 **MIGRANTS FOR STATE AND LOCAL MEANS-**
3 **TESTED PUBLIC BENEFITS PROGRAMS.**

4 (a) **IN GENERAL.**—Notwithstanding any other provi-
5 sion of law and except as otherwise provided in this section
6 or section 412, a State is authorized to determine eligi-
7 bility requirements for aliens who are lawfully present in
8 the United States for any State means-tested public bene-
9 fits program.

10 (b) **EXCEPTIONS.**—

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

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

20 (A) has been lawfully admitted to the
21 United States for permanent residence;

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

23 (C) has resided in the United States for at
24 least 5 years.

25 (3) **VETERAN AND ACTIVE DUTY EXCEPTION.**—

26 The authority under subsection (a) shall not apply

1 to an alien who is lawfully residing in any State (or
2 any territory or possession of the United States) and
3 is—

4 (A) a veteran (as defined in section 101 of
5 title 38, United States Code) with a discharge
6 characterized as an honorable discharge,

7 (B) on active duty (other than active duty
8 for training) in the Armed Forces of the United
9 States, or

10 (C) the spouse or unmarried dependent
11 child of an individual described in subparagraph
12 (A) or (B).

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

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

20 (5) TRANSITION.—The authority under sub-
21 section (a) shall not apply to eligibility of an alien
22 for a State means-tested public benefits program
23 until 1 year after the date of the enactment of this
24 Act if, on such date of enactment, the alien is law-
25 fully present in the United States and is eligible for

1 benefits under the program. Nothing in the previous
2 sentence is intended to address alien eligibility for
3 such a program before the date of the enactment of
4 this Act.

5 **Subtitle C—Attribution of Income**
6 **and Affidavits of Support**

7 **SEC. 421. ATTRIBUTION OF SPONSOR'S INCOME AND RE-**
8 **SOURCES TO FAMILY-SPONSORED IMMI-**
9 **GRANTS.**

10 (a) **IN GENERAL.**—Notwithstanding any other provi-
11 sion of law and except as provided in subsection (c), in
12 determining the eligibility and the amount of benefits of
13 an alien for any means-tested public benefits program (as
14 defined in section 431(d)) the income and resources of the
15 alien shall be deemed to include—

16 (1) the income and resources of any person who
17 executed an affidavit of support pursuant to section
18 213A of the Immigration and Nationality Act (as
19 added by section 422) in behalf of such alien, and

20 (2) the income and resources of the spouse (if
21 any) of the person.

22 (b) **APPLICATION.**—Subsection (a) shall apply with
23 respect to an alien until such time as the alien achieves
24 United States citizenship through naturalization pursuant

1 to chapter 2 of title III of the Immigration and National-
2 ity Act.

3 ~~(c) EXCEPTION FOR HOUSING-RELATED ASSIST-~~
4 ~~ANCE.—~~Subsection (a) shall not apply to any program for
5 housing or community development assistance adminis-
6 tered by the Secretary of Housing and Urban Develop-
7 ment, any program under title V of the Housing Act of
8 1949, or any assistance under section 306C of the Consoli-
9 dated Farm and Rural Development Act.

10 **SEC. 422. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**
11 **SUPPORT.**

12 ~~(a) IN GENERAL.—~~Title II of the Immigration and
13 Nationality Act is amended by inserting after section 213
14 the following new section:

15 ~~“REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT~~

16 ~~“SEC. 213A. (a) ENFORCEABILITY.—~~No affidavit of
17 support may be accepted by the Attorney General or by
18 any consular officer to establish that an alien is not ex-
19 cludable as a public charge under section 212(a)(4) unless
20 such affidavit is executed as a contract—

21 ~~“(1) which is legally enforceable against the~~
22 ~~sponsor by the Federal Government and by any~~
23 ~~State (or any political subdivision of such State)~~
24 ~~which provides any means-tested public benefits pro-~~
25 ~~gram, but not later than 10 years after the alien last~~
26 ~~receives any such benefit; and~~

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

4 Such contract shall be enforceable with respect to benefits
5 provided to the alien until such time as the alien achieves
6 United States citizenship through naturalization pursuant
7 to chapter 2 of title III.

8 “(b) FORMS.—Not later than 90 days after the date
9 of enactment of this section, the Attorney General, in con-
10 sultation with the Secretary of State and the Secretary
11 of Health and Human Services, shall formulate an affida-
12 vit of support consistent with the provisions of this sec-
13 tion.

14 “(c) STATUTORY CONSTRUCTION.—Nothing in this
15 section shall be construed to grant third party beneficiary
16 rights to any sponsored alien under an affidavit of
17 support.

18 “(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1)
19 The sponsor shall notify the Federal Government and the
20 State in which the sponsored alien is currently resident
21 within 30 days of any change of address of the sponsor
22 during the period specified in subsection (a)(1).

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

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

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

7 ~~“(e) REIMBURSEMENT OF GOVERNMENT EX-~~
8 ~~PENSES.—(1)(A) Upon notification that a sponsored alien~~
9 ~~has received any benefit under any means-tested public~~
10 ~~benefits program, the appropriate Federal, State, or local~~
11 ~~official shall request reimbursement by the sponsor in the~~
12 ~~amount of such assistance.~~

13 ~~“(B) The Attorney General, in consultation with the~~
14 ~~Secretary of Health and Human Services, shall prescribe~~
15 ~~such regulations as may be necessary to carry out sub-~~
16 ~~paragraph (A).~~

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

22 ~~“(3) If the sponsor fails to abide by the repayment~~
23 ~~terms established by such agency, the agency may, within~~
24 ~~60 days of such failure, bring an action against the spon-~~
25 ~~sor pursuant to the affidavit of support.~~

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

5 “(f) DEFINITIONS.—For the purposes of this sec-
6 tion—

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

9 “(A) is a citizen or national of the United
10 States or an alien who is lawfully admitted to
11 the United States for permanent residence;

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

13 “(C) is domiciled in any State.

14 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-
15 GRAM.—The term ‘means-tested public benefits pro-
16 gram’ means a program of public benefits (including
17 cash, medical, housing, and food assistance and so-
18 cial services) of the Federal Government or of a
19 State or political subdivision of a State in which the
20 eligibility of an individual, household, or family eligi-
21 bility unit for benefits under the program, or the
22 amount of such benefits, or both are determined on
23 the basis of income, resources, or financial need of
24 the individual, household, or unit.”.

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

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

4 (c) EFFECTIVE DATE.—Subsection (a) of section
5 213A of the Immigration and Nationality Act, as inserted
6 by subsection (a) of this section, shall apply to affidavits
7 of support executed on or after a date specified by the
8 Attorney General, which date shall be not earlier than 60
9 days (and not later than 90 days) after the date the Attor-
10 ney General formulates the form for such affidavits under
11 subsection (b) of such section.

12 **Subtitle D—General Provisions**

13 **SEC. 431. DEFINITIONS.**

14 (a) IN GENERAL.—Except as otherwise provided in
15 this section, the terms used in this title have the same
16 meaning given such terms in section 101(a) of the Immi-
17 gration and Nationality Act.

18 (b) LAWFUL PRESENCE.—For purposes of this title,
19 the determination of whether an alien is lawfully present
20 in the United States shall be made in accordance with reg-
21 ulations of the Attorney General. An alien shall not be
22 considered to be lawfully present in the United States for
23 purposes of this title merely because the alien may be con-
24 sidered to be permanently residing in the United States
25 under color of law for purposes of any particular program.

1 (c) STATE.—As used in this title, the term “State”
2 includes the District of Columbia, Puerto Rico, the Virgin
3 Islands, Guam, the Northern Mariana Islands, and Amer-
4 ican Samoa.

5 (d) PUBLIC BENEFITS PROGRAMS.—As used in this
6 title—

7 (1) MEANS-TESTED PROGRAM.—The term
8 “means-tested public benefits program” means a
9 program of public benefits (including cash, medical,
10 housing, and food assistance and social services) of
11 the Federal Government or of a State or political
12 subdivision of a State in which the eligibility of an
13 individual, household, or family eligibility unit for
14 benefits under the program, or the amount of such
15 benefits, or both are determined on the basis of in-
16 come, resources, or financial need of the individual,
17 household, or unit.

18 (2) FEDERAL MEANS-TESTED PUBLIC BENE-
19 FITS PROGRAM.—The term “Federal means-tested
20 public benefits program” means a means-tested pub-
21 lic benefits program of (or contributed to by) the
22 Federal Government and under which the Federal
23 Government has specified standards for eligibility
24 and includes the programs specified in section
25 403(a).

1 (3) ~~STATE MEANS-TESTED PUBLIC BENEFITS~~
2 PROGRAM.—The term “State means-tested public
3 benefits program” means a means-tested public ben-
4 efits program of a State or political subdivision of a
5 State under which the State or political subdivision
6 specifies the standards for eligibility, and does not
7 include any Federal means-tested public benefits
8 program.

9 **SEC. 432. CONSTRUCTION.**

10 Nothing in this title shall be construed as addressing
11 alien eligibility for governmental programs that are not
12 means-tested public benefits programs.

13 **Subtitle E—Conforming**
14 **Amendments**

15 **SEC. 441. CONFORMING AMENDMENTS RELATING TO AS-**
16 **SISTED HOUSING.**

17 (a) **LIMITATIONS ON ASSISTANCE.**—Section 214 of
18 the Housing and Community Development Act of 1980
19 (42 U.S.C. 1436a) is amended—

20 (1) by striking “Secretary of Housing and
21 Urban Development” each place it appears and in-
22 serting “applicable Secretary”;

23 (2) in subsection (b), by inserting after “Na-
24 tional Housing Act,” the following: “the direct loan
25 program under section 502 of the Housing Act of

1 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or
2 542 of such Act, subtitle A of title III of the Cran-
3 ston-Gonzalez National Affordable Housing Act.”;

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

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

10 (5) by adding at the end the following new sub-
11 section:

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

14 “(1) the Secretary of Housing and Urban De-
15 velopment, with respect to financial assistance ad-
16 ministered by such Secretary and financial assist-
17 ance under subtitle A of title III of the Cranston-
18 Gonzalez National Affordable Housing Act; and

19 “(2) the Secretary of Agriculture, with respect
20 to financial assistance administered by such Sec-
21 retary.”.

22 (b) CONFORMING AMENDMENTS.—Section 501(h) of
23 the Housing Act of 1949 (42 U.S.C. 1471(h)) is
24 amended—

25 (1) by striking “(1)”;

1 (2) by striking “by the Secretary of Housing
2 and Urban Development”; and

3 (3) by striking paragraph (2).

4 **TITLE V—FOOD STAMP REFORM**
5 **AND COMMODITY DISTRIBUTION**

6 **SEC. 501. SHORT TITLE.**

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

9 **Subtitle A—Commodity**
10 **Distribution Provisions**

11 **SEC. 511. SHORT TITLE.**

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

14 **SEC. 512. AVAILABILITY OF COMMODITIES.**

15 (a) Notwithstanding any other provision of law, the
16 Secretary of Agriculture (hereinafter in this subtitle re-
17 ferred to as the “Secretary”) is authorized during fiscal
18 years 1996 through 2000 to purchase a variety of nutri-
19 tious and useful commodities and distribute such commod-
20 ities to the States for distribution in accordance with this
21 subtitle.

22 (b) In addition to the commodities described in sub-
23 section (a), the Secretary may expend funds made avail-
24 able to carry out section 32 of the Act of August 24, 1935
25 (7 U.S.C. 612c), which are not expended or needed to

1 carry out such sections, to purchase, process, and distrib-
2 ute commodities of the types customarily purchased under
3 such section to the States for distribution in accordance
4 with this subtitle.

5 (c) In addition to the commodities described in sub-
6 sections (a) and (b), agricultural commodities and the
7 products thereof made available under clause (2) of the
8 second sentence of section 32 of the Act of August 24,
9 1935 (7 U.S.C. 612c), may be made available by the Sec-
10 retary to the States for distribution in accordance with
11 this subtitle.

12 (d) In addition to the commodities described in sub-
13 sections (a), (b), and (c), commodities acquired by the
14 Commodity Credit Corporation that the Secretary deter-
15 mines, in the discretion of the Secretary, are in excess of
16 quantities need to—

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

19 (2) meet other domestic obligations;

20 (3) meet international market development and
21 food aid commitments; and

22 (4) carry out the farm price and income sta-
23 bilization purposes of the Agricultural Adjustment
24 Act of 1938, the Agricultural Act of 1949, and the
25 Commodity Credit Corporation Charter Act;

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

4 (e) During each fiscal year, the types, varieties, and
5 amounts of commodities to be purchased under this sub-
6 title shall be determined by the Secretary. In purchasing
7 such commodities, except those commodities purchased
8 pursuant to section 520, the Secretary shall, to the extent
9 practicable and appropriate, make purchases based on—

10 (1) agricultural market conditions;

11 (2) the preferences and needs of States and dis-
12 tributing agencies; and

13 (3) the preferences of the recipients.

14 **SEC. 513. STATE, LOCAL AND PRIVATE SUPPLEMENTATION**
15 **OF COMMODITIES.**

16 (a) The Secretary shall establish procedures under
17 which State and local agencies, recipient agencies, or any
18 other entity or person may supplement the commodities
19 distributed under this subtitle for use by recipient agencies
20 with nutritious and wholesome commodities that such en-
21 tities or persons donate for distribution, in all or part of
22 the State, in addition to the commodities otherwise made
23 available under this subtitle.

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

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

3 (2) equipment, structures, vehicles, and all
4 other facilities involved in the storage, handling, or
5 distribution of commodities made available under
6 this subtitle; and

7 (3) the personnel, both paid or volunteer, in-
8 volved in such storage, handling, or distribution;
9 to store, handle or distribute commodities donated for use
10 under subsection (a).

11 (c) States and recipient agencies shall continue, to
12 the maximum extent practical, to use volunteer workers,
13 and commodities and other foodstuffs donated by chari-
14 table and other organizations, in the distribution of com-
15 modities under this subtitle.

16 **SEC. 514. STATE PLAN.**

17 (a) A State seeking to receive commodities under this
18 subtitle shall submit a plan of operation and administra-
19 tion every four years to the Secretary for approval. The
20 plan may be amended at any time, with the approval of
21 the Secretary.

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

23 (1) designate the State agency responsible for
24 distributing the commodities received under this sub-
25 title;

1 (2) set forth a plan of operation and adminis-
2 tration to expeditiously distribute commodities under
3 this subtitle in quantities requested to eligible recipi-
4 ent agencies in accordance with sections 516 and
5 520;

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

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

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

13 (B) individual or household members to be
14 residing in the geographic location served by
15 the distributing agency at the time of applica-
16 tion for assistance.

17 (c) The Secretary shall encourage each State receiv-
18 ing commodities under this subtitle to establish a State
19 advisory board consisting of representatives of all inter-
20 ested entities, both public and private, in the distribution
21 of commodities received under this subtitle in the State.

22 (d) A State agency receiving commodities under this
23 subtitle may—

24 (1)(A) enter into cooperative agreements with
25 State agencies of other States to jointly provide

1 commodities received under this subtitle to eligible
2 recipient agencies that serve needy persons in a sin-
3 gle geographical area which includes such States; or

4 (B) transfer commodities received under this
5 subtitle to any such eligible recipient agency in the
6 other State under such agreement; and

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

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

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

14 (1) 60 percent of the such total value of com-
15 modities shall be allocated in a manner such that the
16 value of commodities allocated to each State bears
17 the same ratio to 60 percent of such total value as
18 the number of persons in households within the
19 State having incomes below the poverty line bears to
20 the total number of persons in households within all
21 States having incomes below such poverty line. Each
22 State shall receive the value of commodities allocated
23 under this paragraph.

24 (2) 40 percent of such total value of commod-
25 ities shall be allocated in a manner such that the

1 value of commodities allocated to each State bears
2 the same ratio to 40 percent of such total value as
3 the average monthly number of unemployed persons
4 within the State bears to the average monthly num-
5 ber of unemployed persons within all States during
6 the same fiscal year. Each State shall receive the
7 value of commodities allocated to the State under
8 this paragraph.

9 (b)(1) The Secretary shall notify each State of the
10 amount of commodities that such State is allotted to re-
11 ceive under subsection (a) or this subsection, if applicable.
12 Each State shall promptly notify the Secretary if such
13 State determines that it will not accept any or all of the
14 commodities made available under such allocation. On
15 such a notification by a State, the Secretary shall reallo-
16 cate and distribute such commodities as the Secretary
17 deems appropriate and equitable. The Secretary shall fur-
18 ther establish procedures to permit States to decline to
19 receive portions of such allocation during each fiscal year
20 as the State determines is appropriate and the Secretary
21 shall reallocate and distribute such allocation as the Sec-
22 retary deems appropriate and equitable.

23 (2) In the event of any drought, flood, hurricane, or
24 other natural disaster affecting substantial numbers of
25 persons in a State, county, or parish, the Secretary may

1 request that States unaffected by such a disaster consider
2 assisting affected States by allowing the Secretary to re-
3 allocate commodities from such unaffected State to States
4 containing areas adversely affected by the disaster.

5 (c) Purchases of commodities under this subtitle shall
6 be made by the Secretary at such times and under such
7 conditions as the Secretary determines appropriate within
8 each fiscal year. All commodities so purchased for each
9 such fiscal year shall be delivered at reasonable intervals
10 to States based on the allocations and reallocations made
11 under subsections (a) and (b), and or carry out section
12 520, not later than December 31 of the following fiscal
13 year.

14 **SEC. 516. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF**
15 **COMMODITIES.**

16 (a) In distributing the commodities allocated under
17 subsections (a) and (b) of section 515, the State agency,
18 under procedures determined by the State agency, shall
19 offer, or otherwise make available, its full allocation of
20 commodities for distribution to emergency feeding organi-
21 zations.

22 (b) If the State agency determines that the State will
23 not exhaust the commodities allocated under subsections
24 (a) and (b) of section 515 through distribution to organi-
25 zations referred to in subsection (a), its remaining alloca-

1 tion of commodities shall be distributed to charitable insti-
2 tutions described in section 523(3) not receiving commod-
3 ities under subsection (a).

4 (c) If the State agency determines that the State will
5 not exhaust the commodities allocated under subsections
6 (a) and (b) of section 515 through distribution to organi-
7 zations referred to in subsections (a) and (b), its remain-
8 ing allocation of commodities shall be distributed to any
9 eligible recipient agency not receiving commodities under
10 subsections (a) and (b).

11 **SEC. 517. INITIAL PROCESSING COSTS.**

12 The Secretary may use funds of the Commodity
13 Credit Corporation to pay the costs of initial processing
14 and packaging of commodities to be distributed under this
15 subtitle into forms and in quantities suitable, as deter-
16 mined by the Secretary, for use by the individual house-
17 holds or eligible recipient agencies, as applicable. The Sec-
18 retary may pay such costs in the form of Corporation-
19 owned commodities equal in value to such costs. The Sec-
20 retary shall ensure that any such payments in kind will
21 not displace commercial sales of such commodities.

22 **SEC. 518. ASSURANCES; ANTICIPATED USE.**

23 (a) The Secretary shall take such precautions as the
24 Secretary deems necessary to ensure that commodities
25 made available under this subtitle will not displace com-

1 mercial sales of such commodities or the products thereof.
2 The Secretary shall submit to the Committee on Agri-
3 culture of the House of Representatives and the Commit-
4 tee on Agriculture, Nutrition, and Forestry of the Senate
5 by December 31, 1997, and not less than every two years
6 thereafter, a report as to whether and to what extent such
7 displacements or substitutions are occurring.

8 (b) The Secretary shall determine that commodities
9 provided under this subtitle shall be purchased and dis-
10 tributed only in quantities that can be consumed without
11 waste. No eligible recipient agency may receive commod-
12 ities under this subtitle in excess of anticipated use, based
13 on inventory records and controls, or in excess of its ability
14 to accept and store such commodities.

15 **SEC. 519. AUTHORIZATION OF APPROPRIATIONS.**

16 (a) PURCHASE OF COMMODITIES.—To carry out this
17 subtitle, there are authorized to be appropriated
18 \$260,000,000 for each of the fiscal years 1996 through
19 2000 to purchase, process, and distribute commodities to
20 the States in accordance with this subtitle.

21 (b) ADMINISTRATIVE FUNDS.—

22 (1) There are authorized to be appropriated
23 \$40,000,000 for each of the fiscal years 1996
24 through 2000 for the Secretary to make available to
25 the States for State and local payments for costs as-

1 sociated with the distribution of commodities by eli-
2 gible recipient agencies under this subtitle, excluding
3 costs associated with the distribution of those com-
4 modities distributed under section 520. Funds ap-
5 propriated under this paragraph for any fiscal year
6 shall be allocated to the States on an advance basis
7 dividing such funds among the States in the same
8 proportions as the commodities distributed under
9 this subtitle for such fiscal year are allocated among
10 the States. If a State agency is unable to use all of
11 the funds so allocated to it, the Secretary shall re-
12 allocate such unused funds among the other States
13 in a manner the Secretary deems appropriate and
14 equitable.

15 ~~(2)(A)~~ A State shall make available in each fis-
16 cal year to eligible recipient agencies in the State
17 not less than 40 percent of the funds received by the
18 State under paragraph ~~(1)~~ for such fiscal year, as
19 necessary to pay for, or provide advance payments
20 to cover, the allowable expenses of eligible recipient
21 agencies for distributing commodities to needy per-
22 sons, but only to the extent such expenses are actu-
23 ally so incurred by such recipient agencies.

24 ~~(B)~~ As used in this paragraph, the term “allow-
25 able expenses” includes—

1 (i) costs of transporting, storing, handling,
2 repackaging, processing, and distributing com-
3 modities incurred after such commodities are
4 received by eligible recipient agencies;

5 (ii) costs associated with determinations of
6 eligibility, verification, and documentation;

7 (iii) costs of providing information to per-
8 sons receiving commodities under this subtitle
9 concerning the appropriate storage and prepa-
10 ration of such commodities; and

11 (iv) costs of recordkeeping, auditing, and
12 other administrative procedures required for
13 participation in the program under this subtitle.

14 (C) If a State makes a payment, using State
15 funds, to cover allowable expenses of eligible recipi-
16 ent agencies, the amount of such payment shall be
17 counted toward the amount a State must make
18 available for allowable expenses of recipient agencies
19 under this paragraph.

20 (3) States to which funds are allocated for a
21 fiscal year under this subsection shall submit finan-
22 cial reports to the Secretary, on a regular basis, as
23 to the use of such funds. No such funds may be
24 used by States or eligible recipient agencies for costs
25 other than those involved in covering the expenses

1 related to the distribution of commodities by eligible
2 recipient agencies.

3 ~~(4)(A) Except as provided in subparagraph (B),~~
4 ~~to be eligible to receive funds under this subsection,~~
5 ~~a State shall provide in cash or in kind (according~~
6 ~~to procedures approved by the Secretary for certify-~~
7 ~~ing these in-kind contributions) from non-Federal~~
8 ~~sources a contribution equal to the difference be-~~
9 ~~tween—~~

10 (i) the amount of such funds so received;

11 and

12 (ii) any part of the amount allocated to the
13 State and paid by the State—

14 (I) to eligible recipient agencies; or

15 (II) for the allowable expenses of such
16 recipient agencies; for use in carrying out
17 this subtitle.

18 ~~(B) Funds allocated to a State under this sec-~~
19 ~~tion may, upon State request, be allocated before~~
20 ~~States satisfy the matching requirement specified in~~
21 ~~subparagraph (A), based on the estimated contribu-~~
22 ~~tion required. The Secretary shall periodically rec-~~
23 ~~oncile estimated and actual contributions and adjust~~
24 ~~allocations to the State to correct for overpayments~~
25 ~~and underpayments.~~

1 (C) Any funds distributed for administrative
2 costs under section 520(b) shall not be covered by
3 this paragraph.

4 (5) States may not charge for commodities
5 made available to eligible recipient agencies, and
6 may not pass on to such recipient agencies the cost
7 of any matching requirements, under this subtitle.

8 (c) The value of the commodities made available
9 under subsections (c) and (d) of section 512, and the
10 funds of the Commodity Credit Corporation used to pay
11 the costs of initial processing, packaging (including forms
12 suitable for home use), and delivering commodities to the
13 States shall not be charged against appropriations author-
14 ized by this section.

15 **SEC. 520. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

16 (a) From the funds appropriated under section
17 519(a), \$94,500,000 shall be used for each fiscal year to
18 purchase and distribute commodities to supplemental feed-
19 ing programs serving woman, infants, and children or el-
20 derly individuals (hereinafter in this section referred to as
21 the “commodity supplemental food program”), or serving
22 both groups wherever located.

23 (b) Not more than 20 percent of the funds made
24 available under subsection (a) shall be made available to
25 the States for State and local payments of administrative

1 costs associated with the distribution of commodities by
2 eligible recipient agencies under this section. Administra-
3 tive costs for the purposes of the commodity supplemental
4 food program shall include, but not be limited to, expenses
5 for information and referral, operation, monitoring, nutri-
6 tion education, start-up costs, and general administration,
7 including staff, warehouse and transportation personnel,
8 insurance, and administration of the State or local office.

9 (c)(1) During each fiscal year the commodity supple-
10 mental food program is in operation, the types, varieties,
11 and amounts of commodities to be purchased under this
12 section shall be determined by the Secretary, but, if the
13 Secretary proposes to make any significant changes in the
14 types, varieties, or amounts from those that were available
15 or were planned at the beginning of the fiscal year the
16 Secretary shall report such changes before implementation
17 to the Committee on Agriculture of the House of Rep-
18 resentatives and the Committee on Agriculture, Nutrition,
19 and Forestry of the Senate.

20 (2) Notwithstanding any other provision of law, the
21 Commodity Credit Corporation shall, to the extent that
22 the Commodity Credit Corporation inventory levels per-
23 mit, provide not less than 9,000,000 pounds of cheese and
24 not less than 4,000,000 pounds of nonfat dry milk in each
25 of the fiscal years 1996 through 2000 to the Secretary.

1 The Secretary shall use such amounts of cheese and non-
2 fat dry milk to carry out the commodity supplemental food
3 program before the end of each fiscal year.

4 (d) The Secretary shall, in each fiscal year, approve
5 applications of additional sites for the program, including
6 sites that serve only elderly persons, in areas in which the
7 program currently does not operate, to the full extent that
8 applications can be approved within the appropriations
9 available for the program for the fiscal year and without
10 reducing actual participation levels (including participa-
11 tion of elderly persons under subsection (e)) in areas in
12 which the program is in effect.

13 (e) If a local agency that administers the commodity
14 supplemental food program determines that the amount
15 of funds made available to the agency to carry out this
16 section exceeds the amount of funds necessary to provide
17 assistance under such program to women, infants, and
18 children, the agency, with the approval of the Secretary,
19 may permit low-income elderly persons (as defined by the
20 Secretary) to participate in and be served by such pro-
21 gram.

22 (f)(1) If it is necessary for the Secretary to pay a
23 significantly higher than expected price for one or more
24 types of commodities purchased under this section, the
25 Secretary shall promptly determine whether the price is

1 likely to cause the number of persons that can be served
2 in the program in a fiscal year to decline.

3 ~~(2)~~ If the Secretary determines that such a decline
4 would occur, the Secretary shall promptly notify the State
5 agencies charged with operating the program of the de-
6 cline and shall ensure that a State agency notify all local
7 agencies operating the program in the State of the decline.

8 ~~(g)~~ Commodities distributed to States pursuant to
9 this section shall not be considered in determining the
10 commodity allocation to each State under section 515 or
11 priority of distribution under section 516.

12 **SEC. 521. COMMODITIES NOT INCOME.**

13 Notwithstanding any other provision of law, commod-
14 ities distributed under this subtitle shall not be considered
15 income or resources for purposes of determining recipient
16 eligibility under any Federal, State, or local means-tested
17 program.

18 **SEC. 522. PROHIBITION AGAINST CERTAIN STATE**
19 **CHARGES.**

20 Whenever a commodity is made available without
21 charge or credit under this subtitle by the Secretary for
22 distribution within the States to eligible recipient agencies,
23 the State may not charge recipient agencies any amount
24 that is in excess of the State's direct costs of storing, and
25 transporting to recipient agencies the commodities minus

1 any amount the Secretary provides the State for the costs
2 of storing and transporting such commodities.

3 **SEC. 523. DEFINITIONS.**

4 As used in this subtitle:

5 (1) The term “average monthly number of un-
6 employed persons” means the average monthly num-
7 ber of unemployed persons within a State in the
8 most recent fiscal year for which such information is
9 available as determined by the Bureau of Labor Sta-
10 tistics of the Department of Labor.

11 (2) The term “elderly persons” means individ-
12 uals 60 years of age or older.

13 (3) The term “eligible recipient agency” means
14 a public or nonprofit organization that admin-
15 isters—

16 (A) an institution providing commodities to
17 supplemental feeding programs serving women,
18 infants, and children or serving elderly persons,
19 or serving both groups;

20 (B) an emergency feeding organization;

21 (C) a charitable institution (including a
22 hospital and a retirement home, but excluding
23 a penal institution) to the extent that such in-
24 stitution serves needy persons;

1 ~~(D)~~ a summer camp for children, or a
2 child nutrition program providing food service;

3 ~~(E)~~ a nutrition project operating under the
4 Older Americans Act of 1965, including such
5 project that operates a congregate nutrition site
6 and a project that provides home-delivered
7 meals; or

8 ~~(F)~~ a disaster relief program; and that has
9 been designated by the appropriate State agen-
10 cy, or by the Secretary, and approved by the
11 Secretary for participation in the program es-
12 tablished under this subtitle.

13 ~~(4)~~ The term “emergency feeding organization”
14 means a public or nonprofit organization that ad-
15 ministers activities and projects (including the activi-
16 ties and projects of a charitable institution, a food
17 bank, a food pantry, a hunger relief center, a soup
18 kitchen, or a similar public or private nonprofit eligi-
19 ble recipient agency) providing nutrition assistance
20 to relieve situations of emergency and distress
21 through the provision of food to needy persons, in-
22 cluding low-income and unemployed persons.

23 ~~(5)~~ The term “food bank” means a public and
24 charitable institution that maintains an established
25 operation involving the provision of food or edible

1 commodities, or the products thereof, to food pan-
2 tries, soup kitchens, hunger relief centers, or other
3 food or feeding centers that, as an integral part of
4 their normal activities, provide meals or food to feed
5 needy persons on a regular basis.

6 (6) The term “food pantry” means a public or
7 private nonprofit organization that distributes food
8 to low-income and unemployed households, including
9 food from sources other than the Department of Ag-
10 riculture, to relieve situations of emergency and dis-
11 tress.

12 (7) The term “needy persons” means—

13 (A) individuals who have low incomes or
14 who are unemployed, as determined by the
15 State (in no event shall the income of such indi-
16 vidual or household exceed 185% of the poverty
17 line);

18 (B) households certified as eligible to par-
19 ticipate in the food stamp program under the
20 Food Stamp Act of 1977 (7 U.S.C. 2011 et
21 seq.); or

22 (C) individuals or households participating
23 in any other Federal, or Federally assisted,
24 means-tested program.

1 (8) The term “poverty line” has the same
2 meaning given such term in section 673(2) of the
3 Community Services Block Grant Act (42 U.S.C.
4 9902(2)).

5 (9) The term “soup kitchen” means a public
6 and charitable institution that, as integral part of its
7 normal activities, maintains an established feeding
8 operation to provide food to needy homeless persons
9 on a regular basis.

10 **SEC. 524. REGULATIONS.**

11 (a) The Secretary shall issue regulations within 120
12 days to implement this subtitle.

13 (b) In administering this subtitle, the Secretary shall
14 minimize, to the maximum extent practicable, the regu-
15 latory, recordkeeping, and paperwork requirements im-
16 posed on eligible recipient agencies.

17 (c) The Secretary shall as early as feasible but not
18 later than the beginning of each fiscal year, publish in the
19 Federal Register a nonbinding estimate of the types and
20 quantities of commodities that the Secretary anticipates
21 are likely to be made available under the commodity dis-
22 tribution program under this subtitle during the fiscal
23 year.

24 (d) The regulations issued by the Secretary under
25 this section shall include provisions that set standards

1 with respect to liability for commodity losses for the com-
2 modities distributed under this subtitle in situations in
3 which there is no evidence of negligence or fraud, and con-
4 ditions for payment to cover such losses. Such provisions
5 shall take into consideration the special needs and cir-
6 cumstances of eligible recipient agencies.

7 **SEC. 525. FINALITY OF DETERMINATIONS.**

8 Determinations made by the Secretary under this
9 subtitle and the facts constituting the basis for any dona-
10 tion of commodities under this subtitle, or the amount
11 thereof, when officially determined in conformity with the
12 applicable regulations prescribed by the Secretary, shall
13 be final and conclusive and shall not be reviewable by any
14 other officer or agency of the Government.

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

16 Except as otherwise provided in section 517, none of
17 the commodities distributed under this subtitle shall be
18 sold or otherwise disposed of in commercial channels in
19 any form.

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

21 (a) The Secretary, or a designee of the Secretary,
22 shall have the authority to—
23 (1) determine the amount of, settle, and adjust
24 any claim arising under this subtitle; and

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

4 (b) Nothing contained in this section shall be con-
5 strued to diminish the authority of the Attorney General
6 of the United States under section 516 of title 28, United
7 States Code, to conduct litigation on behalf of the United
8 States.

9 **SEC. 528. REPEALERS; AMENDMENTS.**

10 (a) The Emergency Food Assistance Act of 1983 (7
11 U.S.C. 612e note) is repealed.

12 (b) AMENDMENTS.—

13 (1) The Hunger Prevention Act of 1988 (7
14 U.S.C. 612e note) is amended—

15 (A) by striking section 110;

16 (B) by striking subtitle C of title II; and

17 (C) by striking section 502.

18 (2) The Commodity Distribution Reform Act
19 and WIC Amendments of 1987 (7 U.S.C. 612e note)
20 is amended by striking section 4.

21 (3) The Charitable Assistance and Food Bank
22 Act of 1987 (7 U.S.C. 612e note) is amended by
23 striking section 3.

24 (4) The Food Security Act of 1985 (7 U.S.C.
25 612e note) is amended—

1 (A) by striking section 1571; and

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

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

8 (A) in section 4(a), by striking “institu-
9 tions (including hospitals and facilities caring
10 for needy infants and children), supplemental
11 feeding programs serving women, infants and
12 children or elderly persons, or both, wherever
13 located, disaster areas, summer camps for chil-
14 dren” and inserting “disaster areas”;

15 (B) in subsection 4(c), by striking “the
16 Emergency Food Assistance Act of 1983” and
17 inserting “the Commodity Distribution Act of
18 1995”; and

19 (C) by striking section 5.

20 (6) The Food, Agriculture, Conservation, and
21 Trade Act of 1990 (7 U.S.C. 612e note) is amended
22 by striking section 1773(f).

1 **Subtitle B—Simplification and**
2 **Reform of Food Stamp Program**

3 **SEC. 531. SHORT TITLE.**

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

6 **CHAPTER 1—SIMPLIFIED FOOD STAMP**
7 **PROGRAM AND STATE ASSISTANCE**
8 **FOR NEEDY FAMILIES**

9 **SEC. 541. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP**
10 **PROGRAM.**

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

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

14 (3) by adding at the end the following new
15 paragraph:

16 “(2) At the request of the State agency, a State may
17 operate a program, as provided in section 24, within the
18 State or any political subdivisions within the State in
19 which households with one or more members receiving reg-
20 ular cash benefits under the program established by the
21 State under the Temporary Assistance for Needy Families
22 Block Grant will be issued food stamp benefits in accord-
23 ance with the rules and procedures established—

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

1 ~~“(B) under the food stamp program.”~~

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

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

5 ~~“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.~~

6 ~~“(a) If a State elects to operate a program under sec-~~
7 ~~tion 4(a)(2) within the State or any political subdivision~~
8 ~~within the State—~~

9 ~~“(1) households in which all members receive~~
10 ~~regular cash benefits under the program established~~
11 ~~by the State under the Temporary Assistance for~~
12 ~~Needy Families Block Grant shall be automatically~~
13 ~~eligible to participate in the food stamp program;~~
14 ~~and~~

15 ~~“(2) benefits under such program shall be de-~~
16 ~~termined under the rules and procedures established~~
17 ~~by the State or political subdivision under the Tem-~~
18 ~~porary Assistance for Needy Families Block Grant~~
19 ~~or under the food stamp program, subject to sub-~~
20 ~~section (g).~~

21 ~~“(b) In approving a State plan to carry out a pro-~~
22 ~~gram under section 4(a)(2), the Secretary shall certify~~
23 ~~that the average level of food stamp benefits per household~~
24 ~~participating in the program under such section for the~~
25 ~~State or political subdivision in which such program is in~~

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

12 “(c) When the Secretary determines that the average
13 level of food stamp benefits per household provided by the
14 State or political subdivision under such program has ex-
15 ceeded the permissible average level of food stamp benefits
16 per household for the State or political subdivision in
17 which the program was in operation, the State or political
18 subdivision shall pay to the Treasury of the United States
19 the value of the food stamp benefits in excess of the per-
20 missible average level of food stamp benefits per household
21 in the State or political subdivision within 90 days after
22 the notification of such excess payments.

23 “(d)(1) A household against which a penalty is im-
24 posed (including a reduction in benefits or disqualifica-
25 tion) for noncompliance with the program established by

1 the State under the Temporary Assistance for Needy
2 Families Block Grant may have the same penalty imposed
3 against it (including a reduction in benefits or disqualifica-
4 tion) in the program administered under this section.

5 “(2) If the penalty for noncompliance with the pro-
6 gram established by the State under the Temporary As-
7 sistance for Needy Families block grant is a reduction in
8 benefits in such program, the household shall not receive
9 an increased allotment under the program administered
10 under this section as a result of a decrease in the house-
11 hold’s income (as determined by the State under this sec-
12 tion) caused by such penalty.

13 “(3) Any household disqualified from the program
14 administered under this subsection may, after such dis-
15 qualification period has expired, apply for food stamp ben-
16 efits under this Act and shall be treated as a new appli-
17 cant.

18 “(e) If a State or political subdivision, at its option,
19 operates a program under section 4(a)(2) for households
20 that include any member who does not receive regular
21 cash benefits under the program established by the State
22 under the Temporary Assistance for Needy Families Block
23 Grant, the Secretary shall ensure that the State plan pro-
24 vides that household eligibility shall be determined under
25 this Act, benefits may be determined under the rules and

1 procedures established by the State under the Temporary
2 Assistance for Needy Families Block Grant or this Act,
3 and benefits provided under this section shall be equitably
4 distributed among all household members.

5 “(f)(1) Under the program operated under section
6 4(a)(2), the State may elect to provide cash assistance in
7 lieu of allotments to all households that include a member
8 who is employed and whose employment produces for the
9 benefit of the member’s household income that satisfies
10 the requirements of paragraph (2).

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

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

15 “(B) earned from employment provided by a
16 nongovernmental employer, as determined by the
17 State; and

18 “(C) received from the same employer for a pe-
19 riod of employment of not less than 3 consecutive
20 months.

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

24 “(A) the Secretary shall pay to the State an
25 amount equal to the value of the allotment that such

1 household would be eligible to receive under this sec-
2 tion but for the operation of this subsection;

3 ~~“(B) the State shall provide such amount to the~~
4 ~~household as cash assistance in lieu of such allot-~~
5 ~~ment; and~~

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

8 ~~“(i) such cash assistance shall be consid-~~
9 ~~ered to be an allotment; and~~

10 ~~“(ii) such household shall not receive any~~
11 ~~other food stamp benefit for the period for~~
12 ~~which such cash assistance is provided.~~

13 ~~“(4) A State that makes the election in paragraph~~
14 ~~(1) shall—~~

15 ~~“(A) increase the cash benefits provided to~~
16 ~~households under this subsection to compensate for~~
17 ~~any State or local sales tax that may be collected on~~
18 ~~purchases of food by any household receiving cash~~
19 ~~benefits under this subsection; unless the Secretary~~
20 ~~determines on the basis of information provided by~~
21 ~~the State that the increase is unnecessary on the~~
22 ~~basis of the limited nature of the items subject to~~
23 ~~the State or local sales tax; and~~

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

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

4 ~~“(g) In operating a program under section 4(a)(2),~~
5 ~~the State or political subdivision may follow the rules and~~
6 ~~procedures established by the State or political subdivision~~
7 ~~under the Temporary Assistance for Needy Families Block~~
8 ~~Grant or under the food stamp program, except that the~~
9 ~~State or political subdivision shall comply with the require-~~
10 ~~ments of—~~

11 ~~“(1) subsections (a) through (g) of section 7~~
12 ~~(relating to the issuance and use of coupons);~~

13 ~~“(2) section 8(a) (relating to the value of allot-~~
14 ~~ments, except that a household’s income may be de-~~
15 ~~termined under the program established by the State~~
16 ~~under the Temporary Assistance for Needy Families~~
17 ~~Block Grant);~~

18 ~~“(3) section 8(b) (allotment not considered in-~~
19 ~~come or resources);~~

20 ~~“(4) subsections (a), (c), (d), and (n) of section~~
21 ~~11 (relating to administration);~~

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

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

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

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

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

11 ~~(2) in paragraph (25), by striking the period at~~
12 ~~the end and inserting “; and”; and~~

13 ~~(3) by adding at the end the following new~~
14 ~~paragraph:~~

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

18 ~~“(A) the rules and procedures to be fol-~~
19 ~~lowed by the State to determine food stamp~~
20 ~~benefits;~~

21 ~~“(B) a statement specifying whether the~~
22 ~~program operated by the State under section~~
23 ~~4(a)(2) will include households that include~~
24 ~~members who do not receive regular cash bene-~~
25 ~~fits under the program established by the State~~

1 under the Temporary Assistance for Needy
2 Families Block Grant; and

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

6 **SEC. 543. CONFORMING AMENDMENTS.**

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

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

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

12 (2) by redesignating subsections (j), (k), and (l)
13 as subsections (i), (j), and (k), respectively.

14 **CHAPTER 2—FOOD STAMP PROGRAM**

15 **SEC. 551. THRIFTY FOOD PLAN.**

16 Section 3(o) of the Food Stamp Act of 1977 (7
17 U.S.C. 2012(o)) is amended by striking “(4) through Jan-
18 uary 1, 1980, adjust the cost of such diet every January
19 1 and July 1” and all that follows through the end of the
20 subsection, and inserting the following: “(4) on October
21 1, 1995, adjust the cost of the thrifty food plan to reflect
22 103 percent of the cost of the thrifty food plan in June
23 1994 and increase such amount by 2 percent, rounding
24 the result to the nearest lower dollar increment for each
25 household size, and (5) on October 1, 1996, and each Oc-

1 tober 1 thereafter, increase the amount established for the
2 preceding October 1, before such amount was rounded, by
3 2 percent, rounding the result to the nearest lower dollar
4 increment for each household size.”.

5 **SEC. 552. INCOME DEDUCTIONS AND ENERGY ASSISTANCE.**

6 (a) Section 5(d)(11) of the Food Stamp Act of 1977
7 (~~7 U.S.C. 2014(d)(11)~~) is amended—

8 (1) by striking “(A)”; and

9 (2) by striking “or (B) under any State or local
10 laws,” and all that follows through “or impracticable
11 to do so,”.

12 (b) Section 5(e) of the Food Stamp Act of 1977 (~~7~~
13 ~~U.S.C. 2014(e)~~) is amended to read as follows:

14 “(e)(1) DEDUCTIONS FOR STANDARD AND EARNED
15 INCOME.—

16 “(A) In computing household income, the Sec-
17 retary shall allow a standard deduction of \$134 a
18 month for each household, except that households in
19 Alaska, Hawaii, Guam, and the Virgin Islands of the
20 United States shall be allowed a standard deduction
21 of ~~\$229, \$189, \$269, and \$118, respectively.~~

22 “(B) All households with earned income shall
23 also be allowed an additional deduction of 20 per-
24 cent of all earned income (other than that excluded
25 by subsection (d) of this section and that earned

1 under section 16(j)), to compensate for taxes, other
2 mandatory deductions from salary, and work ex-
3 penses, except that such additional deduction shall
4 not be allowed with respect to earned income that a
5 household willfully or fraudulently fails (as proven in
6 a proceeding provided for in section 6(b)) to report
7 in a timely manner.

8 ~~“(2) DEPENDENT CARE DEDUCTION.—~~The Sec-
9 retary shall allow households a deduction with respect to
10 expenses other than expenses paid on behalf of the house-
11 hold by a third party or amounts made available and ex-
12 cluded for the expenses under subsection (d)(3), the maxi-
13 mum allowable level of which shall be \$200 a month for
14 each dependent child under 2 years of age and \$175 a
15 month for each other dependent, for the actual cost of
16 payments necessary for the care of a dependent when such
17 care enables a household member to accept or continue
18 employment, or training or education which is preparatory
19 for employment.

20 ~~“(3) EXCESS SHELTER EXPENSE DEDUCTION.—~~

21 ~~“(A) The Secretary shall allow households,~~
22 other than those households containing an elderly or
23 disabled member, with respect to expenses other
24 than expenses paid on behalf of the household by a
25 third party, an excess shelter expense deduction to

1 the extent that the monthly amount expended by a
2 household for shelter exceeds an amount equal to 50
3 percent of monthly household income after all other
4 applicable deductions have been allowed.

5 “(B) Such excess shelter expense deduction
6 shall not exceed \$231 a month in the 48 contiguous
7 States and the District of Columbia, and shall not
8 exceed, in Alaska, Hawaii, Guam, and the Virgin Is-
9 lands of the United States, \$402, \$330, \$280, and
10 \$171 a month, respectively.

11 “(C)(i) Notwithstanding section 2605(f) of the
12 Low-Income Home Energy Assistance Act of 1981
13 (42 U.S.C. 8624(f)), a household may not claim as
14 a shelter expense any payment received, or costs
15 paid on its behalf, under the Low-Income Home En-
16 ergy Assistance Act of 1981 (42 U.S.C. 8621 et
17 seq.).

18 “(ii) Notwithstanding section 2605(f) of the
19 Low-Income Home Energy Assistance Act of 1981
20 (42 U.S.C. 8624(f)), a State agency may use a
21 standard utility allowance as provided under sub-
22 paragraph (D) for heating and cooling expenses only
23 if the household incurs out-of-pocket heating or cool-
24 ing expenses in excess of any payment received, or
25 costs paid on its behalf, under the Low-Income

1 Home Energy Assistance Act of 1981 (42 U.S.C.
2 8621 et seq.).

3 “(iii) For purposes of the food stamp program,
4 assistance provided under the Low-Income Home
5 Energy Assistance Act of 1981 shall be considered
6 to be prorated over the entire heating or cooling sea-
7 son for which it was provided.

8 “(iv) At the end of any certification period and
9 up to one additional time during each twelve-month
10 period, a State agency shall allow a household to
11 switch between any standard utility allowance and a
12 deduction based on its actual utility costs.

13 “(D)(i) In computing the excess shelter expense
14 deduction, a State agency may use a standard utility
15 allowance in accordance with regulations promul-
16 gated by the Secretary, except that a State agency
17 may use an allowance which does not fluctuate with-
18 in a year to reflect seasonal variations.

19 “(ii) An allowance for a heating or cooling ex-
20 pense may not be used for a household that does not
21 incur a heating or cooling expense, as the case may
22 be, or does incur a heating or cooling expense but
23 is located in a public housing unit which has central
24 utility meters and charges households, with regard
25 to such expense, only for excess utility costs.

1 ~~“(iii) No such allowance may be used for a~~
2 ~~household that shares such expense with, and lives~~
3 ~~with, another individual not participating in the food~~
4 ~~stamp program, another household participating in~~
5 ~~the food stamp program, or both, unless the allow-~~
6 ~~ance is prorated between the household and the~~
7 ~~other individual, household, or both.~~

8 ~~“(4) HOMELESS SHELTER DEDUCTION.—(A) A~~
9 ~~State shall develop a standard homeless shelter deduction,~~
10 ~~which shall not exceed \$139 a month, for the expenses~~
11 ~~that may reasonably be expected to be incurred by house-~~
12 ~~holds in which all members are homeless but are not re-~~
13 ~~ceiving free shelter throughout the month. Subject to sub-~~
14 ~~paragraph (B), the State shall use such deduction in de-~~
15 ~~termining eligibility and allotments for such households.~~

16 ~~“(B) The Secretary may prohibit the use of the~~
17 ~~standard homeless shelter deduction for households with~~
18 ~~extremely low shelter costs.~~

19 ~~“(5) ELDERLY AND DISABLED HOUSEHOLDS.—~~

20 ~~“(A) The Secretary shall allow households con-~~
21 ~~taining an elderly or disabled member, with respect~~
22 ~~to expenses other than expenses paid on behalf of~~
23 ~~the household by a third party—~~

24 ~~“(i) an excess medical expense deduction~~
25 ~~for that portion of the actual cost of allowable~~

1 medical expenses, incurred by elderly or dis-
2 abled members, exclusive of special diets, that
3 exceed \$35 a month; and

4 “(ii) an excess shelter expense deduction to
5 the extent that the monthly amount expended
6 by a household for shelter exceeds an amount
7 equal to 50 percent of monthly household in-
8 come after all other applicable deductions have
9 been allowed.

10 “(B) State agencies shall offer eligible house-
11 holds a method of claiming a deduction for recurring
12 medical expenses that are initially verified under the
13 excess medical expense deduction provided for in
14 subparagraph (A), in lieu of submitting information
15 or verification on actual expenses on a monthly
16 basis. The method described in the preceding sen-
17 tence shall be designed to minimize the administra-
18 tive burden for eligible elderly and disabled house-
19 hold members choosing to deduct their recurrent
20 medical expenses pursuant to such method, shall rely
21 on reasonable estimates of the member’s expected
22 medical expenses for the certification period (includ-
23 ing changes that can be reasonably anticipated
24 based on available information about the member’s
25 medical condition, public or private medical insur-

1 ance coverage, and the current verified medical ex-
2 penses incurred by the member), and shall not re-
3 quire further reporting or verification of a change in
4 medical expenses if such a change has been antici-
5 pated for the certification period.

6 “(6) CHILD SUPPORT DEDUCTION.—Before deter-
7 mining the excess shelter expense deduction, the Secretary
8 shall allow all households a deduction for child support
9 payments made by a household member to or for an indi-
10 vidual who is not a member of the household if such house-
11 hold member was legally obligated to make such payments,
12 except that the Secretary is authorized to prescribe by reg-
13 ulation the methods, including calculation on a retrospec-
14 tive basis, that State agencies shall use to determine the
15 amount of the deduction for child support payments.”.

16 (c) Section 11(e)(3) of the Food Stamp Act of 1977
17 (7 U.S.C. 2020(e)(3)) is amended by striking “Under the
18 rules prescribed by the Secretary, a State agency shall de-
19 velop standard estimates” and all that follows through the
20 end of the paragraph.

21 **SEC. 553. VEHICLE ALLOWANCE.**

22 Section 5(g)(2) of the Food Stamp Act of 1977 (7
23 U.S.C. 2014(g)(2)) is amended by striking “a level set by
24 the Secretary, which shall be \$4,500 through August 31,

1 1994,” and all that follows through the end of the para-
2 graph, and inserting “\$4,550.”

3 **SEC. 554. WORK REQUIREMENTS.**

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

6 (1) in paragraph (1)(A)(ii), by striking “an em-
7 ployment and training program under paragraph
8 (4), to the extent required under paragraph (4), in-
9 cluding any reasonable employment requirements as
10 are prescribed by the State agency in accordance
11 with paragraph (4)” and inserting “a State job
12 search program”;

13 (2) in paragraph (2)(A)—

14 (A) by striking “title IV of the Social Se-
15 curity Act (42 U.S.C. 602)” and inserting “the
16 program established by the State under the
17 Temporary Assistance for Needy Families
18 Block Grant”; and

19 (B) by striking “that is comparable to a
20 requirement of paragraph (1)”;

21 (3) by amending paragraph (4) to read as fol-
22 lows:

23 “(4)(A) Except as provided in subparagraphs (B),
24 (C), and (D), an individual shall not be denied initial eligi-
25 bility but shall be disqualified from the food stamp pro-

1 gram if after 90 days from the certification of eligibility
2 of such individual the individual was not employed a mini-
3 mum of 20 hours per week, or does not participate in a
4 program established under section 20 or a comparable
5 program established by the State or local government.

6 “(B) Subparagraph (A) shall not apply in the case
7 of an individual who—

8 “(i) is under eighteen or over fifty years of age;

9 “(ii) is certified by a physician as physically or
10 mentally unfit for employment;

11 “(iii) is a parent or other member of a house-
12 hold with responsibility for the care of a dependent;

13 “(iv) is participating a minimum of 20 hours
14 per week and is in compliance with the requirements
15 of—

16 “(I) a program under the Job Training
17 Partnership Act (29 U.S.C. 1501 et seq.);

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

20 “(III) a program of employment or train-
21 ing operated or supervised by an agency of
22 State or local government which meets stand-
23 ards deemed appropriate by the Governor; or

24 “(v) would otherwise be exempt under sub-
25 section (d)(2).

1 “(C) Upon request of the State, the Secretary may
2 waive the requirements of subparagraph (A) in the case
3 of some or all individuals within all or part of the State
4 if the Secretary makes a determination that such area—

5 “(i) has an unemployment rate of over 10 per-
6 cent; or

7 “(ii) does not have a sufficient number of jobs
8 to provide employment for individuals subject to this
9 paragraph. The Secretary shall report to the Com-
10 mittee on Agriculture of the House of Representa-
11 tives and the Committee on Agriculture, Nutrition,
12 and Forestry of the Senate on the basis on which
13 the Secretary made such a decision.

14 “(D) An individual who has been disqualified from
15 the food stamp program under subparagraph (A) may re-
16 establish eligibility for assistance if such person becomes
17 exempt under subparagraph (B) or by—

18 “(i) becoming employed for a minimum of 20
19 hours per week during any consecutive thirty-day pe-
20 riod; or

21 “(ii) participating in a program established
22 under section 20 or a comparable program estab-
23 lished by the State or local government.”.

24 (b) Section 16 of the Food Stamp Act of 1977 (7
25 U.S.C. 2025) is amended—

1 (1) by striking subsection (h); and

2 (2) by redesignating subsections (i) and (j) as
3 subsections (h) and (i), respectively.

4 (c) Section 17 of the Food Stamp Act of 1977 (7
5 U.S.C. 2026), as amended by section 543(b), is amend-
6 ed—

7 (1) by striking subsection (d); and

8 (2) by redesignating subsections (e) through (k)
9 as subsections (d) through (j), respectively.

10 (d) Section 20 of the Food Stamp Act of 1977 (7
11 U.S.C. 2029) is amended to read as follows:

12 “~~SEC. 20.~~ (a)(1) The Secretary shall permit a State
13 that applies and submits a plan in compliance with guide-
14 lines promulgated by the Secretary to operate a program
15 within the State or any political subdivision within the
16 State, under which persons who are required to work
17 under section 6(d)(4) may accept an offer from the State
18 or political subdivision to perform work on its behalf, or
19 on behalf of a private nonprofit entity designated by the
20 State or political subdivision, in order to continue to qual-
21 ify for benefits after they have initially been judged eligi-
22 ble.

23 “(2) The Secretary shall promulgate guidelines pur-
24 suant to paragraph (1) which, to the maximum extent
25 practicable, enable a State or political subdivision to de-

1 sign and operate a program that is compatible and consist-
2 ent with similar programs operated by the State or politi-
3 cal subdivision.

4 “(b) To be approved by the Secretary, a program
5 shall provide that participants work, in return for com-
6 pensation consisting of the allotment to which the house-
7 hold is entitled under section 8(a), with each hour of such
8 work entitling that household to a portion of its allotment
9 equal in value to 100 percent of the higher of the applica-
10 ble State minimum wage or the Federal minimum hourly
11 rate under the Fair Labor Standards Act of 1938.

12 “(c) No State or political subdivision that receives
13 funds provided under this section shall replace any em-
14 ployed worker with an individual who is participating in
15 a program under this section for the purposes of comply-
16 ing with section 6(d)(4). Such an individual may be placed
17 in any position offered by the State or political subdivision
18 that—

19 “(1) is a new position;

20 “(2) is a position that became available in the
21 normal course of conducting the business of the
22 State or political subdivision;

23 “(3) involves performing work that would other-
24 wise be performed on an overtime basis by a worker

1 who is not an individual participating in such pro-
2 gram; or

3 ~~“(4) that is a position which became available~~
4 ~~by shifting a current employee to an alternate posi-~~
5 ~~tion.~~

6 ~~“(d) The Secretary shall allocate among the States~~
7 ~~or political subdivisions in each fiscal year, from funds ap-~~
8 ~~propriated for the fiscal year under section 18(a)(1), the~~
9 ~~amount of \$75,000,000 to assist in carrying out the pro-~~
10 ~~gram under this section during the fiscal year.~~

11 ~~“(e)(1) In making the allocation required under sub-~~
12 ~~section (d), the Secretary shall allocate to each State oper-~~
13 ~~ating a program under this section that percentage of the~~
14 ~~total funds allocated under subsection (d) which equals the~~
15 ~~estimate of the Secretary of the percentage of participants~~
16 ~~who are required to work under section 6(d)(4) that reside~~
17 ~~in such State.~~

18 ~~“(2) The State shall promptly notify the Secretary~~
19 ~~if such State determines that it will not expend the funds~~
20 ~~allocated it under paragraph (1) and the Secretary shall~~
21 ~~reallocate such funds as the Secretary deems appropriate~~
22 ~~and equitable.~~

23 ~~“(f) Notwithstanding subsection (d), the Secretary~~
24 ~~shall ensure that each State operating a program under~~
25 ~~this section is allocated at least \$50,000 by reducing, to~~

1 the extent necessary, the funds allocated to those States
2 allocated more than \$50,000.

3 ~~“(g) If, in carrying out such program during such~~
4 ~~fiscal year, a State or political subdivision incurs costs~~
5 ~~that exceed the amount allocated to the State agency~~
6 ~~under subsection (d)—~~

7 ~~“(1) the Secretary shall pay such State agency~~
8 ~~an amount equal to 50 percent of such additional~~
9 ~~costs, subject to the first limitation in paragraph~~
10 ~~(2); and~~

11 ~~“(2) the Secretary shall also reimburse each~~
12 ~~State agency in an amount equal to 50 percent of~~
13 ~~the total amount of payments made or costs in-~~
14 ~~curring by the State or political subdivision in con-~~
15 ~~nection with transportation costs and other expenses~~
16 ~~reasonably necessary and directly related to partici-~~
17 ~~pation in a program under this section, except that~~
18 ~~such total amount shall not exceed an amount rep-~~
19 ~~resenting \$25 per participant per month for costs of~~
20 ~~transportation and other actual costs and such reim-~~
21 ~~bursement shall not be made out of funds allocated~~
22 ~~under subsection (d).~~

23 ~~“(h) The Secretary may suspend or cancel some or~~
24 ~~all of these payments, or may withdraw approval from a~~
25 ~~State or political subdivision to operate a program, upon~~

1 a finding that the State or political subdivision has failed
2 to comply with the requirements of this section.”.

3 (e) Section 7(i)(6) of the Food Stamp Act of 1977
4 (7 U.S.C. 2016(i)(6)) is amended by striking “section
5 17(f)” and inserting “section 17(e)”.

6 **SEC. 555. COMPARABLE TREATMENT OF DISQUALIFIED**
7 **INDIVIDUALS.**

8 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
9 2015) is amended by adding at the end the following new
10 subsection:

11 “(i) An individual who is a member of a household
12 who would otherwise be eligible to participate in the food
13 stamp program under this section and who has been dis-
14 qualified for noncompliance with program requirements
15 from the program established by the State under part A
16 of title IV of the Social Security Act (42 U.S.C. 601 et
17 seq.) shall not be eligible to participate in the food stamp
18 program during the period such disqualification is in
19 effect.”.

20 **SEC. 556. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**
21 **SYSTEMS.**

22 (a) Section 7(i) of the Food Stamp Act of 1977 (7
23 U.S.C. 2016(i)) is amended—

24 (1) by amending paragraph (1) to read as
25 follows:

1 “(1)(A) State agencies are encouraged to implement
2 an on-line electronic benefit transfer system in which
3 household benefits determined under section 8(a) or sec-
4 tion 24 are issued from and stored in a central data bank
5 and electronically accessed by household members at the
6 point of sale.

7 “(B) Subject to paragraph (2), a State is authorized
8 to procure and implement an on-line electronic benefit
9 transfer system under the terms, conditions, and design
10 that the State deems appropriate, except that each elec-
11 tronic benefit transfer card shall bear a photograph of the
12 members of the household to which such card is issued.

13 “(C) Upon request of a State, the Secretary may
14 waive any provision of this Act prohibiting the effective
15 implementation of an electronic benefit transfer system
16 under this subsection.”;

17 (2) in paragraph (2)—

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

20 (B) by striking “the approval of”;

21 (C) in subparagraph (A) by striking “, in
22 any 1 year,”; and

23 (D) by amending subparagraph (D) to
24 read as follows:

1 receive a grant for any fiscal year to operate a low-income
2 nutrition assistance program in such fiscal year in lieu of
3 the food stamp program.

4 “(b)(1) A State that meets the requirements of this
5 section and elects to operate such program, shall receive
6 each fiscal year under this section the sum of—

7 “(A)(i) the total dollar value of all benefits is-
8 sued under the food stamp program by the State
9 during fiscal year 1994; or

10 “(ii) the average per fiscal year of the total dol-
11 lar value of all benefits issued under the food stamp
12 program by the State during fiscal years 1992
13 through 1994; and

14 “(B)(i) the total amount received by the State
15 for administrative costs under section 16(a) for fis-
16 cal year 1994; or

17 “(ii) the average per fiscal year of the total
18 amount received by the State for administrative
19 costs under section 16(a) for fiscal years 1992
20 through 1994.

21 “(2) Upon approval by the Secretary of the plan sub-
22 mitted by a State under subsection (c), the Secretary shall
23 pay to the State at such times and in such manner as
24 the Secretary may determine, the amount to which the
25 State is eligible under subsection (b)(1).

1 “(c) To be eligible to operate a low-income nutrition
2 assistance program under this section, a State shall sub-
3 mit for approval each fiscal year a plan of operation speci-
4 fying the manner in which such a program will be con-
5 ducted by the State. Such plan shall—

6 “(1) certify that the State has implemented a
7 state-wide electronic benefit transfer system in ac-
8 cordance with section 7(i);

9 “(2) designate a single State agency responsible
10 for the administration of the low-income nutrition
11 assistance program under this section;

12 “(3) assess the food and nutrition needs of
13 needy persons residing in the State;

14 “(4) limit the assistance to be provided under
15 this section to the purchase of food;

16 “(5) describe the persons to whom such assist-
17 ance will be provided;

18 “(6) assure the Secretary that assistance will be
19 provided to the most needy persons in the State and
20 that applicants for assistance shall have adequate
21 notice and fair hearings comparable to those re-
22 quired under section 11;

23 “(7) provide that, in the operation of the low-
24 income nutrition assistance program, there shall be

1 no discrimination on the basis of race, sex, religion,
2 national origin, or political beliefs; and

3 ~~“(8) include other information as may be re-~~
4 ~~quired by the Secretary.~~

5 ~~“(d) Payments made under this section to the State~~
6 ~~may be expended only in the fiscal year for which such~~
7 ~~payments are distributed, except that the State may re-~~
8 ~~serve up to 5 percent of the grant received for a fiscal~~
9 ~~year to provide assistance under this section in subsequent~~
10 ~~fiscal years: *Provided*, That such reserved funds may not~~
11 ~~total more than 20 percent of the total grant received~~
12 ~~under this section for a fiscal year.~~

13 ~~“(e) The State agency shall keep records concerning~~
14 ~~the operation of the program carried out under this sec-~~
15 ~~tion and shall make such records available to the Secretary~~
16 ~~and the Comptroller General of the United States.~~

17 ~~“(f) If the Secretary finds that there is substantial~~
18 ~~failure by a State to comply with the requirements of this~~
19 ~~section, regulations issued pursuant to this section, or the~~
20 ~~plan approved under subsection (c), then the Secretary~~
21 ~~shall take one or more of the following actions:~~

22 ~~“(1) Suspend all or part of such payment au-~~
23 ~~thorized by subsection (b)(2) to be made available to~~
24 ~~such State, until the Secretary determines the State~~

1 to be in substantial compliance with such require-
2 ments.

3 ~~“(2) Withhold all or part of such payments~~
4 ~~until the Secretary determines that there is no~~
5 ~~longer failure to comply with such requirements, at~~
6 ~~which time the withheld payment may be paid.~~

7 ~~“(3) Terminate the authority of the State to~~
8 ~~operate the low-income nutrition assistance program.~~

9 ~~“(g)(1) States which receive grants under this section~~
10 ~~shall provide for—~~

11 ~~“(A) a biennial audit, conducted in accordance~~
12 ~~with the standards of the Comptroller General, of~~
13 ~~expenditures for the provision of nutrition assistance~~
14 ~~under this section; and~~

15 ~~“(B) not later than 120 days after the end of~~
16 ~~each fiscal year in which an audit is conducted, pro-~~
17 ~~vide the Secretary with such audit.~~

18 ~~States shall make the report of such audit available for~~
19 ~~public inspection.~~

20 ~~“(2) Not later than 120 days after the end of the~~
21 ~~fiscal year for which a State receives a grant under this~~
22 ~~section, such State shall prepare an activities report com-~~
23 ~~paring actual expenditures for such fiscal year for nutri-~~
24 ~~tion assistance under this section with the expenditures~~
25 ~~for such fiscal year predicted in the plan submitted in ac-~~

1 cordance with subsection (c). Such State shall make the
2 activities report available for public inspection.

3 “(h) Whoever knowingly and willfully embezzles,
4 misapplies, steals, or obtains by fraud, false statement, or
5 forgery, any funds, assets, or property provided or fi-
6 nanced under this section shall be fined not more than
7 \$10,000 or imprisoned for not more than 5 years, or
8 both.”.

9 **SEC. 557. VALUE OF MINIMUM ALLOTMENT.**

10 Section 8(a) of the Food Stamp Act of 1977 (7
11 U.S.C. 2017(a)) is amended by striking “, and shall be
12 adjusted on each October 1” and all that follows through
13 the end of such subsection, and inserting a period.

14 **SEC. 558. INITIAL MONTH BENEFIT DETERMINATION.**

15 Section 8(c)(2)(B) of the Food Stamp Act of 1977
16 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more
17 than one month” after “following any period”.

18 **SEC. 559. IMPROVING FOOD STAMP PROGRAM MANAGE-**
19 **MENT.**

20 (a) Section 13(a)(1) of the Food Stamp Act of 1977
21 (7 U.S.C. 2022(a)(1)) is amended—

22 (1) in the fifth sentence, by inserting “(after a
23 determination on any request for a waiver for good
24 cause related to the claim has been made by the Sec-
25 retary)” after “bill for collection”; and

1 (2) in the sixth sentence, by striking “1 year”
2 and inserting “2 years”.

3 (b) Section 16(c) of the Food Stamp Act of 1977 (~~7~~
4 U.S.C. 2025(c)) is amended—

5 (1) in paragraph (1)(C)—

6 (A) by striking “national performance
7 measure” and inserting “payment error toler-
8 ance level”; and

9 (B) by striking “equal to—” and all that
10 follows through the period at the end and in-
11 serting the following:

12 “equal to its payment error rate less such tolerance
13 level times the total value of allotments issued in
14 such a fiscal year by such State agency. The amount
15 of liability shall not be affected by corrective action
16 under subparagraph (B).”;

17 (2) in paragraph (3)(A), by striking “120 days”
18 and inserting “60 days (or 90 days at the discretion
19 of the Secretary)”;

20 (3) in the last sentence of paragraph (6), by in-
21 serting “shall be used to establish a payment-error
22 tolerance level. Such tolerance level for any fiscal
23 year will be one percentage point added to the lowest
24 national performance measure ever announced up to
25 and including such fiscal year under this section.

1 The payment-error tolerance level” after “The an-
2 nounced national performance measure”; and

3 (4) by striking paragraphs (8) and (9).

4 **SEC. 560. WORK SUPPLEMENTATION OR SUPPORT PRO-**
5 **GRAM.**

6 (a) Section 11(e) of the Food Stamp Act of 1977 (7
7 U.S.C. 2020(e)), as amended by section 542(b), is amend-
8 ed—

9 (1) in paragraph (25), by striking “and”;

10 (2) in paragraph (26), by striking the period
11 and inserting “; and” at the end; and

12 (3) by adding at the end the following new
13 paragraph:

14 “(27) the plans of the State agency for includ-
15 ing eligible food stamp recipients in a work
16 supplementation or support program under section
17 16(j).”.

18 (b) Section 16 of the Food Stamp Act of 1977 (7
19 U.S.C. 2025), as amended by section 554(b), is amended
20 by adding at the end the following new subsection:

21 “(j) **WORK SUPPLEMENTATION OR SUPPORT PRO-**
22 **GRAM.**—

23 “(1) A State may elect to use the sums equal
24 to the food stamp benefits that would otherwise be
25 allotted to participants under the food stamp pro-

1 gram but for the operation of this subsection for the
2 purposes of providing and subsidizing or supporting
3 jobs under a work supplementation or support pro-
4 gram established by the State.

5 “(2) If a State that makes the election de-
6 scribed in paragraph (1) identifies each household
7 that participates in the food stamp program which
8 contains an individual who is participating in such
9 work supplementation or support program—

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

14 “(B) the State shall expend such amount
15 in accordance with its work supplementation or
16 support program in lieu of the allotment that
17 the household would receive but for the oper-
18 ation of this subsection;

19 “(C) for purposes of—

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

24 “(ii) section 8(b), the amount received
25 under this subsection shall be considered

1 as the value of an allotment provided to
2 the household; and

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

7 ~~“(3) No person shall be excused by reason of~~
8 ~~the fact that such State has a work supplementation~~
9 ~~or support program from any work requirement~~
10 ~~under section 6(d), except during the periods in~~
11 ~~which such individual is employed under such work~~
12 ~~supplementation or support program.~~

13 ~~“(4) For purposes of this subsection, the term~~
14 ~~“work supplementation or support program” shall~~
15 ~~mean a program in which, as determined by the Sec-~~
16 ~~retary, public assistance, including any benefits pro-~~
17 ~~vided under a program established by the State and~~
18 ~~the food stamp program, is provided to an employer~~
19 ~~to be used for hiring a public assistance recipient.”.~~

20 **SEC. 561. OBLIGATIONS AND ALLOTMENTS.**

21 Section 18 of the Food Stamp Act of 1977 (7 U.S.C.
22 2027) is amended—

23 (1) in subsection (a)—

24 (A) in paragraph (1)—

1 (i) by striking “are authorized to be
2 appropriated such sums as are necessary
3 for each of the fiscal years 1991 through
4 1995” and inserting the following:

5 “is provided to be obligated, not in excess of the cost esti-
6 mate made by the Congressional Budget Office for this
7 Act, as amended by the Personal Responsibility Act of
8 1995, for the fiscal year ending September 30, 1996, with
9 adjustments for any estimates of total obligations for addi-
10 tional fiscal years made by the Congressional Budget Of-
11 fice to reflect the provisions contained in the Personal Re-
12 sponsibility Act of 1995”;

13 (ii) by striking “In each monthly re-
14 port, the Secretary shall also state” and
15 inserting “Also, the Secretary shall file a
16 report every February 15, April 15, and
17 July 15, stating”; and

18 (iii) by striking “supplemental appro-
19 priations” and inserting “additional
20 obligational authority”; and

21 (B) in paragraph (2), by striking “author-
22 ized to be appropriated” and inserting “obli-
23 gated”;

24 (2) in subsection (b)—

1 (A) in the first sentence, by striking “ap-
2 appropriation” and inserting “total obligations
3 limitation provided”; and

4 (B) in the second sentence, by striking
5 “appropriation” and inserting “obligational
6 amount provided in subsection (a)(1)”;
7 (3) in subsection (c)—

8 (A) by inserting “or under section 24”
9 after “under sections 5(d) and 5(e)”;
10 (B) by inserting “or under section 24”
11 after “under section 5(c)”;
12 (C) by striking “and” after “or otherwise
13 disabled”; and

14 (D) by inserting before the period at the
15 end “; and (3) adequate and appropriate rec-
16 ommendations on how to equitably achieve such
17 reductions”; and

18 (4) in subsection (f), by striking “No funds ap-
19 propriated” and inserting “None of the funds obli-
20 gated”.

1 **CHAPTER 3—PROGRAM INTEGRITY**

2 **SEC. 571. AUTHORITY TO ESTABLISH AUTHORIZATION**
3 **PERIODS.**

4 Section 9(a)(1) of the Food Stamp Act of 1977 (7
5 U.S.C. 2018(a)(1)) is amended by adding at the end the
6 following new sentence:

7 “The Secretary shall establish specific time periods during
8 which authorization to accept and redeem coupons, or to
9 redeem benefits through an electronic benefit transfer sys-
10 tem, under the food stamp program shall be valid.”.

11 **SEC. 572. CONDITION PRECEDENT FOR APPROVAL OF RE-**
12 **TAIL FOOD STORES AND WHOLESALE FOOD**
13 **CONCERNS.**

14 Section 9(a)(1) of the Food Stamp Act of 1977 (7
15 U.S.C. 2018(a)(1)), as previously amended by this title,
16 is amended by adding at the end the following new sen-
17 tence:

18 “No retail food store or wholesale food concern shall be
19 approved for participation in the food stamp program un-
20 less an authorized employee of the Department of Agri-
21 culture, wherever possible, or an official of the State or
22 local government designated by the Department of Agri-
23 culture, has visited such retail food store or wholesale food
24 concern for the purpose of determining whether such retail

1 food store or wholesale food concern should be so ap-
2 proved.”.

3 **SEC. 573. WAITING PERIOD FOR RETAIL FOOD STORES AND**
4 **WHOLESALE FOOD CONCERNS THAT ARE DE-**
5 **NIED APPROVAL TO ACCEPT COUPONS.**

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

9 “Such retail food store or wholesale food concern shall not
10 submit an application under subsection (a)(1) for six
11 months from the date of receipt of the notice of denial.”.

12 **SEC. 574. DISQUALIFICATION OF RETAIL FOOD STORES**
13 **AND WHOLESALE FOOD CONCERNS.**

14 Section 12(a) of the Food Stamp Act of 1977 (7
15 U.S.C. 2021(a)) is amended—

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

17 (2) by inserting the following new paragraph:

18 “(2) A retail food store or wholesale food concern
19 that is disqualified from participating in the program
20 under section 17 of the Child Nutrition Act of 1966 shall
21 for such period of disqualification also be disqualified from
22 participating in the food stamp program.”.

1 **SEC. 575. AUTHORITY TO SUSPEND STORES VIOLATING**
2 **PROGRAM REQUIREMENTS PENDING ADMIN-**
3 **ISTRATIVE AND JUDICIAL REVIEW.**

4 Section 14(a) of the Food Stamp Act of 1977 (7
5 U.S.C. 2023(a)) is amended by adding at the end the fol-
6 lowing new sentence:

7 “Notwithstanding any other provision of law, the perma-
8 nent disqualification of a retail food store or wholesale
9 food concern under section 12(b)(3) shall be effective from
10 the date of receipt of the notice of disqualification.”.

11 **SEC. 576. CRIMINAL FORFEITURE.**

12 Section 15 of the Food Stamp Act of 1977 (7 U.S.C.
13 2024) is amended by adding at the end the following new
14 subsection:

15 “(h)(1) The court, in imposing sentence on a person
16 convicted of an offense in violation of subsection (b) or
17 (c), shall order, in addition to any other sentence imposed
18 pursuant to this subsection, that the person forfeit to the
19 United States all property described in paragraph (2).

20 “(2) All property, real and personal, used in a trans-
21 action or attempted transaction, to commit, or to facilitate
22 the commission of, a violation (other than a misdemeanor)
23 of subsection (b) or (c), or proceeds traceable to a violation
24 of subsection (b) or (c), is subject to forfeiture to the Unit-
25 ed States.

1 ~~“(3) No property shall be forfeited under this sub-~~
2 ~~section to the extent of an interest of an owner, by reason~~
3 ~~of any act or omission established by that owner to have~~
4 ~~been committed or omitted without the knowledge or con-~~
5 ~~sent of that owner.~~

6 ~~“(4) The proceeds from any sale of forfeited property~~
7 ~~and any monies forfeited under this subsection shall be~~
8 ~~used—~~

9 ~~“(A) to reimburse the Department of Justice~~
10 ~~for the costs incurred by the Department to initiate~~
11 ~~and complete the forfeiture proceeding that caused~~
12 ~~the sale that produced such proceeds;~~

13 ~~“(B) to reimburse the Department of Agri-~~
14 ~~culture Office of Inspector General for any costs it~~
15 ~~incurred in the law enforcement effort resulting in~~
16 ~~the forfeiture;~~

17 ~~“(C) to reimburse any Federal or State law en-~~
18 ~~forcement agencies for any costs incurred in the law~~
19 ~~enforcement effort resulting in the forfeiture; and~~

20 ~~“(D) by the Secretary to carry out the ap-~~
21 ~~proval, reauthorization, and compliance investiga-~~
22 ~~tions of retail stores under section 9.”.~~

23 **SEC. 577. EXPANDED DEFINITION OF “COUPON”.**

24 Section 3(d) of the Food Stamp Act of 1977 (~~7~~
25 U.S.C. 2012(d)) is amended by striking “or type of certifi-

1 eate” and inserting “type of certificate, authorization
2 cards, cash or checks issued in lieu of coupons, or access
3 devices, including, but not limited to, electronic benefit
4 transfer cards or personal identification numbers”.

5 **SEC. 578. DOUBLED PENALTIES FOR VIOLATING FOOD**
6 **STAMP PROGRAM REQUIREMENTS.**

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

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

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

13 **SEC. 579. DISQUALIFICATION OF CONVICTED INDIVIDUALS.**

14 Section 6(b)(1)(iii) of the Food Stamp Act of 1977
15 (~~7~~ U.S.C. 2015(b)(1)(iii)) is amended—

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

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

20 (3) by adding at the end the following new
21 subclause:

22 “(IV) a conviction of an offense under sub-
23 section (a) or (b) of section 15 involving items
24 referred to in such subsection having a value of
25 \$500 or more.”.

1 **SEC. 580. CLAIMS COLLECTION.**

2 (a) Section 11(e)(8) of the Food Stamp Act of 1977
3 (~~7 U.S.C. 2020(e)(8)~~) is amended by inserting before the
4 semicolon at the end “or refunds of Federal taxes as au-
5 thorized pursuant to section 3720A of title 31 of the Unit-
6 ed States Code”.

7 (b) Section 13(d) of the Act (~~7 U.S.C. 2022(d)~~) is
8 amended—

9 (1) by striking “may” and inserting “shall”;
10 and

11 (2) by inserting before the period at the end
12 “or refunds of Federal taxes as authorized pursuant
13 to section 3720A of title 31 of the United States
14 Code”.

15 **SEC. 581. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS**
16 **TO INDIVIDUALS FOUND TO HAVE FRAUDU-**
17 **LENTLY MISREPRESENTED RESIDENCE IN**
18 **ORDER TO OBTAIN BENEFITS SIMULTA-**
19 **NEOUSLY IN 2 OR MORE STATES.**

20 Section 6 of the Food Stamp Act of 1977 (~~7 U.S.C.~~
21 ~~2015~~) is amended by adding at the end the following:

22 “(I) An individual shall be ineligible to participate in
23 the food stamp program as a member of any household
24 during the 10-year period beginning on the date the indi-
25 vidual is found by a State to have made, or is convicted
26 in Federal or State court of having made, a fraudulent

1 statement or representation with respect to the place of
 2 residence of the individual in order to receive benefits si-
 3 multaneously from 2 or more States under the food stamp
 4 program or under programs that are funded under part
 5 A of title IV, title XIX, or benefits in 2 or more States
 6 under the supplemental security income program under
 7 title XVI.”.

8 **SEC. 582. DISQUALIFICATION RELATING TO CHILD SUP-**
 9 **PORT ARREARS.**

10 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
 11 2015) is amended by adding at the end the following:

12 “(i) No individual is eligible to participate in the food
 13 stamp program as a member of any household during any
 14 period such individual has any unpaid liability that is
 15 both—

16 “(1) under a court order for the support of a
 17 child of such individual; and

18 “(2) for which the court is not allowing such in-
 19 dividual to delay payment.”.

20 **SEC. 583. ELIMINATION OF FOOD STAMP BENEFITS WITH**
 21 **RESPECT TO FUGITIVE FELONS AND PROBA-**
 22 **TION AND PAROLE VIOLATORS.**

23 (a) INELIGIBILITY FOR FOOD STAMPS.—Section 6 of
 24 the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended

1 by section 555, is amended by adding at the end the fol-
2 lowing:

3 “(j) No member of a household who is otherwise eligi-
4 ble to participate in the food stamp program shall be eligi-
5 ble to participate in the program as a member of that or
6 any other household while the individual is—

7 “(1) fleeing to avoid prosecution, or custody or
8 confinement after conviction, under the laws of the
9 place from which he flees, for a crime, or an attempt
10 to commit a crime, which is a felony under the laws
11 of the place from which he flees, or which, in the
12 case of the State of New Jersey, is a high mis-
13 demeanor under the laws of such State; or

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

16 (2) EXCHANGE OF INFORMATION WITH LAW EN-
17 FORCEMENT OFFICERS.—Section 11(e)(8) of such Act (7
18 U.S.C. 2020(e)(8)) is amended—

19 (1) by striking “and (C)” and inserting “(C)”;
20 and

21 (2) by inserting before the semicolon at the end
22 the following: “; (D) notwithstanding any other pro-
23 vision of law, the address of a member of a house-
24 hold shall be made available, on request, to a Fed-
25 eral, State, or local law enforcement officer if the of-

1 ficer furnishes the State agency with the name of
2 the member and notifies the agency that (i) the
3 member (I) is fleeing to avoid prosecution, or cus-
4 tody or confinement after conviction, under the laws
5 of the place from which he flees, for a crime, or an
6 attempt to commit a crime, which is a felony under
7 the laws of the place from which he flees, or which,
8 in the case of the State of New Jersey, is a high
9 misdemeanor under the laws of such State, or is vio-
10 lating a condition of probation or parole imposed
11 under Federal or State law, or (II) has information
12 that is necessary for the officer to conduct the offi-
13 cer's official duties, (ii) the location or apprehension
14 of the member is within the official duties of the of-
15 ficer, and (iii) the request is made in the proper ex-
16 ercise of the duties, and''.

17 **Subtitle C—Effective Dates and**
18 **Miscellaneous Provisions**

19 **SEC. 591. EFFECTIVE DATES.**

20 (a) Except as provided in subsection (b), this title and
21 amendments made by this title shall take effect on October
22 1, 1995.

23 (b) The amendments made by section 559 shall take
24 effect on October 1, 1994.

1 **SEC. 592. SENSE OF THE CONGRESS.**

2 It is the sense of the Congress that States that oper-
3 ate electronic benefit systems to transfer benefits provided
4 under the Food Stamp Act of 1977 should operate elec-
5 tronic benefit systems that are compatible with each other.

6 **SEC. 593. DEFICIT REDUCTION.**

7 It is the sense of the Committee on Agriculture of
8 the House of Representatives that reductions in outlays
9 resulting from subtitle B shall not be taken into account
10 for purposes of section 252 of the Balanced Budget and
11 Emergency Deficit Control Act of 1985.

12 **TITLE VI—SUPPLEMENTAL**
13 **SECURITY INCOME**

14 **SEC. 601. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
15 **BENEFITS BY REASON OF DISABILITY TO**
16 **DRUG ADDICTS AND ALCOHOLICS.**

17 (a) **IN GENERAL.**—Section 1614(a)(3) of the Social
18 Security Act (42 U.S.C. 1382c(a)(3)) is amended by add-
19 ing at the end the following:

20 “(I) Notwithstanding subparagraph (A), an individ-
21 ual shall not be considered to be disabled for purposes of
22 this title if alcoholism or drug addiction would (but for
23 this subparagraph) be a contributing factor material to
24 the Commissioner’s determination that the individual is
25 disabled.”.

26 (b) **CONFORMING AMENDMENTS.**—

1 (1) Section 1611(e) of such Act (42 U.S.C.
2 1382(e)) is amended by striking paragraph (3).

3 (2) Section 1631(a)(2)(A)(ii) of such Act (42
4 U.S.C. 1383(a)(2)(A)(ii)) is amended—

5 (A) by striking “(I)”; and

6 (B) by striking subclause (II).

7 (3) Section 1631(a)(2)(B) of such Act (42
8 U.S.C. 1383(a)(2)(B)) is amended—

9 (A) by striking clause (vii);

10 (B) in clause (viii), by striking “(ix)” and
11 inserting “(viii)”;

12 (C) in clause (ix)—

13 (i) by striking “(viii)” and inserting
14 “(vii)”; and

15 (ii) in subclause (II), by striking all
16 that follows “15 years” and inserting a pe-
17 riod;

18 (D) in clause (xiii)—

19 (i) by striking “(xii)” and inserting
20 “(xi)”; and

21 (ii) by striking “(xi)” and inserting
22 “(x)”; and

23 (E) by redesignating clauses (viii) through
24 (xiii) as clauses (vii) through (xii), respectively.

1 (4) Section 1631(a)(2)(D)(i)(II) of such Act
2 (~~42 U.S.C. 1383(a)(2)(D)(i)(II)~~) is amended by
3 striking all that follows “\$25.00 per month” and in-
4 serting a period.

5 (5) Section 1634 of such Act (~~42 U.S.C. 1383e~~)
6 is amended by striking subsection (e).

7 (6) Section 201(c)(1) of the Social Security
8 Independence and Program Improvements Act of
9 1994 (~~42 U.S.C. 425 note~~) is amended—

10 (A) by striking “—” and all that follows
11 through “(A)” the 1st place such term appears;

12 (B) by striking “and” the 3rd place such
13 term appears;

14 (C) by striking subparagraph (B);

15 (D) by striking “either subparagraph (A)
16 or subparagraph (B)” and inserting “the pre-
17 ceding sentence”; and

18 (E) by striking “subparagraph (A) or (B)”
19 and inserting “the preceding sentence”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on October 1, 1995, and shall
22 apply with respect to months beginning on or after such
23 date.

24 (d) FUNDING OF CERTAIN PROGRAMS FOR DRUG
25 ADDICTS AND ALCOHOLICS.—

1 (1) ~~IN GENERAL.~~—Out of any money in the
2 Treasury not otherwise appropriated, there are here-
3 by appropriated—

4 (A) for carrying out section 1971 of the
5 Public Health Service Act (as amended by
6 paragraph (2) of this subsection), \$95,000,000
7 for each of the fiscal years 1997 through 2000;
8 and

9 (B) for carrying out the medication devel-
10 opment project to improve drug abuse and drug
11 treatment research (administered through the
12 National Institute on Drug Abuse), \$5,000,000
13 for each of the fiscal years 1997 through 2000.

14 (2) ~~CAPACITY EXPANSION PROGRAM REGARD-~~
15 ~~ING DRUG ABUSE TREATMENT.~~—Section 1971 of the
16 Public Health Service Act (42 U.S.C. 300y) is
17 amended—

18 (A) in subsection (a)(1), by adding at the
19 end the following sentence: “This paragraph is
20 subject to subsection (j).”;

21 (B) by redesignating subsection (j) as sub-
22 section (k);

23 (C) in subsection (j) (as so redesignated),
24 by inserting before the period the following:

1 “and for each of the fiscal years 1995 through
2 2000”; and

3 (D) by inserting after subsection (i) the
4 following subsection:

5 “(j) FORMULA GRANTS FOR CERTAIN FISCAL
6 YEARS.—

7 “(1) IN GENERAL.—For each of the fiscal years
8 1997 through 2000, the Director shall, for the pur-
9 pose described in subsection (a)(1), make a grant to
10 each State that submits to the Director an applica-
11 tion in accordance with paragraph (2). Such a grant
12 for a State shall consist of the allotment determined
13 for the State under paragraph (3). For each of the
14 fiscal years 1997 through 2000, grants under this
15 paragraph shall be the exclusive grants under this
16 section.

17 “(2) REQUIREMENTS.—The Director may make
18 a grant under paragraph (1) only if, by the date
19 specified by the Director, the State submits to the
20 Director an application for the grant that is in such
21 form, is made in such manner, and contain such
22 agreements, assurances, and information as the Di-
23 rector determines to be necessary to carry out this
24 subsection, and if the application contains an agree-
25 ment by the State in accordance with the following:

1 “(A) The State will expend the grant in
2 accordance with the priority described in sub-
3 section (b)(1).”

4 “(B) The State will comply with the condi-
5 tions described in each of subsections (c), (d),
6 (g), and (h).”

7 “(3) ALLOTMENT.—

8 “(A) For purposes of paragraph (1), the
9 allotment under this paragraph for a State for
10 a fiscal year shall, except as provided in sub-
11 paragraph (B), be the product of—

12 “(i) the amount appropriated in sec-
13 tion 601(d)(1)(A) of the Personal Respon-
14 sibility Act of 1995 for the fiscal year, to-
15 gether with any additional amounts appro-
16 priated to carry out this section for the fis-
17 cal year; and

18 “(ii) the percentage determined for
19 the State under the formula established in
20 section 1933(a).”

21 “(B) Subsections (b) through (d) of section
22 1933 apply to an allotment under subparagraph
23 (A) to the same extent and in the same manner
24 as such subsections apply to an allotment under
25 subsection (a) of section 1933.”

1 **SEC. 602. SUPPLEMENTAL SECURITY INCOME BENEFITS**
2 **FOR DISABLED CHILDREN.**

3 (a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENE-
4 FITS.—

5 (1) IN GENERAL.—Section 1614(a)(3)(A) of the
6 Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is
7 amended—

8 (A) by inserting “(i)” after “(3)(A)”;

9 (B) by inserting “who has attained 18
10 years of age” before “shall be considered”;

11 (C) by striking “he” and inserting “the in-
12 dividual”;

13 (D) by striking “(or, in the case of an indi-
14 vidual under the age of 18, if he suffers from
15 any medically determinable physical or mental
16 impairment impairment of comparable sever-
17 ity)”;

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

20 “(ii) An individual who has not attained 18 years of
21 age shall be considered to be disabled for purposes of this
22 title for a month if the individual—

23 “(I) meets all non-disability-related require-
24 ments for eligibility for cash benefits under this title;

25 “(II) has any medically determinable physical
26 or mental impairment (or combination of impair-

1 ments) that meets the requirements, applicable to
2 individuals who have not attained 18 years of age,
3 of the Listings of Impairments set forth in appendix
4 1 of subpart P of part 404 of title 20, Code of Fed-
5 eral Regulations (revised as of April 1, 1994), or
6 that is equivalent in severity to such an impairment
7 (or such a combination of impairments); and

8 “(III)(aa) for the month preceding the first
9 month for which this clause takes effect, was eligible
10 for cash benefits under this title by reason of disabil-
11 ity; or

12 “(bb) as a result of the impairment (or com-
13 bination of impairments) involved—

14 “(1) is in a hospital, skilled nursing facil-
15 ity, nursing facility, residential treatment facil-
16 ity, intermediate care facility for the mentally
17 retarded, or other medical institution; or

18 “(2) would be required to be placed in
19 such an institution if the individual were not re-
20 ceiving personal assistance necessitated by the
21 impairment (or impairments).

22 “(iii) As used in clause (ii)(III)(bb)(2), the term ‘per-
23 sonal assistance’ includes at least hands-on or stand-by
24 assistance, supervision, or cueing, with activities of daily
25 living and the administration of medical treatment (where

1 applicable). For purposes of the preceding sentence, the
2 term ‘activities of daily living’ means eating, toileting,
3 dressing, bathing, and transferring.”.

4 (2) NOTICE.—Within 1 month after the date of
5 the enactment of this Act, the Commissioner of So-
6 cial Security shall notify each individual whose eligi-
7 bility for cash supplemental security income benefits
8 under title XVI of the Social Security Act will termi-
9 nate by reason of the amendments made by para-
10 graph (1) of such termination.

11 (3) ANNUAL REPORTS ON LISTINGS OF IMPAIR-
12 MENTS.—The Commissioner of Social Security shall
13 annually submit to the Congress a report on the
14 Listings of Impairments set forth in appendix 1 of
15 subpart P of part 404 of title 20, Code of Federal
16 Regulations (revised as of April 1, 1994), that are
17 applicable to individuals who have not attained 18
18 years of age, and recommend any necessary revisions
19 to the listings.

20 (b) ESTABLISHMENT OF PROGRAM OF BLOCK
21 GRANTS REGARDING CHILDREN WITH DISABILITIES.—

22 (1) IN GENERAL.—Title XVI of the Social Se-
23 curity Act (42 U.S.C. 1381 et seq.) is amended by
24 adding at the end the following:

1 **“PART C—BLOCK GRANTS TO STATES FOR**
2 **CHILDREN WITH DISABILITIES**

3 ~~“SEC. 1641. ENTITLEMENT TO GRANTS.~~

4 ~~“Each State that meets the requirements of section~~
5 ~~1642 for fiscal year 1997 or any subsequent fiscal year~~
6 ~~shall be entitled to receive from the Commissioner for the~~
7 ~~fiscal year a grant in an amount equal to the allotment~~
8 ~~(as defined in section 1646(1)) of the State for the fiscal~~
9 ~~year.~~

10 ~~“SEC. 1642. REQUIREMENTS.~~

11 ~~“(a) IN GENERAL.—A State meets the requirements~~
12 ~~of this section for a grant under section 1641 for a fiscal~~
13 ~~year if by the date specified by the Commissioner, the~~
14 ~~State submits to the Commissioner an application for the~~
15 ~~grant that is in such form, is made in such manner, and~~
16 ~~contain such agreements, assurances, and information as~~
17 ~~the Commissioner determines to be necessary to carry out~~
18 ~~this part, and if the application contains an agreement by~~
19 ~~the State in accordance with the following:~~

20 ~~“(1) The grant will not be expended for any~~
21 ~~purpose other than providing authorized services (as~~
22 ~~defined in section 1646(2)) to qualifying children (as~~
23 ~~defined in section 1646(3)).~~

24 ~~“(2)(A) In providing authorized services, the~~
25 ~~State will make every reasonable effort to obtain~~
26 ~~payment for the services from other Federal or State~~

1 programs that provide payment for such services
2 and from private entities that are legally liable to
3 make the payments pursuant to insurance policies,
4 prepaid plans, or other arrangements.

5 “(B) The State will expend the grant only to
6 the extent that payments from the programs and en-
7 tities described in subparagraph (A) are not avail-
8 able for authorized services provided by the State.

9 “(3) The State will comply with the condition
10 described in subsection (b).

11 “(4) The State will comply with the condition
12 described in subsection (c).

13 “(b) MAINTENANCE OF EFFORT.—

14 “(1) IN GENERAL.—The condition referred to
15 in subsection (a)(3) for a State for a fiscal year is
16 that, with respect to the purposes described in para-
17 graph (2), the State will maintain expenditures of
18 non-Federal amounts for such purposes at a level
19 that is not less than the following, as applicable:

20 “(A) For the first fiscal year for which the
21 State receives a grant under section 1641, an
22 amount equal to the difference between—

23 “(i) the average level of such expendi-
24 tures maintained by the State for the 2-
25 year period preceding October 1, 1995 (ex-

1 cept that, if such first fiscal year is other
2 than fiscal year 1997, the amount of such
3 average level shall be increased to the ex-
4 tent necessary to offset the effect of infla-
5 tion occurring after October 1, 1995); and

6 “~~(ii) the aggregate of non-Federal ex-~~
7 penditures made by the State for such 2-
8 year period pursuant to section 1618 (as
9 such section was in effect for such period).

10 “~~(B) For each subsequent fiscal year, the~~
11 amount applicable under subparagraph (A) in-
12 creased to the extent necessary to offset the ef-
13 fect of inflation occurring after the beginning of
14 the fiscal year to which such subparagraph ap-
15 plies.

16 “~~(2) RELEVANT PURPOSES.—The purposes de-~~
17 scribed in this paragraph are any purposes designed
18 to meet ~~(or assist in meeting)~~ the unique needs of
19 qualifying children that arise from physical and
20 mental impairments, including such purposes that
21 are authorized to be carried out under title XIX.

22 “~~(3) RULE OF CONSTRUCTION.—With respect~~
23 to compliance with the agreement made by a State
24 pursuant to paragraph (1), the State has discretion
25 to select, from among the purposes described in

1 paragraph (2); the purposes for which the State ex-
2 pends the non-Federal amounts reserved by the
3 State for such compliance.

4 “(4) USE OF CONSUMER PRICE INDEX.—Deter-
5 minations under paragraph (1) of the extent of in-
6 flation shall be made through use of the consumer
7 price index for all urban consumers, U.S. city aver-
8 age, published by the Bureau of Labor Statistics.

9 “(c) ASSESSMENT OF NEED FOR SERVICES.—The
10 condition referred to in subsection (a)(4) for a State for
11 a fiscal year is that each qualifying child will be permitted
12 to apply for authorized services, and will be provided with
13 an opportunity to have an assessment conducted to deter-
14 mine the need of such child for authorized services.

15 **“SEC. 1643. AUTHORITY OF STATE.**

16 “The following decisions are in the discretion of a
17 State with respect to compliance with an agreement made
18 by the State under section 1642(a)(1):

19 “(1) Decisions regarding which of the author-
20 ized services are provided.

21 “(2) Decisions regarding who among qualifying
22 children in the State receives the services.

23 “(3) Decisions regarding the number of services
24 provided for the qualifying child involved and the
25 duration of the services.

1 ~~“SEC. 1644. AUTHORIZED SERVICES.~~

2 ~~“(a) AUTHORITY OF COMMISSIONER.—The Commis-~~
3 ~~sioner, subject to subsection (b), shall issue regulations~~
4 ~~designating the purposes for which grants under section~~
5 ~~1641 are authorized to be expended by the States.~~

6 ~~“(b) REQUIREMENTS REGARDING SERVICES.—The~~
7 ~~Commissioner shall ensure that the purposes authorized~~
8 ~~under subsection (a)—~~

9 ~~“(1) are designed to meet (or assist in meeting)~~
10 ~~the unique needs of qualifying children that arise~~
11 ~~from physical and mental impairments;~~

12 ~~“(2) include medical and nonmedical services;~~
13 ~~and~~

14 ~~“(3) do not include the provision of cash bene-~~
15 ~~fits.~~

16 ~~“SEC. 1645. GENERAL PROVISIONS.~~

17 ~~“(a) ISSUANCE OF REGULATIONS.—Regulations~~
18 ~~under this part shall be issued in accordance with proce-~~
19 ~~dures established for the issuance of substantive rules~~
20 ~~under section 553 of title 5, United States Code. Pay-~~
21 ~~ments under grants under section 1641 for fiscal year~~
22 ~~1997 shall begin not later than January 1, 1997, without~~
23 ~~regard to whether final rules under this part have been~~
24 ~~issued and without regard to whether such rules have~~
25 ~~taken effect.~~

26 ~~“(b) PROVISIONS REGARDING OTHER PROGRAMS.—~~

1 ~~“(1) INAPPLICABILITY OF VALUE OF SERV-~~
2 ~~ICES.—The value of authorized services provided~~
3 ~~under this part shall not be taken into account in~~
4 ~~determining eligibility for, or the amount of, benefits~~
5 ~~or services under any Federal or federally-assisted~~
6 ~~program.~~

7 ~~“(2) MEDICAID PROGRAM.—For purposes of~~
8 ~~title XIX, each qualifying child shall be considered~~
9 ~~to be a recipient of supplemental security income~~
10 ~~benefits under this title (without regard to whether~~
11 ~~the child has received authorized services under this~~
12 ~~part and without regard to whether the State in-~~
13 ~~volved is receiving a grant under section 1641). The~~
14 ~~preceding sentence applies on and after the date of~~
15 ~~the enactment of this part.~~

16 ~~“(c) USE BY STATES OF EXISTING DELIVERY SYS-~~
17 ~~TEMS.—With respect to the systems utilized by the States~~
18 ~~to deliver services to individuals with disabilities (including~~
19 ~~systems utilized before the date of the enactment of the~~
20 ~~Personal Responsibility Act of 1995), it is the sense of~~
21 ~~the Congress that the States should utilize such systems~~
22 ~~in providing authorized services under this part.~~

23 ~~“(d) REQUIRED PARTICIPATION OF STATES.—Sub-~~
24 ~~paragraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall~~
25 ~~not apply to a State that does not participate in the pro-~~

1 gram established in this part for fiscal year 1997 or any
2 succeeding fiscal year.

3 **“SEC. 1646. DEFINITIONS.**

4 “As used in this part:

5 “(1) ALLOTMENT.—The term ‘allotment’
6 means, with respect to a State and a fiscal year, the
7 product of—

8 “(A) an amount equal to the difference be-
9 tween—

10 “(i) the number of qualifying children
11 in the State (as determined for the most
12 recent 12-month period for which data are
13 available to the Commissioner); and

14 “(ii) the number of qualifying children
15 in the State receiving cash benefits under
16 this title by reason of disability (as so de-
17 termined); and

18 “(B) an amount equal to 75 percent of the
19 mean average of the respective annual totals of
20 cash benefits paid under this title to each quali-
21 fying child described in subparagraph (A)(ii)
22 (as so determined).

23 “(2) AUTHORIZED SERVICE.—The term ‘au-
24 thorized service’ means each purpose authorized by
25 the Commissioner under section 1644(a).

1 ~~“(3) QUALIFYING CHILD.—~~

2 ~~“(A) IN GENERAL.—The term ‘qualifying~~
3 ~~child’ means an individual who—~~

4 ~~“(i) has not attained 18 years of age;~~
5 ~~and~~

6 ~~“(ii)(I) is eligible for cash benefits~~
7 ~~under this title by reason of disability; or~~

8 ~~“(II) meets the conditions described~~
9 ~~in subclauses (I) and (II) of section~~
10 ~~1614(a)(3)(A)(ii), but (by reason of~~
11 ~~subclause (III) of such section) is not eligi-~~
12 ~~ble for such cash benefits.~~

13 ~~“(B) RESPONSIBILITIES OF COMMIS-~~
14 ~~SIONER.—The Commissioner shall provide for~~
15 ~~determinations of whether individuals meet the~~
16 ~~criteria established in subparagraph (A) for sta-~~
17 ~~tus as qualifying children. Such determinations~~
18 ~~shall be made in accordance with the provisions~~
19 ~~otherwise applicable under this title with re-~~
20 ~~spect to such criteria.”.~~

21 ~~(2) RULE REGARDING CERTAIN MILITARY PAR-~~
22 ~~ENTS; CASH BENEFITS FOR QUALIFYING CHIL-~~
23 ~~DREN.—Section 1614(a)(1)(B)(ii) of the Social Se-~~
24 ~~curity Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amend-~~
25 ~~ed by striking “United States, and who, for the~~

1 month” and all that follows and inserting the follow-
2 ing: “United States, and—

3 “(I) who, for the month before the parent re-
4 ported for such assignment, received a cash benefit
5 under this title by reason of blindness, or

6 “(II) for whom, for such month, a determina-
7 tion was in effect that the child is a qualifying child
8 under section 1646(3).”.

9 (c) PROVISIONS RELATING TO SSI CASH BENEFITS
10 AND SSI SERVICE BENEFITS.—

11 (1) CONTINUING DISABILITY REVIEWS FOR
12 CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such
13 Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

14 (A) by inserting “(i)” after “(G)”; and

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

16 “(ii)(I) Not less frequently than once every 3 years,
17 the Commissioner shall redetermine the eligibility for cash
18 benefits under this title and for services under part C—

19 “(aa) of each individual who has not attained
20 18 years of age and is eligible for such cash benefits
21 by reason of disability; and

22 “(bb) of each qualifying child (as defined in sec-
23 tion 1646(3)).

1 ~~“(II) Subclause (I) shall not apply to an individual~~
2 ~~if the individual has an impairment (or combination of im-~~
3 ~~pairments) which is (or are) not expected to improve.”.~~

4 ~~(2) DISABILITY REVIEW REQUIRED FOR SSI RE-~~
5 ~~CIPIENTS WHO ARE 18 YEARS OF AGE.—~~

6 ~~(A) IN GENERAL.—Section 1614(a)(3)(G)~~
7 ~~of such Act (42 U.S.C. 1382c(a)(3)(G)), as~~
8 ~~amended by paragraph (1) of this subsection, is~~
9 ~~amended by adding at the end the following:~~

10 ~~“(iii)(I) The Commissioner shall redetermine the eli-~~
11 ~~gibility of a qualified individual for supplemental security~~
12 ~~income benefits under this title by reason of disability, by~~
13 ~~applying the criteria used in determining eligibility for~~
14 ~~such benefits of applicants who have attained 18 years of~~
15 ~~age.~~

16 ~~“(II) The redetermination required by subclause (I)~~
17 ~~with respect to a qualified individual shall be conducted~~
18 ~~during the 1-year period that begins on the date the quali-~~
19 ~~fied individual attains 18 years of age.~~

20 ~~“(III) As used in this clause, the term ‘qualified indi-~~
21 ~~vidual’ means an individual who attains 18 years of age~~
22 ~~and for whom, for the month preceding the month in~~
23 ~~which the individual attained such age, a determination~~
24 ~~was in effect that the individual is a qualifying child under~~
25 ~~section 1646(3).~~

1 “(IV) A redetermination under subclause (I) of this
2 clause shall be considered a substitute for a review re-
3 quired under any other provision of this subparagraph.”.

4 (B) REPORT TO THE CONGRESS.—Not
5 later than October 1, 1998, the Commissioner
6 of Social Security shall submit to the Commit-
7 tee on Ways and Means of the House of Rep-
8 resentatives and the Committee on Finance of
9 the Senate a report on the activities conducted
10 under section 1614(a)(3)(G)(iii) of the Social
11 Security Act.

12 (C) CONFORMING REPEAL.—Section 207
13 of the Social Security Independence and Pro-
14 gram Improvements Act of 1994 (42 U.S.C.
15 1382 note; 108 Stat. 1516) is hereby repealed.

16 (3) DISABILITY REVIEW REQUIRED FOR LOW
17 BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI
18 BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G)
19 of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended
20 by paragraphs (1) and (2) of this subsection, is
21 amended by adding at the end the following:

22 “(iv)(I) The Commissioner shall redetermine the eli-
23 gibility for—

24 “(aa) cash benefits under this title by reason of
25 disability of an individual whose low birth weight is

1 a contributing factor material to the Commissioner's
2 determination that the individual is disabled; and

3 ~~“(bb) services under part C of an individual~~
4 ~~who is eligible for such services by reason of low~~
5 ~~birth weight.~~

6 ~~“(II) The redetermination required by subclause (I)~~
7 ~~shall be conducted once the individual has received such~~
8 ~~benefits for 12 months.~~

9 ~~“(III) A redetermination under subclause (I) of this~~
10 ~~clause shall be considered a substitute for a review re-~~
11 ~~quired under any other provision of this subparagraph.”.~~

12 ~~(4) APPLICABILITY OF MEDICAID RULES RE-~~
13 ~~GARDING COUNTING OF CERTAIN ASSETS AND~~
14 ~~TRUSTS OF CHILDREN.—Section 1613(c) of the So-~~
15 ~~cial Security Act (42 U.S.C. 1382b(c)) is amended~~
16 ~~to read as follows:~~

17 ~~“TREATMENT OF CERTAIN ASSETS AND TRUSTS IN~~
18 ~~ELIGIBILITY DETERMINATIONS FOR CHILDREN~~

19 ~~“(c) Subsections (c) and (d) of section 1917 shall~~
20 ~~apply to determinations of eligibility for benefits under~~
21 ~~this title in the case of an individual who has not attained~~
22 ~~18 years of age in the same manner as such subsections~~
23 ~~apply to determinations of eligibility for medical assistance~~
24 ~~under a State plan under title XIX, except that—~~

25 ~~“(1) the amount described in section~~
26 ~~1917(c)(1)(E)(i)(II) shall be the amount of cash~~

1 benefits payable under this title to an eligible indi-
2 vidual who does not have an eligible spouse and who
3 has no income or resources;

4 “~~(2)~~ the look-back date specified in section
5 1917(c)(1)(B) shall be the date that is 36 months
6 before the date the individual has applied for bene-
7 fits under this title; and

8 “~~(3)~~ any assets in a trust over which the indi-
9 vidual has control shall be considered assets of the
10 individual.”.

11 ~~(d) CONFORMING AMENDMENTS.—~~

12 (1) Subsections ~~(b)(1), (b)(2), (c)(3), (c)(5),~~
13 and ~~(e)(1)(B)~~ of section 1611 of the Social Security
14 Act ~~(42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5),~~
15 and ~~(e)(1)(B))~~ are each amended by inserting
16 “cash” before “benefit under this title”.

17 (2) Section 1611(c)(1) of such Act ~~(42 U.S.C.~~
18 ~~1382(c)(1))~~ is amended—

19 (A) by striking “a benefit” and inserting
20 “benefits”;

21 (B) by striking “such benefit” and insert-
22 ing “the cash benefit under this title”; and

23 (C) by striking “and the amount of such
24 benefits” and inserting “benefits under this

1 title and the amount of any cash benefit under
2 this title”.

3 ~~(3) Section 1611(c)(2) of such Act (42 U.S.C.~~
4 ~~1382(c)(2)) is amended—~~

5 (A) by striking “such benefit” and insert-
6 ing “the cash benefit”;

7 (B) by inserting “cash” before “benefits”
8 each place such term appears; and

9 (C) in subparagraph (B), by inserting
10 “cash” before “benefit”.

11 ~~(4) Section 1611(c)(3) of such Act (42 U.S.C.~~
12 ~~1382(c)(3)) is amended by inserting “cash” before~~
13 ~~“benefits under this title”.~~

14 ~~(5) Section 1611(e)(1)(G) of such Act (42~~
15 ~~U.S.C. 1382(e)(1)(G)) is amended by inserting~~
16 ~~“cash” before “benefit of”.~~

17 ~~(6) Section 1614(a)(4) of such Act (42 U.S.C.~~
18 ~~1382e(a)(4)) is amended by inserting “or impair-~~
19 ~~ment” after “disability” each place such term ap-~~
20 ~~pears.~~

21 ~~(7) Section 1614(f)(1) of such Act (42 U.S.C.~~
22 ~~1382e(f)(1)) is amended by striking “and the~~
23 ~~amount of benefits” and inserting “benefits under~~
24 ~~this title and the amount of any cash benefit under~~
25 ~~this title”.~~

1 (8) Section 1614(f)(2)(A) of such Act (42
2 U.S.C. 1382e(f)(2)(A)) is amended by striking “and
3 the amount of benefits” and inserting “benefits
4 under this title and the amount of any cash benefit”.

5 (9) Section 1614(f)(3) of such Act (42 U.S.C.
6 1382e(f)(3)) is amended by striking “and the
7 amount of benefits” and inserting “benefits under
8 this title and the amount of any cash benefit under
9 this title”.

10 (10) Section 1616(e)(1) of such Act (42 U.S.C.
11 1382e(e)(1)) is amended by inserting “cash” before
12 “supplemental”.

13 (11) Section 1621(a) of such Act (42 U.S.C.
14 1382j(a)) is amended by striking “and the amount
15 of benefits” and inserting “benefits under this title
16 and the amount of any cash benefit under this title”.

17 (12) Section 1631(a)(4) of such Act (42 U.S.C.
18 1383(a)(4)) is amended by inserting “cash” before
19 “benefits” the 1st place such term appears in each
20 of subparagraphs (A) and (B).

21 (13) Section 1631(a)(7)(A) of such Act (42
22 U.S.C. 1383(a)(7)(A)) is amended by inserting
23 “cash” before “benefits based”.

24 (14) Section 1631(a)(8)(A) of such Act (42
25 U.S.C. 1383(a)(8)(A)) is amended by striking “ben-

1 efits based on disability or blindness under this
2 title” and inserting “benefits under this title (other
3 than by reason of age)”.

4 (15) Section 1631(c) of such Act (42 U.S.C.
5 1383(c)) is amended—

6 (A) by striking “payment” each place such
7 term appears and inserting “benefits”; and

8 (B) by striking “payments” each place
9 such term appears and inserting “benefits”.

10 (16) Section 1631(e) of such Act (42 U.S.C.
11 1383(e)) is amended—

12 (A) in paragraph (1)(B), by striking
13 “amounts of such benefits” and inserting
14 “amounts of cash benefits under this title”;

15 (B) in paragraph (2), by inserting “cash”
16 before “benefits” each place such term appears;

17 (C) by redesignating the 2nd paragraph
18 (6) and paragraph (7) as paragraphs (7) and
19 (8), respectively; and

20 (D) in paragraph (7) (as so redesignated),
21 by inserting “cash” before “benefits” each place
22 such term appears.

23 (17) Section 1631(g)(2) of such Act (42 U.S.C.
24 1383(g)(2)) is amended by striking “supplemental
25 security income” and inserting “cash”.

1 ~~(18)~~ Section 1635(a) of such Act (42 U.S.C.
2 1383d(a)) is amended by striking “by reason of dis-
3 ability or blindness”.

4 ~~(c)~~ TEMPORARY ELIGIBILITY FOR CASH BENEFITS
5 FOR POOR DISABLED CHILDREN RESIDING IN STATES
6 APPLYING ALTERNATIVE INCOME ELIGIBILITY STAND-
7 ARDS UNDER MEDICAID.—

8 ~~(1)~~ IN GENERAL.—For the period beginning
9 upon the 1st day of the 1st month that begins 90
10 or more days after the date of the enactment of this
11 Act and ending upon the close of fiscal year 1996,
12 an individual described in paragraph ~~(2)~~ shall be
13 considered to be eligible for cash benefits under title
14 XVI of the Social Security Act, by reason of disabil-
15 ity notwithstanding that the individual does not
16 meet any of the conditions described in section
17 1614(a)(3)(A)(ii)(III) of such Act.

18 ~~(2)~~ REQUIREMENTS.—For purposes of para-
19 graph ~~(1)~~, an individual described in this paragraph
20 is an individual who—

21 ~~(A)~~ has not attained 18 years of age;

22 ~~(B)~~ meets the conditions described in
23 subclauses ~~(I)~~ and ~~(II)~~ of section
24 1614(a)(3)(A)(ii) of the Social Security Act;

1 (C) resides in a State that, pursuant to
2 section 1902(f) of such Act, restricts eligibility
3 for medical assistance under title XIX of such
4 Act with respect to aged, blind, and disabled in-
5 dividuals; and

6 (D) is not eligible for medical assistance
7 under the State plan under such title XIX.

8 (f) REDUCTION IN CASH BENEFITS PAYABLE TO IN-
9 STITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS
10 ARE COVERED BY PRIVATE INSURANCE.—Section
11 1611(e)(1)(B) of the Social Security Act (42 U.S.C.
12 1382(e)(1)(B)) is amended by inserting “or under any
13 health insurance policy issued by a private provider of
14 such insurance” after “title XIX”.

15 (g) APPLICABILITY.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by subsections
18 (a)(1), (c), (d) and (f), and section 1645(b)(2) of the
19 Social Security Act (as added by the amendment
20 made by subsection (b) of this section), shall apply
21 to benefits for months beginning 90 or more days
22 after the date of the enactment of this Act, without
23 regard to whether regulations have been issued to
24 implement such amendments.

1 ~~(2)~~ DELAYED APPLICABILITY TO CURRENT SSI
2 RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The
3 amendments made by subsection ~~(a)(1)~~ shall not
4 apply, during the first 6 months that begin after the
5 month in which this Act becomes law, to an individ-
6 ual who is a recipient of cash supplemental security
7 income benefits under title XVI of the Social Secu-
8 rity Act for the month in which this Act becomes
9 law.

10 ~~(h)~~ REGULATIONS.—Within 3 months after the date
11 of the enactment of this Act—

12 ~~(1)~~ the Commissioner of Social Security shall
13 prescribe such regulations as may be necessary to
14 implement the amendments made by subsections
15 ~~(a)(1), (c), (d), and (f)~~ and to implement subsection
16 ~~(e)~~; and

17 ~~(2)~~ the Secretary of Health and Human Serv-
18 ices shall prescribe such regulations as may be nec-
19 essary to implement section 1645(b)(2) of the Social
20 Security Act, as added by the amendment made by
21 subsection ~~(b)~~ of this section.

1 **SEC. 603. EXAMINATION OF MENTAL LISTINGS USED TO DE-**
2 **TERMINE ELIGIBILITY OF CHILDREN FOR SSI**
3 **BENEFITS BY REASON OF DISABILITY.**

4 Section 202(e)(2) of the Social Security Independ-
5 ence and Program Improvements Act of 1994 (42 U.S.C.
6 1382 note) is amended—

7 (1) by striking “and” at the end of subpara-
8 graph (F); and

9 (2) by redesignating subparagraph (G) as sub-
10 paragraph (H) and inserting after subparagraph (F)
11 the following:

12 “(G) whether the criteria in the mental dis-
13 orders listings in the Listings of Impairments set
14 forth in appendix 1 of subpart P of part 404 of title
15 20, Code of Federal Regulations, are appropriate to
16 ensure that eligibility of individuals who have not at-
17 tained 18 years of age for cash benefits under the
18 supplemental security income program by reason of
19 disability is limited to those who have serious dis-
20 abilities and for whom such benefits are necessary to
21 improve their condition or quality of life; and”.

1 **SEC. 604. LIMITATION ON PAYMENTS TO PUERTO RICO,**
2 **THE VIRGIN ISLANDS, AND GUAM UNDER**
3 **PROGRAMS OF AID TO THE AGED, BLIND, OR**
4 **DISABLED.**

5 Section 1108 of the Social Security Act (42 U.S.C.
6 1308), as amended by section 104(e)(1) of this Act, is
7 amended by inserting before “The total” the following:

8 “(a) PROGRAMS OF AID TO THE AGED, BLIND, OR
9 DISABLED.—The total amount certified by the Secretary
10 of Health and Human Services under titles I, X, XIV, and
11 XVI (as in effect without regard to the amendment made
12 by section 301 of the Social Security Amendments of
13 1972)—

14 “(1) for payment to Puerto Rico shall not ex-
15 ceed \$18,053,940;

16 “(2) for payment to the Virgin Islands shall not
17 exceed \$473,659; and

18 “(3) for payment to Guam shall not exceed
19 \$900,718.

20 “(b) MEDICAID PROGRAMS.—”.

21 **SEC. 605. REPEAL OF MAINTENANCE OF EFFORT REQUIRE-**
22 **MENTS APPLICABLE TO OPTIONAL STATE**
23 **PROGRAMS FOR SUPPLEMENTATION OF SSI**
24 **BENEFITS.**

25 Section 1618 of the Social Security Act (42 U.S.C.
26 1382g) is hereby repealed.

1 **SEC. 606. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY**
2 **MISREPRESENTED RESIDENCE IN ORDER TO**
3 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
4 **MORE STATES.**

6 Section 1614(a) of the Social Security Act (42 U.S.C.
7 1382c(a)) is amended by adding at the end the following:

8 “(5) An individual shall not be considered an eligible
9 individual for purposes of this title during the 10-year pe-
10 riod beginning on the date the individual is found by a
11 State to have made, or is convicted in Federal or State
12 court of having made, a fraudulent statement or represen-
13 tation with respect to the place of residence of the individ-
14 ual in order to receive benefits simultaneously from 2 or
15 more States under programs that are funded under part
16 A of title IV, title XIX, or the Food Stamp Act of 1977,
17 or benefits in 2 or more States under the supplemental
18 security income program under title XVI.”

19 **SEC. 607. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**
20 **AND PROBATION AND PAROLE VIOLATORS.**

21 (a) IN GENERAL.—Section 1611(c) of the Social Se-
22 curity Act (42 U.S.C. 1382(e)), as amended by section
23 601(b)(1) of this Act, is amended by inserting after para-
24 graph (2) the following:

25 “(3) A person shall not be an eligible individual
26 or eligible spouse for purposes of this title with re-

1 spect to any month if, throughout the month, the
2 person is—

3 “(A) fleeing to avoid prosecution, or cus-
4 tody or confinement after conviction, under the
5 laws of the place from which the person flees,
6 for a crime, or an attempt to commit a crime,
7 which is a felony under the laws of the place
8 from which the person flees, or which, in the
9 case of the State of New Jersey, is a high mis-
10 demeanor under the laws of such State; or

11 “(B) violating a condition of probation or
12 parole imposed under Federal or State law.”.

13 (b) EXCHANGE OF INFORMATION WITH LAW EN-
14 FORCEMENT AGENCIES.—Section 1631(e) of such Act (42
15 U.S.C. 1383(e)) is amended by inserting after paragraph
16 (3) the following:

17 “(4) Notwithstanding any other provision of law, the
18 Commissioner shall furnish any Federal, State, or local
19 law enforcement officer, upon the request of the officer,
20 with the current address of any recipient of benefits under
21 this title, if the officer furnishes the agency with the name
22 of the recipient and notifies the agency that—

23 “(A) the recipient—

24 “(i) is fleeing to avoid prosecution, or cus-
25 tody or confinement after conviction, under the

1 laws of the place from which the person flees,
2 for a crime, or an attempt to commit a crime,
3 which is a felony under the laws of the place
4 from which the person flees, or which, in the
5 case of the State of New Jersey, is a high mis-
6 demeanor under the laws of such State;

7 “(ii) is violating a condition of probation or
8 parole imposed under Federal or State law; or

9 “(iii) has information that is necessary for
10 the officer to conduct the officer’s official du-
11 ties;

12 “(B) the location or apprehension of the recipi-
13 ent is within the official duties of the officer; and

14 “(C) the request is made in the proper exercise
15 of such duties.”.

16 **TITLE VII—CHILD SUPPORT**

17 **SEC. 700. REFERENCES.**

18 Except as otherwise specifically provided, wherever in
19 this title an amendment is expressed in terms of an
20 amendment to or repeal of a section or other provision,
21 the reference shall be considered to be made to that sec-
22 tion or other provision of the Social Security Act.

1 **Subtitle A—Eligibility for Services;**
2 **Distribution of Payments**

3 **SEC. 701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**
4 **ENFORCEMENT SERVICES.**

5 (a) STATE PLAN REQUIREMENTS.—Section 454 (42
6 U.S.C. 654) is amended—

7 (1) by striking paragraph (4) and inserting the
8 following:

9 “(4) provide that the State will—

10 “(A) provide services relating to the estab-
11 lishment of paternity or the establishment,
12 modification, or enforcement of child support
13 obligations, as appropriate, under the plan with
14 respect to—

15 “(i) each child for whom cash assist-
16 ance is provided under the State program
17 funded under part A of this title, benefits
18 or services are provided under the State
19 program funded under part B of this title,
20 or medical assistance is provided under the
21 State plan approved under title XIX, un-
22 less the State agency administering the
23 plan determines (in accordance with para-
24 graph (28)) that it is against the best in-
25 terests of the child to do so; and

1 ~~“(ii) any other child, if an individual~~
2 ~~applies for such services with respect to~~
3 ~~the child; and~~

4 ~~“(B) enforce any support obligation estab-~~
5 ~~lished with respect to—~~

6 ~~“(i) a child with respect to whom the~~
7 ~~State provides services under the plan; or~~

8 ~~“(ii) the custodial parent of such a~~
9 ~~child.”; and~~

10 ~~(2) in paragraph (6)—~~

11 ~~(A) by striking “provide that” and insert-~~
12 ~~ing “provide that—”;~~

13 ~~(B) by striking subparagraph (A) and in-~~
14 ~~serting the following:~~

15 ~~“(A) services under the plan shall be made~~
16 ~~available to nonresidents on the same terms as~~
17 ~~to residents;”;~~

18 ~~(C) in subparagraph (B), by inserting “on~~
19 ~~individuals not receiving assistance under any~~
20 ~~State program funded under part A” after~~
21 ~~“such services shall be imposed”;~~

22 ~~(D) in each of subparagraphs (B), (C),~~
23 ~~(D), and (E)—~~

24 ~~(i) by indenting the subparagraph in~~
25 ~~the same manner as, and aligning the left~~

1 margin of the subparagraph with the left
2 margin of, the matter inserted by subpara-
3 graph (B) of this paragraph; and

4 (ii) by striking the final comma and
5 inserting a semicolon; and

6 (E) in subparagraph (E), by indenting
7 each of clauses (i) and (ii) 2 additional ems.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 452(b) (42 U.S.C. 652(b)) is
10 amended by striking “454(6)” and inserting
11 “454(4)”.

12 (2) Section 452(g)(2)(A) (42 U.S.C.
13 652(g)(2)(A)) is amended by striking “454(6)” each
14 place it appears and inserting “454(4)(A)(ii)”.

15 (3) Section 466(a)(3)(B) (42 U.S.C.
16 666(a)(3)(B)) is amended by striking “in the case of
17 overdue support which a State has agreed to collect
18 under section 454(6)” and inserting “in any other
19 case”.

20 (4) Section 466(e) (42 U.S.C. 666(e)) is
21 amended by striking “paragraph (4) or (6) of sec-
22 tion 454” and inserting “section 454(4)”.

1 **SEC. 702. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
2 **TIONS.**

3 (a) **IN GENERAL.**—Section 457 (42 U.S.C. 657) is
4 amended to read as follows:

5 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

6 **“(a) IN GENERAL.**—An amount collected on behalf
7 of a family as support by a State pursuant to a plan ap-
8 proved under this part shall be distributed as follows:

9 **“(1) FAMILIES RECEIVING CASH ASSISTANCE.**—
10 In the case of a family receiving cash assistance
11 from the State, the State shall—

12 **“(A)** retain, or distribute to the family, the
13 State share of the amount so collected; and

14 **“(B)** pay to the Federal Government the
15 Federal share of the amount so collected.

16 **“(2) FAMILIES THAT FORMERLY RECEIVED**
17 **CASH ASSISTANCE.**—In the case of a family that for-
18 merly received cash assistance from the State:

19 **“(A) CURRENT SUPPORT PAYMENTS.**—To
20 the extent that the amount so collected does not
21 exceed the amount required to be paid to the
22 family for the month in which collected, the
23 State shall distribute the amount so collected to
24 the family.

25 **“(B) PAYMENTS OF ARREARAGES.**—To the
26 extent that the amount so collected exceeds the

1 amount required to be paid to the family for
2 the month in which collected, the State shall
3 distribute the amount so collected as follows:

4 “(i) DISTRIBUTION TO THE FAMILY
5 TO SATISFY ARREARAGES THAT ACCRUED
6 BEFORE OR AFTER THE FAMILY RECEIVED
7 CASH ASSISTANCE.—The State shall dis-
8 tribute the amount so collected to the fam-
9 ily to the extent necessary to satisfy any
10 support arrears with respect to the family
11 that accrued before or after the family re-
12 ceived cash assistance from the State.

13 “(ii) REIMBURSEMENT OF GOVERN-
14 MENTS FOR ASSISTANCE PROVIDED TO
15 THE FAMILY.—To the extent that clause
16 (i) does not apply to the amount, the State
17 shall retain the State share of the amount
18 so collected, and pay to the Federal Gov-
19 ernment the Federal share of the amount
20 so collected, to the extent necessary to re-
21 imburse amounts paid to the family as
22 cash assistance from the State.

23 “(iii) DISTRIBUTION OF THE REMAIN-
24 DER TO THE FAMILY.—To the extent that
25 neither clause (i) nor clause (ii) applies to

1 the amount so collected, the State shall
2 distribute the amount to the family.

3 ~~“(3) FAMILIES THAT NEVER RECEIVED CASH~~
4 ~~ASSISTANCE.—In the case of any other family, the~~
5 ~~State shall distribute the amount so collected to the~~
6 ~~family.~~

7 ~~“(b) DEFINITIONS.—As used in subsection (a):~~

8 ~~“(1) CASH ASSISTANCE.—The term ‘cash as-~~
9 ~~sistance from the State’ means—~~

10 ~~“(A) cash assistance under the State pro-~~
11 ~~gram funded under part A or under the State~~
12 ~~plan approved under part A of this title (as in~~
13 ~~effect before October 1, 1995); or~~

14 ~~“(B) cash benefits under the State pro-~~
15 ~~gram funded under part B or under the State~~
16 ~~plan approved under part B or E of this title~~
17 ~~(as in effect before October 1, 1995).~~

18 ~~“(2) FEDERAL SHARE.—The term ‘Federal~~
19 ~~share’ means, with respect to an amount collected by~~
20 ~~the State to satisfy a support obligation owed to a~~
21 ~~family for a time period—~~

22 ~~“(A) the greatest Federal medical assist-~~
23 ~~ance percentage in effect for the State for fiscal~~
24 ~~year 1995 or any succeeding fiscal year; or~~

1 “(B) if support is not owed to the family
2 for any month for which the family received aid
3 to families with dependent children under the
4 State plan approved under part A of this title
5 (as in effect before October 1, 1995), the Fed-
6 eral reimbursement percentage for the fiscal
7 year in which the time period occurs.

8 ~~“(3) FEDERAL MEDICAL ASSISTANCE PERCENT-~~
9 ~~AGE.—The term ‘Federal medical assistance per-~~
10 ~~centage’ means—~~

11 ~~“(A) the Federal medical assistance per-~~
12 ~~centage (as defined in section 1118), in the case~~
13 ~~of Puerto Rico, the Virgin Islands, Guam, and~~
14 ~~American Samoa; or~~

15 ~~“(B) the Federal medical assistance per-~~
16 ~~centage (as defined in section 1905(b)) in the~~
17 ~~case of any other State.~~

18 ~~“(4) FEDERAL REIMBURSEMENT PERCENT-~~
19 ~~AGE.—The term ‘Federal reimbursement percentage’~~
20 ~~means, with respect to a fiscal year—~~

21 ~~“(A) the total amount paid to the State~~
22 ~~under section 403 for the fiscal year; divided by~~

23 ~~“(B) the total amount expended by the~~
24 ~~State to carry out the State program under~~
25 ~~part A during the fiscal year.~~

1 ~~“(5) STATE SHARE.—~~The term ‘State share’
2 means 100 percent minus the Federal share.

3 ~~“(c) CONTINUATION OF SERVICES FOR FAMILIES~~
4 ~~CEASING TO RECEIVE ASSISTANCE UNDER THE STATE~~
5 ~~PROGRAM FUNDED UNDER PART A.—~~When a family with
6 respect to which services are provided under a State plan
7 approved under this part ceases to receive assistance
8 under the State program funded under part A, the State
9 shall provide appropriate notice to the family and continue
10 to provide such services, subject to the same conditions
11 and on the same basis as in the case of individuals to
12 whom services are furnished under section 454, except
13 that an application or other request to continue services
14 shall not be required of such a family and section
15 454(6)(B) shall not apply to the family.”.

16 ~~(b) EFFECTIVE DATE.—~~

17 ~~(1) GENERAL RULE.—~~Except as provided in
18 paragraph ~~(2)~~, the amendment made by subsection
19 ~~(a)~~ shall become effective on October 1, 1999.

20 ~~(2) EARLIER EFFECTIVE DATE FOR RULES RE-~~
21 ~~LATING TO DISTRIBUTION OF SUPPORT COLLECTED~~
22 ~~FOR FAMILIES RECEIVING CASH ASSISTANCE.—~~Sec-
23 tion 457(a)(1) of the Social Security Act, as added
24 by the amendment made by subsection ~~(a)~~, shall be-
25 come effective on October 1, 1995.

1 **SEC. 703. PRIVACY SAFEGUARDS.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42
3 U.S.C. 654) is amended—

4 (1) by striking “and” at the end of paragraph
5 (23);

6 (2) by striking the period at the end of para-
7 graph (24) and inserting “; and”; and

8 (3) by adding after paragraph (24) the follow-
9 ing:

10 “(25) will have in effect safeguards, applicable
11 to all confidential information handled by the State
12 agency, that are designed to protect the privacy
13 rights of the parties, including—

14 “(A) safeguards against unauthorized use
15 or disclosure of information relating to proceed-
16 ings or actions to establish paternity, or to es-
17 tablish or enforce support;

18 “(B) prohibitions against the release of in-
19 formation on the whereabouts of one party to
20 another party against whom a protective order
21 with respect to the former party has been en-
22 tered; and

23 “(C) prohibitions against the release of in-
24 formation on the whereabouts of one party to
25 another party if the State has reason to believe
26 that the release of the information may result

1 in physical or emotional harm to the former
2 party.”.

3 (b) ~~EFFECTIVE DATE.~~—The amendment made by
4 subsection (a) shall become effective on October 1, 1997.

5 **Subtitle B—Locate and Case**
6 **Tracking**

7 **SEC. 711. STATE CASE REGISTRY.**

8 Section 454A, as added by section 745(a)(2) of this
9 Act, is amended by adding at the end the following:

10 “(c) ~~STATE CASE REGISTRY.~~—

11 “(1) ~~CONTENTS.~~—The automated system re-
12 quired by this section shall include a registry (which
13 shall be known as the ‘State case registry’) that con-
14 tains records with respect to—

15 “(A) each case in which services are being
16 provided by the State agency under the State
17 plan approved under this part; and

18 “(B) each support order established or
19 modified in the State on or after October 1,
20 1998.

21 “(2) ~~LINKING OF LOCAL REGISTRIES.~~—The
22 State case registry may be established by linking
23 local case registries of support orders through an
24 automated information network, subject to this sec-
25 tion.

1 ~~“(3) USE OF STANDARDIZED DATA ELE-~~
2 ~~MENTS.—Such records shall use standardized data~~
3 ~~elements for both parents (such as names, social se-~~
4 ~~curity numbers and other uniform identification~~
5 ~~numbers, dates of birth, and case identification~~
6 ~~numbers), and contain such other information (such~~
7 ~~as on case status) as the Secretary may require.~~

8 ~~“(4) PAYMENT RECORDS.—Each case record in~~
9 ~~the State case registry with respect to which services~~
10 ~~are being provided under the State plan approved~~
11 ~~under this part and with respect to which a support~~
12 ~~order has been established shall include a record~~
13 ~~of—~~

14 ~~“(A) the amount of monthly (or other peri-~~
15 ~~odic) support owed under the order, and other~~
16 ~~amounts (including arrears, interest or late~~
17 ~~payment penalties, and fees) due or overdue~~
18 ~~under the order;~~

19 ~~“(B) any amount described in subpara-~~
20 ~~graph (A) that has been collected;~~

21 ~~“(C) the distribution of such collected~~
22 ~~amounts;~~

23 ~~“(D) the birth date of any child for whom~~
24 ~~the order requires the provision of support; and~~

1 ~~“(E) the amount of any lien imposed with~~
2 ~~respect to the order pursuant to section~~
3 ~~466(a)(4).~~

4 ~~“(5) UPDATING AND MONITORING.—The State~~
5 ~~agency operating the automated system required by~~
6 ~~this section shall promptly establish and maintain,~~
7 ~~and regularly monitor, case records in the State case~~
8 ~~registry with respect to which services are being pro-~~
9 ~~vided under the State plan approved under this part,~~
10 ~~on the basis of—~~

11 ~~“(A) information on administrative actions~~
12 ~~and administrative and judicial proceedings and~~
13 ~~orders relating to paternity and support;~~

14 ~~“(B) information obtained from compari-~~
15 ~~son with Federal, State, or local sources of in-~~
16 ~~formation;~~

17 ~~“(C) information on support collections~~
18 ~~and distributions; and~~

19 ~~“(D) any other relevant information.~~

20 ~~“(f) INFORMATION COMPARISONS AND OTHER DIS-~~
21 ~~CLOSURES OF INFORMATION.—The State shall use the~~
22 ~~automated system required by this section to extract infor-~~
23 ~~mation from (at such times, and in such standardized for-~~
24 ~~mat or formats, as may be required by the Secretary), to~~
25 ~~share and compare information with, and to receive infor-~~

1 mation from, other data bases and information compari-
2 son services, in order to obtain (or provide) information
3 necessary to enable the State agency (or the Secretary or
4 other State or Federal agencies) to carry out this part,
5 subject to section 6103 of the Internal Revenue Code of
6 1986. Such information comparison activities shall include
7 the following:

8 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
9 PORT ORDERS.—Furnishing to the Federal Case
10 Registry of Child Support Orders established under
11 section 453(h) (and update as necessary, with infor-
12 mation including notice of expiration of orders) the
13 minimum amount of information on child support
14 cases recorded in the State case registry that is nec-
15 essary to operate the registry (as specified by the
16 Secretary in regulations).

17 “(2) FEDERAL PARENT LOCATOR SERVICE.—
18 Exchanging information with the Federal Parent
19 Locator Service for the purposes specified in section
20 453.

21 “(3) TEMPORARY FAMILY ASSISTANCE AND
22 MEDICAID AGENCIES.—Exchanging information with
23 State agencies (of the State and of other States) ad-
24 ministering programs funded under part A, pro-
25 grams operated under State plans under title XIX,

1 and other programs designated by the Secretary, as
2 necessary to perform State agency responsibilities
3 under this part and under such programs.

4 ~~“(4) INTRA- AND INTERSTATE INFORMATION~~
5 ~~COMPARISONS.—Exchanging information with other~~
6 ~~agencies of the State, agencies of other States, and~~
7 ~~interstate information networks, as necessary and~~
8 ~~appropriate to carry out (or assist other States to~~
9 ~~carry out) the purposes of this part.”.~~

10 **SEC. 712. COLLECTION AND DISBURSEMENT OF SUPPORT**
11 **PAYMENTS.**

12 (a) STATE PLAN REQUIREMENT.—Section 454 (42
13 U.S.C. 654), as amended by section 703(a) of this Act,
14 is amended—

15 (1) by striking “and” at the end of paragraph
16 (24);

17 (2) by striking the period at the end of para-
18 graph (25) and inserting “; and”; and

19 (3) by adding after paragraph (25) the follow-
20 ing:

21 ~~“(26) provide that, on and after October 1,~~
22 ~~1998, the State agency will—~~

23 ~~“(A) operate a State disbursement unit in~~
24 ~~accordance with section 454B; and~~

1 “(B) have sufficient State staff (consisting
2 of State employees) and (at State option) con-
3 tractors reporting directly to the State agency
4 to—

5 “(i) monitor and enforce support col-
6 lections through the unit (including carry-
7 ing out the automated data processing re-
8 sponsibilities described in section 454A(g));
9 and

10 “(ii) take the actions described in sec-
11 tion 466(c)(1) in appropriate cases.”.

12 (b) ESTABLISHMENT OF STATE DISBURSEMENT
13 UNIT.—Part D of title IV (42 U.S.C. 651–669), as
14 amended by section 745(a)(2) of this Act, is amended by
15 inserting after section 454A the following:

16 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
17 **PORT PAYMENTS.**

18 “(a) STATE DISBURSEMENT UNIT.—

19 “(1) IN GENERAL.—In order for a State to
20 meet the requirements of this section, the State
21 agency must establish and operate a unit (which
22 shall be known as the ‘State disbursement unit’) for
23 the collection and disbursement of payments under
24 support orders in all cases being enforced by the
25 State pursuant to section 454(4).

1 ~~“(2) OPERATION.—The State disbursement~~
2 ~~unit shall be operated—~~

3 ~~“(A) directly by the State agency (or 2 or~~
4 ~~more State agencies under a regional coopera-~~
5 ~~tive agreement), or (to the extent appropriate)~~
6 ~~by a contractor responsible directly to the State~~
7 ~~agency; and~~

8 ~~“(B) in coordination with the automated~~
9 ~~system established by the State pursuant to~~
10 ~~section 454A.~~

11 ~~“(3) LINKING OF LOCAL DISBURSEMENT~~
12 ~~UNITS.—The State disbursement unit may be estab-~~
13 ~~lished by linking local disbursement units through~~
14 ~~an automated information network, subject to this~~
15 ~~section. The Secretary must agree that the system~~
16 ~~will not cost more nor take more time to establish~~
17 ~~than a centralized system. In addition, employers~~
18 ~~shall be given 1 location to which income withhold-~~
19 ~~ing is sent.~~

20 ~~“(b) REQUIRED PROCEDURES.—The State disburse-~~
21 ~~ment unit shall use automated procedures, electronic proc-~~
22 ~~esses, and computer-driven technology to the maximum~~
23 ~~extent feasible, efficient, and economical, for the collection~~
24 ~~and disbursement of support payments, including proce-~~
25 ~~dures—~~

1 “(1) for receipt of payments from parents, em-
2 ployers, and other States, and for disbursements to
3 custodial parents and other obligees, the State agen-
4 cy, and the agencies of other States;

5 “(2) for accurate identification of payments;

6 “(3) to ensure prompt disbursement of the cus-
7 todial parent’s share of any payment; and

8 “(4) to furnish to any parent, upon request,
9 timely information on the current status of support
10 payments under an order requiring payments to be
11 made by or to the parent.

12 “(c) TIMING OF DISBURSEMENTS.—The State dis-
13 bursement unit shall distribute all amounts payable under
14 section 457(a) within 2 business days after receipt from
15 the employer or other source of periodic income, if suffi-
16 cient information identifying the payee is provided.

17 “(d) BUSINESS DAY DEFINED.—As used in this sec-
18 tion, the term ‘business day’ means a day on which State
19 offices are open for regular business.”.

20 “(e) USE OF AUTOMATED SYSTEM.—Section 454A, as
21 added by section 745(a)(2) of this Act and as amended
22 by section 711 of this Act, is amended by adding at the
23 end the following:

24 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
25 PAYMENTS.—

1 ~~“(1) IN GENERAL.—~~The State shall use the
2 automated system required by this section, to the
3 maximum extent feasible, to assist and facilitate the
4 collection and disbursement of support payments
5 through the State disbursement unit operated under
6 section 454B, through the performance of functions,
7 including, at a minimum—

8 ~~“(A) transmission of orders and notices to~~
9 ~~employers (and other debtors) for the withhold-~~
10 ~~ing of wages (and other income)—~~

11 ~~“(i) within 2 business days after re-~~
12 ~~ceipt (from a court, another State, an em-~~
13 ~~ployer, the Federal Parent Locator Service,~~
14 ~~or another source recognized by the State)~~
15 ~~of notice of, and the income source subject~~
16 ~~to, such withholding; and~~

17 ~~“(ii) using uniform formats prescribed~~
18 ~~by the Secretary;~~

19 ~~“(B) ongoing monitoring to promptly iden-~~
20 ~~tify failures to make timely payment of support;~~
21 ~~and~~

22 ~~“(C) automatic use of enforcement proce-~~
23 ~~dures (including procedures authorized pursu-~~
24 ~~ant to section 466(c)) where payments are not~~
25 ~~timely made.~~

1 “(2) BUSINESS DAY DEFINED.—As used in
2 paragraph (1), the term ‘business day’ means a day
3 on which State offices are open for regular busi-
4 ness.”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall become effective on October 1, 1998.

7 **SEC. 713. STATE DIRECTORY OF NEW HIRES.**

8 (a) STATE PLAN REQUIREMENT.—Section 454 (42
9 U.S.C. 654), as amended by sections 703(a) and 712(a)
10 of this Act, is amended—

11 (1) by striking “and” at the end of paragraph
12 (25);

13 (2) by striking the period at the end of para-
14 graph (26) and inserting “; and”; and

15 (3) by adding after paragraph (26) the follow-
16 ing:

17 “(27) provide that, on and after October 1,
18 1997, the State will operate a State Directory of
19 New Hires in accordance with section 453A.”.

20 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
21 title IV (42 U.S.C. 651–669) is amended by inserting
22 after section 453 the following:

23 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

24 “(a) ESTABLISHMENT.—

1 “(1) IN GENERAL.—Not later than October 1,
2 1997, each State shall establish an automated direc-
3 tory (to be known as the ‘State Directory of New
4 Hires’) which shall contain information supplied in
5 accordance with subsection (b) by employers and
6 labor organizations on each newly hired employee.

7 “(2) DEFINITIONS.—As used in this section:

8 “(A) EMPLOYEE.—The term ‘employee’—

9 “(i) means an individual who is an
10 employee within the meaning of chapter 24
11 of the Internal Revenue Code of 1986; and

12 “(ii) does not include an employee of
13 a Federal or State agency performing in-
14 telligence or counterintelligence functions,
15 if the head of such agency has determined
16 that reporting pursuant to paragraph (1)
17 with respect to the employee could endan-
18 ger the safety of the employee or com-
19 promise an ongoing investigation or intel-
20 ligence mission.

21 “(B) GOVERNMENTAL EMPLOYERS.—The
22 term ‘employer’ includes any governmental en-
23 tity.

24 “(C) LABOR ORGANIZATION.—The term
25 ‘labor organization’ shall have the meaning

1 given such term in section 2(5) of the National
2 Labor Relations Act, and includes any entity
3 (also known as a 'hiring hall') which is used by
4 the organization and an employer to carry out
5 requirements described in section 8(f)(3) of
6 such Act of an agreement between the organiza-
7 tion and the employer.

8 “(b) EMPLOYER INFORMATION.—

9 “(1) REPORTING REQUIREMENT.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (B), each employer shall furnish
12 to the Directory of New Hires of the State in
13 which a newly hired employee works a report
14 that contains the name, address, and social se-
15 curity number of the employee, and the name
16 of, and identifying number assigned under sec-
17 tion 6109 of the Internal Revenue Code of 1986
18 to, the employer.

19 “(B) MULTISTATE EMPLOYERS.—An em-
20 ployer who has employees who are employed in
21 2 or more States may comply with subpara-
22 graph (A) by transmitting the report described
23 in subparagraph (A) magnetically or electroni-
24 cally to the State in which the greatest number
25 of employees of the employer are employed.

1 “(2) TIMING OF REPORT.—The report required
2 by paragraph (1) with respect to an employee shall
3 be made not later than the later of—

4 “(A) 15 days after the date the employer
5 hires the employee; or

6 “(B) the date the employee first receives
7 wages or other compensation from the em-
8 ployer.

9 “(c) REPORTING FORMAT AND METHOD.—Each re-
10 port required by subsection (b) shall be made on a W-
11 4 form or the equivalent, and may be transmitted by first
12 class mail, magnetically, or electronically.

13 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
14 EMPLOYERS.—

15 “(1) IN GENERAL.—An employer that fails to
16 comply with subsection (b) with respect to an em-
17 ployee shall be subject to a civil money penalty of—

18 “(A) \$25; or

19 “(B) \$500 if, under State law, the failure
20 is the result of a conspiracy between the em-
21 ployer and the employee to not supply the re-
22 quired report or to supply a false or incomplete
23 report.

24 “(2) APPLICABILITY OF SECTION 1128.—Section
25 1128 (other than subsections (a) and (b) of such

1 section) shall apply to a civil money penalty under
2 paragraph (1) of this subsection in the same manner
3 as such section applies to a civil money penalty or
4 proceeding under section 1128A(a).

5 “(e) INFORMATION COMPARISONS.—

6 “(1) IN GENERAL.—Not later than October 1,
7 1997, an agency designated by the State shall, di-
8 rectly or by contract, conduct automated compari-
9 sons of the social security numbers reported by em-
10 ployers pursuant to subsection (b) and the social se-
11 curity numbers appearing in the records of the State
12 case registry for cases being enforced under the
13 State plan.

14 “(2) NOTICE OF MATCH.—When an information
15 comparison conducted under paragraph (1) reveals a
16 match with respect to the social security number of
17 an individual required to provide support under a
18 support order, the State Directory of New Hires
19 shall provide the agency administering the State
20 plan approved under this part of the appropriate
21 State with the name, address, and social security
22 number of the employee to whom the social security
23 number is assigned, and the name of, and identify-
24 ing number assigned under section 6109 of the In-
25 ternal Revenue Code of 1986 to, the employer.

1 “(f) TRANSMISSION OF INFORMATION.—

2 “(1) TRANSMISSION OF WAGE WITHHOLDING
3 NOTICES TO EMPLOYERS.—Within 2 business days
4 after the date information regarding a newly hired
5 employee is entered into the State Directory of New
6 Hires, the State agency enforcing the employee’s
7 child support obligation shall transmit a notice to
8 the employer of the employee directing the employer
9 to withhold from the wages of the employee an
10 amount equal to the monthly (or other periodic)
11 child support obligation of the employee, unless the
12 employee’s wages are not subject to withholding pur-
13 suant to section 466(b)(3).

14 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
15 TORY OF NEW HIRES.—

16 “(A) NEW HIRE INFORMATION.—Within 4
17 business days after the State Directory of New
18 Hires receives information from employers pur-
19 suant to this section, the State Directory of
20 New Hires shall furnish the information to the
21 National Directory of New Hires.

22 “(B) WAGE AND UNEMPLOYMENT COM-
23 PENSATION INFORMATION.—The State Direc-
24 tory of New Hires shall, on a quarterly basis,
25 furnish to the National Directory of New Hires

1 extracts of the reports required under section
2 303(a)(6) to be made to the Secretary of Labor
3 concerning the wages and unemployment com-
4 pensation paid to individuals, by such dates, in
5 such format, and containing such information
6 as the Secretary of Health and Human Services
7 shall specify in regulations.

8 ~~“(3) BUSINESS DAY DEFINED.—As used in this~~
9 ~~subsection, the term ‘business day’ means a day on~~
10 ~~which State offices are open for regular business.~~

11 ~~“(g) OTHER USES OF NEW HIRE INFORMATION.—~~

12 ~~“(1) LOCATION OF CHILD SUPPORT OBLI-~~
13 ~~GORS.—The agency administering the State plan ap-~~
14 ~~proved under this part shall use information received~~
15 ~~pursuant to subsection (e)(2) to locate individuals~~
16 ~~for purposes of establishing paternity and establish-~~
17 ~~ing, modifying, and enforcing child support obliga-~~
18 ~~tions.~~

19 ~~“(2) VERIFICATION OF ELIGIBILITY FOR CER-~~
20 ~~TAIN PROGRAMS.—A State agency responsible for~~
21 ~~administering a program specified in section 1137(b)~~
22 ~~shall have access to information reported by employ-~~
23 ~~ers pursuant to subsection (b) of this section for~~
24 ~~purposes of verifying eligibility for the program.~~

1 holding as provided in subsection (b) if arrear-
2 ages occur, without the need for a judicial or
3 administrative hearing.”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 466(a)(8)(B)(iii) (42 U.S.C.
6 666(a)(8)(B)(iii)) is amended—

7 (i) by striking “(5),”; and

8 (ii) by inserting “, and, at the option
9 of the State, the requirements of sub-
10 section (b)(5)” before the period.

11 (B) Section 466(b) (42 U.S.C. 666(b)) is
12 amended in the matter preceding paragraph
13 (1), by striking “subsection (a)(1)” and insert-
14 ing “subsection (a)(1)(A)”.

15 (C) Section 466(b)(5) (42 U.S.C.
16 666(b)(5)) is amended by striking all that fol-
17 lows “administered by” and inserting “the
18 State through the State disbursement unit es-
19 tablished pursuant to section 454B, in accord-
20 ance with the requirements of section 454B.”.

21 (D) Section 466(b)(6)(A) (42 U.S.C.
22 666(b)(6)(A)) is amended—

23 (i) in clause (i), by striking “to the
24 appropriate agency” and all that follows
25 and inserting “to the State disbursement

1 unit within 2 business days after the date
2 the amount would (but for this subsection)
3 have been paid or credited to the employee,
4 for distribution in accordance with this
5 part.”;

6 (ii) in clause (ii), by inserting “be in
7 a standard format prescribed by the Sec-
8 retary, and” after “shall”; and

9 (iii) by adding at the end the follow-
10 ing:

11 “(iii) As used in this subparagraph, the term
12 ‘business day’ means a day on which State offices
13 are open for regular business.”.

14 (E) Section 466(b)(6)(D) (42 U.S.C.
15 666(b)(6)(D)) is amended by striking “any em-
16 ployer” and all that follows and inserting the
17 following:

18 “any employer who—

19 “(i) discharges from employment, refuses
20 to employ, or takes disciplinary action against
21 any absent parent subject to wage withholding
22 required by this subsection because of the exist-
23 ence of such withholding and the obligations or
24 additional obligations which is imposes upon the
25 employer; or

1 “(ii) fails to withhold support from wages,
2 or to pay such amounts to the State disburse-
3 ment unit in accordance with this subsection.”.

4 (F) Section 466(b) (42 U.S.C. 666(b)) is
5 amended by adding at the end the following:

6 “(11) Procedures under which the agency ad-
7 ministering the State plan approved under this part
8 may execute a withholding order through electronic
9 means and without advance notice to the obligor.”.

10 (b) CONFORMING AMENDMENT.—Section 466(c) (42
11 U.S.C. 666(c)) is repealed.

12 **SEC. 715. LOCATOR INFORMATION FROM INTERSTATE NET-**
13 **WORKS.**

14 Section 466(a) (42 U.S.C. 666(a)) is amended by
15 adding at the end the following:

16 “(12) LOCATOR INFORMATION FROM INTER-
17 STATE NETWORKS.—Procedures to ensure that all
18 Federal and State agencies conducting activities
19 under this part have access to any system used by
20 the State to locate an individual for purposes relat-
21 ing to motor vehicles or law enforcement.”.

1 **SEC. 716. EXPANSION OF THE FEDERAL PARENT LOCATOR**
2 **SERVICE.**

3 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
4 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
5 amended—

6 (1) in subsection (a), by striking all that follows
7 “subsection (c)” and inserting “, for the purpose of
8 establishing parentage, establishing, setting the
9 amount of, modifying, or enforcing child support ob-
10 ligations—

11 “(1) information on, or facilitating the discov-
12 ery of, the location of any individual—

13 “(A) who is under an obligation to pay
14 child support;

15 “(B) against whom such an obligation is
16 sought; or

17 “(C) to whom such an obligation is owed,
18 including the individual’s social security number (or
19 numbers), most recent address, and the name, ad-
20 dress, and employer identification number of the in-
21 dividual’s employer; and

22 “(2) information on the individual’s wages (or
23 other income) from, and benefits of, employment (in-
24 cluding rights to or enrollment in group health care
25 coverage).”; and

1 (2) in subsection (b), in the matter preceding
2 paragraph (1), by striking “social security” and all
3 that follows through “absent parent” and inserting
4 “information described in subsection (a)”.

5 (b) REIMBURSEMENT FOR INFORMATION FROM FED-
6 ERAL AGENCIES.—Section 453(c)(2) (42 U.S.C.
7 653(c)(2)) is amended in the 4th sentence by inserting
8 “in an amount which the Secretary determines to be rea-
9 sonable payment for the information exchange (which
10 amount shall not include payment for the costs of obtain-
11 ing, compiling, or maintaining the information)” before
12 the period.

13 (c) REIMBURSEMENT FOR REPORTS BY STATE
14 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
15 adding at the end the following:

16 “(g) The Secretary may reimburse Federal and State
17 agencies for the costs incurred by such entities in furnish-
18 ing information requested by the Secretary under this sec-
19 tion in an amount which the Secretary determines to be
20 reasonable payment for the information exchange (which
21 amount shall not include payment for the costs of obtain-
22 ing, compiling, or maintaining the information).”.

23 (d) TECHNICAL AMENDMENTS.—

24 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
25 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),

1 ~~653(b), 663(a), 663(e), and 663(f)~~ are each amend-
2 ed by inserting “Federal” before “Parent” each
3 place such term appears.

4 (2) Section 453 (42 U.S.C. 653) is amended in
5 the heading by adding “FEDERAL” before “PAR-
6 ENT”.

7 (e) NEW COMPONENTS.—Section 453 (42 U.S.C.
8 653), as amended by subsection (c) of this section, is
9 amended by adding at the end the following:

10 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
11 ORDERS.—

12 “(1) IN GENERAL.—Not later than October 1,
13 1998, in order to assist States in administering pro-
14 grams under State plans approved under this part
15 and programs funded under part A, and for the
16 other purposes specified in this section, the Sec-
17 retary shall establish and maintain in the Federal
18 Parent Locator Service an automated registry
19 (which shall be known as the ‘Federal Case Registry
20 of Child Support Orders’), which shall contain ab-
21 stracts of support orders and other information de-
22 scribed in paragraph (2) with respect to each case
23 in each State case registry maintained pursuant to
24 section 454A(e), as furnished (and regularly up-

1 dated), pursuant to section 454A(f), by State agen-
2 cies administering programs under this part.

3 ~~“(2) CASE INFORMATION.—~~The information re-
4 ferred to in paragraph (1) with respect to a case
5 shall be such information as the Secretary may
6 specify in regulations (including the names, social
7 security numbers or other uniform identification
8 numbers, and State case identification numbers) to
9 identify the individuals who owe or are owed support
10 (or with respect to or on behalf of whom support ob-
11 ligations are sought to be established), and the State
12 or States which have the case.

13 ~~“(i) NATIONAL DIRECTORY OF NEW HIRES.—~~

14 ~~“(1) IN GENERAL.—~~In order to assist States in
15 administering programs under State plans approved
16 under this part and programs funded under part A,
17 and for the other purposes specified in this section,
18 the Secretary shall, not later than October 1, 1996,
19 establish and maintain in the Federal Parent Loca-
20 tor Service an automated directory to be known as
21 the National Directory of New Hires, which shall
22 contain the information supplied pursuant to section
23 453A(f)(2).

24 ~~“(2) ADMINISTRATION OF FEDERAL TAX~~
25 ~~LAWS.—~~The Secretary of the Treasury shall have

1 access to the information in the Federal Directory of
2 New Hires for purposes of administering section 32
3 of the Internal Revenue Code of 1986, or the ad-
4 vance payment of the earned income tax credit
5 under section 3507 of such Code, and verifying a
6 claim with respect to employment in a tax return.

7 ~~“(j) INFORMATION COMPARISONS AND OTHER DIS-~~
8 ~~CLOSURES.—~~

9 ~~“(1) VERIFICATION BY SOCIAL SECURITY AD-~~
10 ~~MINISTRATION.—~~

11 ~~“(A) The Secretary shall transmit informa-~~
12 ~~tion on individuals and employers maintained~~
13 ~~under this section to the Social Security Admin-~~
14 ~~istration to the extent necessary for verification~~
15 ~~in accordance with subparagraph (B).~~

16 ~~“(B) The Social Security Administration~~
17 ~~shall verify the accuracy of, correct, or supply~~
18 ~~to the extent possible, and report to the Sec-~~
19 ~~retary, the following information supplied by~~
20 ~~the Secretary pursuant to subparagraph (A):~~

21 ~~“(i) The name, social security num-~~
22 ~~ber, and birth date of each such individual.~~

23 ~~“(ii) The employer identification num-~~
24 ~~ber of each such employer.~~

1 “(2) INFORMATION COMPARISONS.—For the
2 purpose of locating individuals in a paternity estab-
3 lishment case or a case involving the establishment,
4 modification, or enforcement of a support order, the
5 Secretary shall—

6 “(A) compare information in the National
7 Directory of New Hires against information in
8 the support order abstracts in the Federal Case
9 Registry of Child Support Orders not less often
10 than every 2 business days; and

11 “(B) within 2 such days after such a com-
12 parison reveals a match with respect to an indi-
13 vidual, report the information to the State
14 agency responsible for the case.

15 “(3) INFORMATION COMPARISONS AND DISCLO-
16 SURES OF INFORMATION IN ALL REGISTRIES FOR
17 TITLE IV PROGRAM PURPOSES.—To the extent and
18 with the frequency that the Secretary determines to
19 be effective in assisting States to carry out their re-
20 sponsibilities under programs operated under this
21 part and programs funded under part A, the Sec-
22 retary shall—

23 “(A) compare the information in each com-
24 ponent of the Federal Parent Locator Service
25 maintained under this section against the infor-

1 mation in each other such component (other
2 than the comparison required by paragraph
3 (2)), and report instances in which such a com-
4 parison reveals a match with respect to an indi-
5 vidual to State agencies operating such pro-
6 grams; and

7 “~~(B)~~ disclose information in such registries
8 to such State agencies.

9 “~~(4)~~ PROVISION OF NEW HIRE INFORMATION
10 TO THE SOCIAL SECURITY ADMINISTRATION.—The
11 National Directory of New Hires shall provide the
12 Commissioner of Social Security with all information
13 in the National Directory, which shall be used to de-
14 termine the accuracy of payments under the supple-
15 mental security income program under title XVI and
16 in connection with benefits under title II.

17 “~~(5)~~ RESEARCH.—The Secretary may provide
18 access to information reported by employers pursu-
19 ant to section 453A(b) for research purposes found
20 by the Secretary to be likely to contribute to achiev-
21 ing the purposes of part A or this part, but without
22 personal identifiers.

23 “~~(k)~~ FEES.—

24 “~~(1)~~ FOR SSA VERIFICATION.—The Secretary
25 shall reimburse the Commissioner of Social Security,

1 at a rate negotiated between the Secretary and the
2 Commissioner, for the costs incurred by the Com-
3 missioner in performing the verification services de-
4 scribed in subsection (j).

5 “(2) FOR INFORMATION FROM STATE DIREC-
6 TORIES OF NEW HIRES.—The Secretary shall reim-
7 burse costs incurred by State directories of new
8 hires in furnishing information as required by sub-
9 section (j)(3), at rates which the Secretary deter-
10 mines to be reasonable (which rates shall not include
11 payment for the costs of obtaining, compiling, or
12 maintaining such information).

13 “(3) FOR INFORMATION FURNISHED TO STATE
14 AND FEDERAL AGENCIES.—A State or Federal agen-
15 cy that receives information from the Secretary pur-
16 suant to this section shall reimburse the Secretary
17 for costs incurred by the Secretary in furnishing the
18 information, at rates which the Secretary determines
19 to be reasonable (which rates shall include payment
20 for the costs of obtaining, verifying, maintaining,
21 and comparing the information).

22 “(4) RESTRICTION ON DISCLOSURE AND USE.—In-
23 formation in the Federal Parent Locator Service, and in-
24 formation resulting from comparisons using such informa-
25 tion, shall not be used or disclosed except as expressly pro-

1 vided in this section, subject to section 6103 of the Inter-
2 nal Revenue Code of 1986.

3 ~~“(m) INFORMATION INTEGRITY AND SECURITY.—~~

4 The Secretary shall establish and implement safeguards
5 with respect to the entities established under this section
6 designed to—

7 ~~“(1) ensure the accuracy and completeness of~~
8 ~~information in the Federal Parent Locator Service;~~
9 ~~and~~

10 ~~“(2) restrict access to confidential information~~
11 ~~in the Federal Parent Locator Service to authorized~~
12 ~~persons, and restrict use of such information to au-~~
13 ~~thorized purposes.”.~~

14 ~~(f) CONFORMING AMENDMENTS.—~~

15 ~~(1) TO PART D OF TITLE IV OF THE SOCIAL SE-~~
16 ~~CURITY ACT.—Section 454(8)(B) (42 U.S.C.~~
17 ~~654(8)(B)) is amended to read as follows:~~

18 ~~“(B) the Federal Parent Locator Service~~
19 ~~established under section 453;”.~~

20 ~~(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—~~
21 ~~Section 3304(a)(16) of the Internal Revenue Code of~~
22 ~~1986 is amended—~~

23 ~~(A) by striking “Secretary of Health, Edu-~~
24 ~~cation, and Welfare” each place such term ap-~~

1 pears and inserting “Secretary of Health and
2 Human Services”;

3 (B) in subparagraph (B), by striking
4 “such information” and all that follows and in-
5 serting “information furnished under subpara-
6 graph (A) or (B) is used only for the purposes
7 authorized under such subparagraph;”;

8 (C) by striking “and” at the end of sub-
9 paragraph (A);

10 (D) by redesignating subparagraph (B) as
11 subparagraph (C); and

12 (E) by inserting after subparagraph (A)
13 the following new subparagraph:

14 “(B) wage and unemployment compensa-
15 tion information contained in the records of
16 such agency shall be furnished to the Secretary
17 of Health and Human Services (in accordance
18 with regulations promulgated by such Sec-
19 retary) as necessary for the purposes of the Na-
20 tional Directory of New Hires established under
21 section 453(i) of the Social Security Act, and”.

22 (3) TO STATE GRANT PROGRAM UNDER TITLE
23 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
24 (42 U.S.C. 503(a)) is amended—

1 (A) by striking “and” at the end of para-
2 graph (8);

3 (B) by striking “and” at the end of para-
4 graph (9);

5 (C) by striking the period at the end of
6 paragraph (10) and inserting “; and”; and

7 (D) by adding after paragraph (10) the
8 following:

9 “(11) The making of quarterly electronic re-
10 ports, at such dates, in such format, and containing
11 such information, as required by the Secretary of
12 Health and Human Services under section 453(i)(3),
13 and compliance with such provisions as such Sec-
14 retary may find necessary to ensure the correctness
15 and verification of such reports.”.

16 **SEC. 717. COLLECTION AND USE OF SOCIAL SECURITY**
17 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
18 **FORCEMENT.**

19 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
20 U.S.C. 666(a)), as amended by section 715 of this Act,
21 is amended by adding at the end the following:

22 “(13) RECORDING OF SOCIAL SECURITY NUM-
23 BERS IN CERTAIN FAMILY MATTERS.—Procedures
24 requiring that the social security number of—

1 “(A) any applicant for a professional li-
2 cense, commercial driver’s license, occupational
3 license, or marriage license be recorded on the
4 application;

5 “(B) any individual who is subject to a di-
6 vorce decree, support order, or paternity deter-
7 mination or acknowledgment be placed in the
8 records relating to the matter; and

9 “(C) any individual who has died be placed
10 in the records relating to the death and be re-
11 corded on the death certificate.”.

12 (b) CONFORMING AMENDMENTS.—Section
13 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
14 section 321(a)(9) of the Social Security Independence and
15 Program Improvements Act of 1994, is amended—

16 (1) in clause (i), by striking “may require” and
17 inserting “shall require”;

18 (2) in clause (ii), by inserting after the 1st sen-
19 tence the following: “In the administration of any
20 law involving the issuance of a marriage certificate
21 or license, each State shall require each party named
22 in the certificate or license to furnish to the State
23 (or political subdivision thereof) or any State agency
24 having administrative responsibility for the law in-
25 volved, the social security number of the party.”;

1 (3) in clause (vi), by striking “may” and insert-
2 ing “shall”; and

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

4 “~~(x)~~ An agency of a State (or a politi-
5 cal subdivision thereof) charged with the
6 administration of any law concerning the
7 issuance or renewal of a license, certificate,
8 permit, or other authorization to engage in
9 a profession, an occupation, or a commer-
10 cial activity shall require all applicants for
11 issuance or renewal of the license, certifi-
12 cate, permit, or other authorization to pro-
13 vide the applicant’s social security number
14 to the agency for the purpose of admin-
15 istering such laws, and for the purpose of
16 responding to requests for information
17 from an agency operating pursuant to part
18 D of title IV.

19 “~~(xi)~~ All divorce decrees, support or-
20 ders, and paternity determinations issued,
21 and all paternity acknowledgments made,
22 in each State shall include the social secu-
23 rity number of each party to the decree,
24 order, determination, or acknowledgement
25 in the records relating to the matter.”.

1 **Subtitle C—Streamlining and**
2 **Uniformity of Procedures**

3 **SEC. 721. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466 (42 U.S.C. 666) is amended by adding
5 at the end the following:

6 “(f) UNIFORM INTERSTATE FAMILY SUPPORT
7 ACT.—

8 “(1) ENACTMENT AND USE.—In order to sat-
9 isfy section 454(20)(A) on or after January 1, 1997,
10 each State must have in effect the Uniform Inter-
11 state Family Support Act, as approved by the Na-
12 tional Conference of Commissioners on Uniform
13 State Laws in August 1992 (with the modifications
14 and additions specified in this subsection), and the
15 procedures required to implement such Act.

16 “(2) EXPANDED APPLICATION.—The State law
17 enacted pursuant to paragraph (1) shall be applied
18 to any case involving an order which is established
19 or modified in a State and which is sought to be
20 modified or enforced in another State.

21 “(3) JURISDICTION TO MODIFY ORDERS.—The
22 State law enacted pursuant to paragraph (1) of this
23 subsection shall contain the following provision in
24 lieu of section 611(a)(1) of the Uniform Interstate
25 Family Support Act:

1 “(1) the following requirements are met:

2 “(i) the child, the individual obligee, and
3 the obligor—

4 “(I) do not reside in the issuing
5 State; and

6 “(II) either reside in this State or
7 are subject to the jurisdiction of this State
8 pursuant to section 201; and

9 “(ii) (in any case where another State is
10 exercising or seeks to exercise jurisdiction to
11 modify the order) the conditions of section 204
12 are met to the same extent as required for pro-
13 ceedings to establish orders; or’.

14 “(4) SERVICE OF PROCESS.—The State law en-
15 acted pursuant to paragraph (1) shall provide that,
16 in any proceeding subject to the law, process may be
17 served (and proved) upon persons in the State by
18 any means acceptable in any State which is the initi-
19 ating or responding State in the proceeding.”.

20 **SEC. 722. IMPROVEMENTS TO FULL FAITH AND CREDIT**
21 **FOR CHILD SUPPORT ORDERS.**

22 Section 1738B of title 28, United States Code, is
23 amended—

24 (1) in subsection (a)(2), by striking “subsection
25 (e)” and inserting “subsections (e), (f), and (i)”;

1 (2) in subsection (b), by inserting after the 2nd
2 undesignated paragraph the following:

3 “‘child’s home State’ means the State in which
4 a child lived with a parent or a person acting as par-
5 ent for at least six consecutive months immediately
6 preceding the time of filing of a petition or com-
7 parable pleading for support and, if a child is less
8 than six months old, the State in which the child
9 lived from birth with any of them. A period of tem-
10 porary absence of any of them is counted as part of
11 the six-month period.”;

12 (3) in subsection (c), by inserting “by a court
13 of a State” before “is made”;

14 (4) in subsection (c)(1), by inserting “and sub-
15 sections (e), (f), and (g)” after “located”;

16 (5) in subsection (d)—

17 (A) by inserting “individual” before “con-
18 testant”; and

19 (B) by striking “subsection (e)” and in-
20 serting “subsections (e) and (f)”;

21 (6) in subsection (e), by striking “make a modi-
22 fication of a child support order with respect to a
23 child that is made” and inserting “modify a child
24 support order issued”;

1 (7) in subsection (e)(1), by inserting “pursuant
2 to subsection (i)” before the semicolon;

3 (8) in subsection (e)(2)—

4 (A) by inserting “individual” before “con-
5 testant” each place such term appears; and

6 (B) by striking “to that court’s making the
7 modification and assuming” and inserting “with
8 the State of continuing, exclusive jurisdiction
9 for a court of another State to modify the order
10 and assume”;

11 (9) by redesignating subsections (f) and (g) as
12 subsections (g) and (h), respectively;

13 (10) by inserting after subsection (e) the follow-
14 ing:

15 “~~(f)~~ RECOGNITION OF CHILD SUPPORT ORDERS.—

16 If one or more child support orders have been issued in
17 this or another State with regard to an obligor and a child,
18 a court shall apply the following rules in determining
19 which order to recognize for purposes of continuing, exclu-
20 sive jurisdiction and enforcement:

21 “(1) If only one court has issued a child sup-
22 port order, the order of that court must be recog-
23 nized.

24 “(2) If two or more courts have issued child
25 support orders for the same obligor and child, and

1 only one of the courts would have continuing, exclu-
2 sive jurisdiction under this section, the order of that
3 court must be recognized.

4 “(3) If two or more courts have issued child
5 support orders for the same obligor and child, and
6 only one of the courts would have continuing, exclu-
7 sive jurisdiction under this section, an order issued
8 by a court in the current home State of the child
9 must be recognized, but if an order has not been is-
10 sued in the current home State of the child, the
11 order most recently issued must be recognized.

12 “(4) If two or more courts have issued child
13 support orders for the same obligor and child, and
14 none of the courts would have continuing, exclusive
15 jurisdiction under this section, a court may issue a
16 child support order, which must be recognized.

17 “(5) The court that has issued an order recog-
18 nized under this subsection is the court having con-
19 tinuing, exclusive jurisdiction.”;

20 (11) in subsection (g) (as so redesignated)—

21 (A) by striking “PRIOR” and inserting
22 “MODIFIED”; and

23 (B) by striking “subsection (e)” and in-
24 serting “subsections (e) and (f)”;

25 (12) in subsection (h) (as so redesignated)—

1 (A) in paragraph (2), by inserting “includ-
2 ing the duration of current payments and other
3 obligations of support” before the comma; and

4 (B) in paragraph (3), by inserting “arrear
5 under” after “enforce”; and

6 (13) by adding at the end the following:

7 “(i) REGISTRATION FOR MODIFICATION.—If there is
8 no individual contestant or child residing in the issuing
9 State, the party or support enforcement agency seeking
10 to modify, or to modify and enforce, a child support order
11 issued in another State shall register that order in a State
12 with jurisdiction over the nonmovant for the purpose of
13 modification.”.

14 **SEC. 723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
15 **CASES.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by
17 sections 715 and 717(a) of this Act, is amended by adding
18 at the end the following:

19 “(14) ADMINISTRATIVE ENFORCEMENT IN
20 INTERSTATE CASES.—Procedures under which—

21 “(A)(i) the State shall respond within 5
22 business days to a request made by another
23 State to enforce a support order; and

1 “(ii) the term ‘business day’ means a day
2 on which State offices are open for regular
3 business;

4 “(B) the State may, by electronic or other
5 means, transmit to another State a request for
6 assistance in a case involving the enforcement
7 of a support order, which request—

8 “(i) shall include such information as
9 will enable the State to which the request
10 is transmitted to compare the information
11 about the case to the information in the
12 data bases of the State; and

13 “(ii) shall constitute a certification by
14 the requesting State—

15 “(I) of the amount of support
16 under the order the payment of which
17 is in arrears; and

18 “(II) that the requesting State
19 has complied with all procedural due
20 process requirements applicable to the
21 case;

22 “(C) if the State provides assistance to an-
23 other State pursuant to this paragraph with re-
24 spect to a case, neither State shall consider the

1 case to be transferred to the caseload of such
2 other State; and

3 “(D) the State shall maintain records of—

4 “(i) the number of such requests for
5 assistance received by the State;

6 “(ii) the number of cases for which
7 the State collected support in response to
8 such a request; and

9 “(iii) the amount of such collected
10 support.”.

11 **SEC. 724. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

12 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
13 652(a)) is amended—

14 (1) by striking “and” at the end of paragraph
15 (9);

16 (2) by striking the period at the end of para-
17 graph (10) and inserting “; and”; and

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

19 “(11) not later than June 30, 1996, promulgate
20 forms to be used by States in interstate cases for—

21 “(A) collection of child support through in-
22 come withholding;

23 “(B) imposition of liens; and

24 “(C) administrative subpoenas.”.

1 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
2 654(9)) is amended—

3 (1) by striking “and” at the end of subpara-
4 graph (C);

5 (2) by inserting “and” at the end of subpara-
6 graph (D); and

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

8 “(E) no later than October 1, 1996, in
9 using the forms promulgated pursuant to sec-
10 tion 452(a)(11) for income withholding, imposi-
11 tion of liens, and issuance of administrative
12 subpoenas in interstate child support cases;”.

13 **SEC. 725. STATE LAWS PROVIDING EXPEDITED PROCE-**
14 **DURES.**

15 (a) STATE LAW REQUIREMENTS.—Section 466 (42
16 U.S.C. 666), as amended by section 714 of this Act, is
17 amended—

18 (1) in subsection (a)(2), by striking the 1st sen-
19 tence and inserting the following: “Expedited admin-
20 istrative and judicial procedures (including the pro-
21 ceedures specified in subsection (c)) for establishing
22 paternity and for establishing, modifying, and en-
23 forcing support obligations.”; and

24 (2) by inserting after subsection (b) the follow-
25 ing:

1 “(c) ~~EXPEDITED PROCEDURES.~~—The procedures
2 specified in this subsection are the following:

3 ~~“(1) ADMINISTRATIVE ACTION BY STATE AGEN-~~
4 ~~CY.~~—Procedures which give the State agency the au-
5 thority to take the following actions relating to es-
6 tablishment or enforcement of support orders, with-
7 out the necessity of obtaining an order from any
8 other judicial or administrative tribunal (but subject
9 to due process safeguards, including (as appropriate)
10 requirements for notice, opportunity to contest the
11 action, and opportunity for an appeal on the record
12 to an independent administrative or judicial tribu-
13 nal); and to recognize and enforce the authority of
14 State agencies of other States) to take the following
15 actions:

16 ~~“(A) GENETIC TESTING.~~—To order genetic
17 testing for the purpose of paternity establish-
18 ment as provided in section 466(a)(5).

19 ~~“(B) DEFAULT ORDERS.~~—To enter a de-
20 fault order, upon a showing of service of proc-
21 ess and any additional showing required by
22 State law—

23 ~~“(i) establishing paternity, in the case~~
24 ~~of a putative father who refuses to submit~~
25 ~~to genetic testing; and~~

1 “(ii) establishing or modifying a sup-
2 port obligation, in the case of a parent (or
3 other obligor or obligee) who fails to re-
4 spond to notice to appear at a proceeding
5 for such purpose.

6 “(C) SUBPOENAS.—To subpoena any fi-
7 nancial or other information needed to estab-
8 lish, modify, or enforce a support order, and to
9 impose penalties for failure to respond to such
10 a subpoena.

11 “(D) ACCESS TO PERSONAL AND FINAN-
12 CIAL INFORMATION.—To obtain access, subject
13 to safeguards on privacy and information secu-
14 rity, to the records of all other State and local
15 government agencies (including law enforcement
16 and corrections records), including automated
17 access to records maintained in automated data
18 bases.

19 “(E) CHANGE IN PAYEE.—In cases where
20 support is subject to an assignment in order to
21 comply with a requirement imposed pursuant to
22 part A or section 1912, or to a requirement to
23 pay through the State disbursement unit estab-
24 lished pursuant to section 454B, upon provid-
25 ing notice to obligor and obligee, to direct the

1 obligor or other payor to change the payee to
2 the appropriate government entity.

3 ~~“(F) INCOME WITHHOLDING.—To order~~
4 ~~income withholding in accordance with sub-~~
5 ~~sections (a)(1) and (b) of section 466.~~

6 ~~“(G) SECURING ASSETS.—In cases in~~
7 ~~which there is a support arrearage, to secure~~
8 ~~assets to satisfy the arrearage by—~~

9 ~~“(i) intercepting or seizing periodic or~~
10 ~~lump sum payments from—~~

11 ~~“(I) a State or local agency (in-~~
12 ~~cluding unemployment compensation,~~
13 ~~workers’ compensation, and other ben-~~
14 ~~efits); and~~

15 ~~“(II) judgments, settlements, and~~
16 ~~lotteries;~~

17 ~~“(ii) attaching and seizing assets of~~
18 ~~the obligor held in financial institutions;~~
19 ~~and~~

20 ~~“(iii) attaching public and private re-~~
21 ~~tirement funds.~~

22 ~~“(H) INCREASE MONTHLY PAYMENTS.—~~

23 ~~For the purpose of securing overdue support, to~~
24 ~~increase the amount of monthly support pay-~~
25 ~~ments to include amounts for arrearages (sub-~~

1 ject to such conditions or limitations as the
2 State may provide).

3 ~~“(2) SUBSTANTIVE AND PROCEDURAL RULES.—~~

4 The expedited procedures required under subsection
5 ~~(a)(2)~~ shall include the following rules and author-
6 ity, applicable with respect to all proceedings to es-
7 tablish paternity or to establish, modify, or enforce
8 support orders:

9 ~~“(A) LOCATOR INFORMATION; PRESUMP-~~
10 ~~TIONS CONCERNING NOTICE.—~~Procedures
11 under which—

12 ~~“(i) each party to any paternity or~~
13 ~~child support proceeding is required (sub-~~
14 ~~ject to privacy safeguards) to file with the~~
15 ~~tribunal and the State case registry upon~~
16 ~~entry of an order, and to update as appro-~~
17 ~~priate, information on location and identity~~
18 ~~of the party (including social security num-~~
19 ~~ber, residential and mailing addresses, tele-~~
20 ~~phone number, driver’s license number,~~
21 ~~and name, address, and name and tele-~~
22 ~~phone number of employer); and~~

23 ~~“(ii) in any subsequent child support~~
24 ~~enforcement action between the parties,~~
25 ~~upon sufficient showing that diligent effort~~

1 has been made to ascertain the location of
2 such a party, the tribunal may deem State
3 due process requirements for notice and
4 service of process to be met with respect to
5 the party, upon delivery of written notice
6 to the most recent residential or employer
7 address filed with the tribunal pursuant to
8 clause (i).

9 ~~“(B) STATEWIDE JURISDICTION.—Proce-~~
10 ~~dures under which—~~

11 ~~“(i) the State agency and any admin-~~
12 ~~istrative or judicial tribunal with authority~~
13 ~~to hear child support and paternity cases~~
14 ~~exerts statewide jurisdiction over the par-~~
15 ~~ties; and~~

16 ~~“(ii) in a State in which orders are is-~~
17 ~~sued by courts or administrative tribunals,~~
18 ~~a case may be transferred between admin-~~
19 ~~istrative areas in the State without need~~
20 ~~for any additional filing by the petitioner,~~
21 ~~or service of process upon the respondent,~~
22 ~~to retain jurisdiction over the parties.”.~~

23 ~~(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—~~

24 Section 454A, as added by section 745(a)(2) of this Act

1 and as amended by sections 711 and 712(c) of this Act,
 2 is amended by adding at the end the following:

3 “(h) ~~EXPEDITED ADMINISTRATIVE PROCEDURES.—~~
 4 The automated system required by this section shall be
 5 used, to the maximum extent feasible, to implement the
 6 expedited administrative procedures required by section
 7 466(c).”.

8 **Subtitle D—Paternity**
 9 **Establishment**

10 **SEC. 731. STATE LAWS CONCERNING PATERNITY ESTAB-**
 11 **LISHMENT.**

12 (a) ~~STATE LAWS REQUIRED.—~~Section 466(a)(5) (42
 13 U.S.C. 666(a)(5)) is amended to read as follows:

14 ~~“(5) PROCEDURES CONCERNING PATERNITY ES-~~
 15 ~~TABLISHMENT.—~~

16 ~~“(A) ESTABLISHMENT PROCESS AVAIL-~~
 17 ~~ABLE FROM BIRTH UNTIL AGE 18.—~~

18 “(i) Procedures which permit the es-
 19 tablishment of the paternity of a child at
 20 any time before the child attains 18 years
 21 of age.

22 “(ii) As of August 16, 1984, clause (i)
 23 shall also apply to a child for whom pater-
 24 nity has not been established or for whom
 25 a paternity action was brought but dis-

1 missed because a statute of limitations of
2 less than 18 years was then in effect in the
3 State.

4 ~~“(B) PROCEDURES CONCERNING GENETIC~~
5 ~~TESTING.—~~

6 ~~“(i) GENETIC TESTING REQUIRED IN~~
7 ~~CERTAIN CONTESTED CASES.—~~Procedures
8 under which the State is required, in a
9 contested paternity case, to require the
10 child and all other parties (other than indi-
11 viduals found under section 454(28) to
12 have good cause for refusing to cooperate)
13 to submit to genetic tests upon the request
14 of any such party if the request is sup-
15 ported by a sworn statement by the
16 party—

17 ~~“(I) alleging paternity, and set-~~
18 ~~ting forth facts establishing a reason-~~
19 ~~able possibility of the requisite sexual~~
20 ~~contact between the parties; or~~

21 ~~“(II) denying paternity, and set-~~
22 ~~ting forth facts establishing a reason-~~
23 ~~able possibility of the nonexistence of~~
24 ~~sexual contact between the parties.~~

1 ~~“(ii) OTHER REQUIREMENTS.—Proce-~~
2 ~~dures which require the State agency, in~~
3 ~~any case in which the agency orders ge-~~
4 ~~netic testing—~~

5 ~~“(I) to pay costs of such tests,~~
6 ~~subject to recoupment (where the~~
7 ~~State so elects) from the alleged fa-~~
8 ~~ther if paternity is established; and~~

9 ~~“(II) to obtain additional testing~~
10 ~~in any case where an original test re-~~
11 ~~sult is contested, upon request and~~
12 ~~advance payment by the contestant.~~

13 ~~“(C) VOLUNTARY PATERNITY ACKNOWL-~~
14 ~~EDGMENT.—~~

15 ~~“(i) SIMPLE CIVIL PROCESS.—Proce-~~
16 ~~dures for a simple civil process for volun-~~
17 ~~tarily acknowledging paternity under which~~
18 ~~the State must provide that, before a~~
19 ~~mother and a putative father can sign an~~
20 ~~acknowledgment of paternity, the mother~~
21 ~~and the putative father must be given no-~~
22 ~~tice, orally, in writing, and in a language~~
23 ~~that each can understand, of the alter-~~
24 ~~natives to, the legal consequences of, and~~
25 ~~the rights (including, if 1 parent is a~~

1 minor, any rights afforded due to minority
2 status) and responsibilities that arise from,
3 signing the acknowledgment.

4 ~~“(ii) HOSPITAL-BASED PROGRAM.—~~

5 Such procedures must include a hospital-
6 based program for the voluntary acknowl-
7 edgment of paternity focusing on the pe-
8 riod immediately before or after the birth
9 of a child.

10 ~~“(iii) PATERNITY ESTABLISHMENT~~
11 ~~SERVICES.—~~

12 ~~“(I) STATE-OFFERED SERV-~~
13 ~~ICES.—~~Such procedures must require
14 the State agency responsible for main-
15 taining birth records to offer vol-
16 untary paternity establishment serv-
17 ices.

18 ~~“(II) REGULATIONS.—~~

19 ~~“(aa) SERVICES OFFERED~~
20 ~~BY HOSPITALS AND BIRTH~~
21 ~~RECORD AGENCIES.—~~The Sec-
22 retary shall prescribe regulations
23 governing voluntary paternity es-
24 tablishment services offered by

1 hospitals and birth record agen-
2 cies.

3 “(bb) SERVICES OFFERED
4 BY OTHER ENTITIES.—The Sec-
5 retary shall prescribe regulations
6 specifying the types of other enti-
7 ties that may offer voluntary pa-
8 ternity establishment services,
9 and governing the provision of
10 such services, which shall include
11 a requirement that such an entity
12 must use the same notice provi-
13 sions used by, use the same ma-
14 terials used by, provide the per-
15 sonnel providing such services
16 with the same training provided
17 by, and evaluate the provision of
18 such services in the same manner
19 as the provision of such services
20 is evaluated by, voluntary pater-
21 nity establishment programs of
22 hospitals and birth record agen-
23 cies.

24 “(iv) USE OF FEDERAL PATERNITY
25 ACKNOWLEDGMENT AFFIDAVIT.—Such

1 procedures must require the State and
2 those required to establish paternity to use
3 only the affidavit developed under section
4 452(a)(7) for the voluntary acknowledg-
5 ment of paternity, and to give full faith
6 and credit to such an affidavit signed in
7 any other State.

8 “(D) STATUS OF SIGNED PATERNITY AC-
9 KNOWLEDGMENT.—

10 “(i) LEGAL FINDING OF PATER-
11 NITY.—Procedures under which a signed
12 acknowledgment of paternity is considered
13 a legal finding of paternity, subject to the
14 right of any signatory to rescind the ac-
15 knowledgment within 60 days.

16 “(ii) CONTEST.—Procedures under
17 which, after the 60-day period referred to
18 in clause (i), a signed acknowledgment of
19 paternity may be challenged in court only
20 on the basis of fraud, duress, or material
21 mistake of fact, with the burden of proof
22 upon the challenger, and under which the
23 legal responsibilities (including child sup-
24 port obligations) of any signatory arising
25 from the acknowledgment may not be sus-

1 pended during the challenge, except for
2 good cause shown.

3 ~~“(iii) RESCISSION.—Procedures under~~
4 ~~which, after the 60-day period referred to~~
5 ~~in clause (i), a minor who has signed an~~
6 ~~acknowledgment of paternity other than in~~
7 ~~the presence of a parent or court-appointed~~
8 ~~guardian ad litem may rescind the ac-~~
9 ~~knowledgment in a judicial or administra-~~
10 ~~tive proceeding, until the earlier of—~~

11 ~~“(I) attaining the age of major-~~
12 ~~ity; or~~

13 ~~“(II) the date of the first judicial~~
14 ~~or administrative proceeding brought~~
15 ~~(after the signing) to establish a child~~
16 ~~support obligation, visitation rights, or~~
17 ~~custody rights with respect to the~~
18 ~~child whose paternity is the subject of~~
19 ~~the acknowledgment, and at which the~~
20 ~~minor is represented by a parent or~~
21 ~~guardian ad litem, or an attorney.~~

22 ~~“(E) BAR ON ACKNOWLEDGMENT RATIFI-~~
23 ~~CATION PROCEEDINGS.—Procedures under~~
24 ~~which judicial or administrative proceedings are~~

1 not required or permitted to ratify an unchal-
2 lenged acknowledgment of paternity.

3 ~~“(F) ADMISSIBILITY OF GENETIC TESTING~~
4 ~~RESULTS.—Procedures—~~

5 ~~“(i) requiring the admission into evi-~~
6 ~~dence, for purposes of establishing pater-~~
7 ~~nity, of the results of any genetic test that~~
8 ~~is—~~

9 ~~“(I) of a type generally acknowl-~~
10 ~~edged as reliable by accreditation bod-~~
11 ~~ies designated by the Secretary; and~~

12 ~~“(II) performed by a laboratory~~
13 ~~approved by such an accreditation~~
14 ~~body;~~

15 ~~“(ii) requiring an objection to genetic~~
16 ~~testing results to be made in writing not~~
17 ~~later than a specified number of days be-~~
18 ~~fore any hearing at which the results may~~
19 ~~be introduced into evidence (or, at State~~
20 ~~option, not later than a specified number~~
21 ~~of days after receipt of the results); and~~

22 ~~“(iii) making the test results admissi-~~
23 ~~ble as evidence of paternity without the~~
24 ~~need for foundation testimony or other~~

1 proof of authenticity or accuracy, unless
2 objection is made.

3 “(G) PRESUMPTION OF PATERNITY IN
4 CERTAIN CASES.—Procedures which create a re-
5 buttable or, at the option of the State, conclu-
6 sive presumption of paternity upon genetic test-
7 ing results indicating a threshold probability
8 that the alleged father is the father of the child.

9 “(H) DEFAULT ORDERS.—Procedures re-
10 quiring a default order to be entered in a pater-
11 nity case upon a showing of service of process
12 on the defendant and any additional showing
13 required by State law.

14 “(I) NO RIGHT TO JURY TRIAL.—Proce-
15 dures providing that the parties to an action to
16 establish paternity are not entitled to a trial by
17 jury.

18 “(J) TEMPORARY SUPPORT ORDER BASED
19 ON PROBABLE PATERNITY IN CONTESTED
20 CASES.—Procedures which require that a tem-
21 porary order be issued, upon motion by a party,
22 requiring the provision of child support pending
23 an administrative or judicial determination of
24 parentage, where there is clear and convincing

1 evidence of paternity (on the basis of genetic
2 tests or other evidence).

3 ~~“(K) PROOF OF CERTAIN SUPPORT AND~~
4 ~~PATERNITY ESTABLISHMENT COSTS.—~~Proce-
5 dures under which bills for pregnancy, child-
6 birth, and genetic testing are admissible as evi-
7 dence without requiring third-party foundation
8 testimony, and shall constitute prima facie evi-
9 dence of amounts incurred for such services or
10 for testing on behalf of the child.

11 ~~“(L) STANDING OF PUTATIVE FATHERS.—~~
12 Procedures ensuring that the putative father
13 has a reasonable opportunity to initiate a pater-
14 nity action.

15 ~~“(M) FILING OF ACKNOWLEDGMENTS AND~~
16 ~~ADJUDICATIONS IN STATE REGISTRY OF BIRTH~~
17 ~~RECORDS.—~~Procedures under which voluntary
18 acknowledgments and adjudications of paternity
19 by judicial or administrative processes are filed
20 with the State registry of birth records for com-
21 parison with information in the State case reg-
22 istry.”.

23 ~~(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-~~
24 ~~DAVIT.—~~Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
25 amended by inserting “, and develop an affidavit to be

1 used for the voluntary acknowledgment of paternity which
2 shall include the social security number of each parent”
3 before the semicolon.

4 (c) TECHNICAL AMENDMENT.—Section 468 (42
5 U.S.C. 668) is amended by striking “a simple civil process
6 for voluntarily acknowledging paternity and”.

7 **SEC. 732. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
8 **LISHMENT.**

9 Section 454(23) (42 U.S.C. 654(23)) is amended by
10 inserting “and will publicize the availability and encourage
11 the use of procedures for voluntary establishment of pater-
12 nity and child support by means the State deems appro-
13 priate” before the semicolon.

14 **SEC. 733. COOPERATION BY APPLICANTS FOR AND RECIPI-**
15 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

16 Section 454 (42 U.S.C. 654), as amended by sections
17 703(a), 712(a), and 713(a) of this Act, is amended—

18 (1) by striking “and” at the end of paragraph
19 (26);

20 (2) by striking the period at the end of para-
21 graph (27) and inserting “; and”; and

22 (3) by inserting after paragraph (27) the fol-
23 lowing:

24 “(28) provide that the State agency responsible
25 for administering the State plan—

1 “(A) shall require each individual who has
2 applied for or is receiving assistance under the
3 State program funded under part A to cooper-
4 ate with the State in establishing the paternity
5 of, and in establishing, modifying, or enforcing
6 a support order for, any child of the individual
7 by providing the State agency with the name of,
8 and such other information as the State agency
9 may require with respect to, the father of the
10 child, subject to such good cause and other ex-
11 ceptions as the State may establish; and

12 “(B) may require the individual and the
13 child to submit to genetic tests.”.

14 **Subtitle E—Program**
15 **Administration and Funding**

16 **SEC. 741. FEDERAL MATCHING PAYMENTS.**

17 (a) INCREASED BASE MATCHING RATE.—Section
18 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
19 follows:

20 “(2) The percent specified in this paragraph for any
21 quarter is 66 percent.”.

22 (b) MAINTENANCE OF EFFORT.—Section 455 (42
23 U.S.C. 655) is amended—

1 in accordance with regulations under this section
2 with respect to the paternity establishment percent-
3 age of the State for the immediately preceding fiscal
4 year and with respect to overall performance of the
5 State in child support enforcement during such pre-
6 ceeding fiscal year.

7 ~~“(2) STANDARDS.—~~

8 ~~“(A) IN GENERAL.—~~The Secretary shall
9 specify in regulations—

10 ~~“(i) the levels of accomplishment, and~~
11 ~~rates of improvement as alternatives to~~
12 ~~such levels, which a State must attain to~~
13 ~~qualify for an incentive adjustment under~~
14 ~~this section; and~~

15 ~~“(ii) the amounts of incentive adjust-~~
16 ~~ment that shall be awarded to a State that~~
17 ~~achieves specified accomplishment or im-~~
18 ~~provement levels, which amounts shall be~~
19 ~~graduated, ranging up to—~~

20 ~~“(I) 12 percentage points, in con-~~
21 ~~nection with paternity establishment;~~
22 ~~and~~

23 ~~“(II) 12 percentage points, in~~
24 ~~connection with overall performance in~~
25 ~~child support enforcement.~~

1 “(B) LIMITATION.—In setting performance
2 standards pursuant to subparagraph (A)(i) and
3 adjustment amounts pursuant to subparagraph
4 (A)(ii), the Secretary shall ensure that the ag-
5 gregate number of percentage point increases as
6 incentive adjustments to all States do not ex-
7 ceed such aggregate increases as assumed by
8 the Secretary in estimates of the cost of this
9 section as of June 1994, unless the aggregate
10 performance of all States exceeds the projected
11 aggregate performance of all States in such cost
12 estimates.

13 “(3) DETERMINATION OF INCENTIVE ADJUST-
14 MENT.—The Secretary shall determine the amount
15 (if any) of the incentive adjustment due each State
16 on the basis of the data submitted by the State pur-
17 suant to section 454(15)(B) concerning the levels of
18 accomplishment (and rates of improvement) with re-
19 spect to performance indicators specified by the Sec-
20 retary pursuant to this section.

21 “(4) RECYCLING OF INCENTIVE ADJUST-
22 MENT.—A State to which funds are paid by the
23 Federal Government as a result of an incentive ad-
24 justment under this section shall expend the funds

1 in the State program under this part within 2 years
2 after the date of the payment.

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

4 ~~“(1) PATERNITY ESTABLISHMENT PERCENT-~~
5 ~~AGE.—The term ‘paternity establishment percent-~~
6 ~~age’ means, with respect to a State and a fiscal~~
7 ~~year—~~

8 ~~“(A) the total number of children in the~~
9 ~~State who were born out of wedlock, who have~~
10 ~~not attained 1 year of age and for whom pater-~~
11 ~~nity is established or acknowledged during the~~
12 ~~fiscal year; divided by~~

13 ~~“(B) the total number of children born out~~
14 ~~of wedlock in the State during the fiscal year.~~

15 ~~“(2) OVERALL PERFORMANCE IN CHILD SUP-~~
16 ~~PORTE ENFORCEMENT.—The term ‘overall perform-~~
17 ~~ance in child support enforcement’ means a measure~~
18 ~~or measures of the effectiveness of the State agency~~
19 ~~in a fiscal year which takes into account factors in-~~
20 ~~cluding—~~

21 ~~“(A) the percentage of cases requiring a~~
22 ~~support order in which such an order was es-~~
23 ~~tablished;~~

24 ~~“(B) the percentage of cases in which child~~
25 ~~support is being paid;~~

1 “(C) the ratio of child support collected to
2 child support due; and

3 “(D) the cost-effectiveness of the State
4 program, as determined in accordance with
5 standards established by the Secretary in regu-
6 lations (after consultation with the States).”.

7 (b) CONFORMING AMENDMENTS.—Section 454(22)
8 (42 U.S.C. 654(22)) is amended—

9 (1) by striking “incentive payments” the 1st
10 place such term appears and inserting “incentive ad-
11 justments”; and

12 (2) by striking “any such incentive payments
13 made to the State for such period” and inserting
14 “any increases in Federal payments to the State re-
15 sulting from such incentive adjustments”.

16 (c) CALCULATION OF IV-D PATERNITY ESTABLISH-
17 MENT PERCENTAGE.—

18 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
19 amended—

20 (A) in the matter preceding subparagraph
21 (A) by inserting “its overall performance in
22 child support enforcement is satisfactory (as de-
23 fined in section 458(b) and regulations of the
24 Secretary), and” after “1994.”; and

1 (B) in each of subparagraphs (A) and (B),
2 by striking “75” and inserting “90”.

3 (2) Section 452(g)(2)(A) (42 U.S.C.
4 652(g)(2)(A)) is amended in the matter preceding
5 clause (i)—

6 (A) by striking “paternity establishment
7 percentage” and inserting “IV-D paternity es-
8 tablishment percentage”; and

9 (B) by striking “(or all States, as the case
10 may be)”.

11 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
12 amended—

13 (A) by striking subparagraph (A) and re-
14 designating subparagraphs (B) and (C) as sub-
15 paragraphs (A) and (B), respectively;

16 (B) in subparagraph (A) (as so redesi-
17 gnated), by striking “the percentage of children
18 born out of wedlock in a State” and inserting
19 “the percentage of children in a State who are
20 born out of wedlock or for whom support has
21 not been established”; and

22 (C) in subparagraph (B) (as so redesi-
23 gnated)—

- 1 (i) by inserting “and overall perform-
2 ance in child support enforcement” after
3 “paternity establishment percentages”; and
4 (ii) by inserting “and securing sup-
5 port” before the period.

6 ~~(d) EFFECTIVE DATES.—~~

7 (1) INCENTIVE ADJUSTMENTS.—(A) The
8 amendments made by subsections (a) and (b) shall
9 become effective on October 1, 1997, except to the
10 extent provided in subparagraph (B).

11 (B) Section 458 of the Social Security Act, as
12 in effect prior to the enactment of this section, shall
13 be effective for purposes of incentive payments to
14 States for fiscal years before fiscal year 1999.

15 (2) PENALTY REDUCTIONS.—The amendments
16 made by subsection (c) shall become effective with
17 respect to calendar quarters beginning on and after
18 the date of the enactment of this Act.

19 **SEC. 743. FEDERAL AND STATE REVIEWS AND AUDITS.**

20 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
21 U.S.C. 654) is amended—

22 (1) in paragraph (14), by striking “(14)” and
23 inserting “(14)(A)”;

24 (2) by redesignating paragraph (15) as sub-
25 paragraph (B) of paragraph (14); and

1 (3) by inserting after paragraph (14) the fol-
2 lowing:

3 “(15) provide for—

4 “(A) a process for annual reviews of and
5 reports to the Secretary on the State program
6 operated under the State plan approved under
7 this part, which shall include such information
8 as may be necessary to measure State compli-
9 ance with Federal requirements for expedited
10 procedures and timely case processing, using
11 such standards and procedures as are required
12 by the Secretary, under which the State agency
13 will determine the extent to which the program
14 is operated in compliance with this part; and

15 “(B) a process of extracting from the auto-
16 mated data processing system required by para-
17 graph (16) and transmitting to the Secretary
18 data and calculations concerning the levels of
19 accomplishment (and rates of improvement)
20 with respect to applicable performance indica-
21 tors (including IV-D paternity establishment
22 percentages and overall performance in child
23 support enforcement) to the extent necessary
24 for purposes of sections 452(g) and 458.”.

1 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
2 U.S.C. 652(a)(4)) is amended to read as follows:

3 “(4)(A) review data and calculations transmit-
4 ted by State agencies pursuant to section
5 454(15)(B) on State program accomplishments with
6 respect to performance indicators for purposes of
7 subsection (g) of this section and section 458;

8 “(B) review annual reports submitted pursuant
9 to section 454(15)(A) and, as appropriate, provide
10 to the State comments, recommendations for addi-
11 tional or alternative corrective actions, and technical
12 assistance; and

13 “(C) conduct audits, in accordance with the
14 government auditing standards of the Comptroller
15 General of the United States—

16 “(i) at least once every 3 years (or more
17 frequently, in the case of a State which fails to
18 meet the requirements of this part, concerning
19 performance standards and reliability of pro-
20 gram data) to assess the completeness, reliabil-
21 ity, and security of the data, and the accuracy
22 of the reporting systems, used in calculating
23 performance indicators under subsection (g) of
24 this section and section 458;

1 “(ii) of the adequacy of financial manage-
2 ment of the State program operated under the
3 State plan approved under this part, including
4 assessments of—

5 “(I) whether Federal and other funds
6 made available to carry out the State pro-
7 gram are being appropriately expended,
8 and are properly and fully accounted for;
9 and

10 “(II) whether collections and disburse-
11 ments of support payments are carried out
12 correctly and are fully accounted for; and

13 “(iii) for such other purposes as the Sec-
14 retary may find necessary;”.

15 (c) **EFFECTIVE DATE.**—The amendments made by
16 this section shall be effective with respect to calendar
17 quarters beginning 12 months or more after the date of
18 the enactment of this section.

19 **SEC. 744. REQUIRED REPORTING PROCEDURES.**

20 (a) **ESTABLISHMENT.**—Section 452(a)(5) (42 U.S.C.
21 652(a)(5)) is amended by inserting “, and establish proce-
22 dures to be followed by States for collecting and reporting
23 information required to be provided under this part, and
24 establish uniform definitions (including those necessary to
25 enable the measurement of State compliance with the re-

1 requirements of this part relating to expedited processes and
2 timely case processing) to be applied in following such pro-
3 cedures” before the semicolon.

4 (b) STATE PLAN REQUIREMENT.—Section 454 (42
5 U.S.C. 654), as amended by sections 703(a), 712(a),
6 713(a), and 733 of this Act, is amended—

7 (1) by striking “and” at the end of paragraph
8 (27);

9 (2) by striking the period at the end of para-
10 graph (28) and inserting “; and”; and

11 (3) by adding after paragraph (28) the follow-
12 ing:

13 “(29) provide that the State shall use the defi-
14 nitions established under section 452(a)(5) in col-
15 lecting and reporting information as required under
16 this part.”.

17 **SEC. 745. AUTOMATED DATA PROCESSING REQUIREMENTS.**

18 (a) REVISED REQUIREMENTS.—

19 (1) Section 454(16) (42 U.S.C. 654(16)) is
20 amended—

21 (A) by striking “; at the option of the
22 State,”;

23 (B) by inserting “and operation by the
24 State agency” after “for the establishment”;

1 (C) by inserting “meeting the requirements
2 of section 454A” after “information retrieval
3 system”;

4 (D) by striking “in the State and localities
5 thereof, so as (A)” and inserting “so as”;

6 (E) by striking “(i)”; and

7 (F) by striking “(including” and all that
8 follows and inserting a semicolon.

9 (2) Part D of title IV (42 U.S.C. 651–669) is
10 amended by inserting after section 454 the follow-
11 ing:

12 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

13 “(a) IN GENERAL.—In order for a State to meet the
14 requirements of this section, the State agency administer-
15 ing the State program under this part shall have in oper-
16 ation a single statewide automated data processing and
17 information retrieval system which has the capability to
18 perform the tasks specified in this section with the fre-
19 quency and in the manner required by or under this part.

20 “(b) PROGRAM MANAGEMENT.—The automated sys-
21 tem required by this section shall perform such functions
22 as the Secretary may specify relating to management of
23 the State program under this part, including—

1 ~~“(1) controlling and accounting for use of Fed-~~
2 ~~eral, State, and local funds in carrying out the pro-~~
3 ~~gram; and~~

4 ~~“(2) maintaining the data necessary to meet~~
5 ~~Federal reporting requirements under this part on a~~
6 ~~timely basis.~~

7 ~~“(c) CALCULATION OF PERFORMANCE INDICA-~~
8 ~~TORS.—In order to enable the Secretary to determine the~~
9 ~~incentive and penalty adjustments required by sections~~
10 ~~452(g) and 458, the State agency shall—~~

11 ~~“(1) use the automated system—~~

12 ~~“(A) to maintain the requisite data on~~
13 ~~State performance with respect to paternity es-~~
14 ~~tablishment and child support enforcement in~~
15 ~~the State; and~~

16 ~~“(B) to calculate the IV-D paternity es-~~
17 ~~tablishment percentage and overall performance~~
18 ~~in child support enforcement for the State for~~
19 ~~each fiscal year; and~~

20 ~~“(2) have in place systems controls to ensure~~
21 ~~the completeness, and reliability of, and ready access~~
22 ~~to, the data described in paragraph (1)(A), and the~~
23 ~~accuracy of the calculations described in paragraph~~
24 ~~(1)(B).~~

1 “(d) INFORMATION INTEGRITY AND SECURITY.—The
2 State agency shall have in effect safeguards on the integ-
3 rity, accuracy, and completeness of, access to, and use of
4 data in the automated system required by this section,
5 which shall include the following (in addition to such other
6 safeguards as the Secretary may specify in regulations):

7 “(1) POLICIES RESTRICTING ACCESS.—Written
8 policies concerning access to data by State agency
9 personnel, and sharing of data with other persons,
10 which—

11 “(A) permit access to and use of data only
12 to the extent necessary to carry out the State
13 program under this part; and

14 “(B) specify the data which may be used
15 for particular program purposes, and the per-
16 sonnel permitted access to such data.

17 “(2) SYSTEMS CONTROLS.—Systems controls
18 (such as passwords or blocking of fields) to ensure
19 strict adherence to the policies described in para-
20 graph (1).

21 “(3) MONITORING OF ACCESS.—Routine mon-
22 itoring of access to and use of the automated sys-
23 tem, through methods such as audit trails and feed-
24 back mechanisms, to guard against and promptly
25 identify unauthorized access or use.

1 ~~“(4) TRAINING AND INFORMATION.—Proce-~~
2 ~~dures to ensure that all personnel (including State~~
3 ~~and local agency staff and contractors) who may~~
4 ~~have access to or be required to use confidential pro-~~
5 ~~gram data are informed of applicable requirements~~
6 ~~and penalties (including those in section 6103 of the~~
7 ~~Internal Revenue Code of 1986), and are adequately~~
8 ~~trained in security procedures.~~

9 ~~“(5) PENALTIES.—Administrative penalties (up~~
10 ~~to and including dismissal from employment) for un-~~
11 ~~authorized access to, or disclosure or use of, con-~~
12 ~~fidential data.”.~~

13 (3) REGULATIONS.—The Secretary of Health
14 and Human Services shall prescribe final regulations
15 for implementation of section 454A of the Social Se-
16 curity Act not later than 2 years after the date of
17 the enactment of this Act.

18 (4) IMPLEMENTATION TIMETABLE.—Section
19 454(24) (42 U.S.C. 654(24)), as amended by sec-
20 tions 703(a)(2) and 712(a)(1) of this Act, is amend-
21 ed to read as follows:

22 “(24) provide that the State will have in effect
23 an automated data processing and information re-
24 trieval system—

1 “(A) by October 1, 1995, which meets all
2 requirements of this part which were enacted on
3 or before the date of enactment of the Family
4 Support Act of 1988; and

5 “(B) by October 1, 1999, which meets all
6 requirements of this part enacted on or before
7 the date of the enactment of the Personal Re-
8 sponsibility Act of 1995, except that such dead-
9 line shall be extended by 1 day for each day (if
10 any) by which the Secretary fails to meet the
11 deadline imposed by section 745(a)(3) of the
12 Personal Responsibility Act of 1995.”.

13 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
14 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

15 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
16 655(a)) is amended—

17 (A) in paragraph (1)(B)—

18 (i) by striking “90 percent” and in-
19 sserting “the percent specified in paragraph
20 (3)”;

21 (ii) by striking “so much of”; and

22 (iii) by striking “which the Secretary”
23 and all that follows and inserting “, and”;
24 and

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

1 “(3)(A) The Secretary shall pay to each State, for
 2 each quarter in fiscal year 1996, 90 percent of so much
 3 of the State expenditures described in paragraph (1)(B)
 4 as the Secretary finds are for a system meeting the re-
 5 quirements specified in section 454(16).”

6 “(B)(i) The Secretary shall pay to each State, for
 7 each quarter in fiscal years 1997 through 2001, the per-
 8 centage specified in clause (ii) of so much of the State
 9 expenditures described in paragraph (1)(B) as the Sec-
 10 retary finds are for a system meeting the requirements
 11 of sections 454(16) and 454A.”

12 “(ii) The percentage specified in this clause is the
 13 greater of—

14 “(I) 80 percent; or

15 “(II) the percentage otherwise applicable to
 16 Federal payments to the State under subparagraph
 17 (A) (as adjusted pursuant to section 458).”

18 (2) TEMPORARY LIMITATION ON PAYMENTS
 19 UNDER SPECIAL FEDERAL MATCHING RATE.—

20 (A) IN GENERAL.—The Secretary of
 21 Health and Human Services may not pay more
 22 than \$260,000,000 in the aggregate under sec-
 23 tion 455(a)(3) of the Social Security Act for fis-
 24 cal years 1996, 1997, 1998, 1999, and 2000.

1 (B) ALLOCATION OF LIMITATION AMONG
2 STATES.—The total amount payable to a State
3 under section 455(a)(3) of such Act for fiscal
4 years 1996, 1997, 1998, 1999, and 2000 shall
5 not exceed the limitation determined for the
6 State by the Secretary of Health and Human
7 Services in regulations.

8 (C) ALLOCATION FORMULA.—The regula-
9 tions referred to in subparagraph (B) shall pre-
10 scribe a formula for allocating the amount spec-
11 ified in subparagraph (A) among States with
12 plans approved under part D of title IV of the
13 Social Security Act, which shall take into ac-
14 count—

15 (i) the relative size of State caseloads
16 under such part; and

17 (ii) the level of automation needed to
18 meet the automated data processing re-
19 quirements of such part.

20 (c) CONFORMING AMENDMENT.—Section 123(c) of
21 the Family Support Act of 1988 (102 Stat. 2352; Public
22 Law 100-485) is repealed.

23 **SEC. 746. TECHNICAL ASSISTANCE.**

24 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
25 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

1 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
2 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
3 ing at the end the following:

4 “(j) Out of any money in the Treasury of the United
5 States not otherwise appropriated, there is hereby appro-
6 priated to the Secretary for each fiscal year an amount
7 equal to 1 percent of the total amount paid to the Federal
8 Government pursuant to section 457(a) during the imme-
9 diately preceding fiscal year (as determined on the basis
10 of the most recent reliable data available to the Secretary
11 as of the end of the 3rd calendar quarter following the
12 end of such preceding fiscal year), to cover costs incurred
13 by the Secretary for—

14 “(1) information dissemination and technical
15 assistance to States, training of State and Federal
16 staff, staffing studies, and related activities needed
17 to improve programs under this part (including tech-
18 nical assistance concerning State automated systems
19 required by this part); and

20 “(2) research, demonstration, and special
21 projects of regional or national significance relating
22 to the operation of State programs under this
23 part.”.

24 (b) OPERATION OF FEDERAL PARENT LOCATOR
25 SERVICE.—Section 453 (42 U.S.C. 653), as amended by

1 section 716(e) of this Act, is amended by adding at the
2 end the following:

3 “(n) Out of any money in the Treasury of the United
4 States not otherwise appropriated, there is hereby appro-
5 priated to the Secretary for each fiscal year an amount
6 equal to 2 percent of the total amount paid to the Federal
7 Government pursuant to section 457(a) during the imme-
8 diately preceding fiscal year (as determined on the basis
9 of the most recent reliable data available to the Secretary
10 as of the end of the 3rd calendar quarter following the
11 end of such preceding fiscal year), to cover costs incurred
12 by the Secretary for operation of the Federal Parent Loca-
13 tor Service under this section, to the extent such costs are
14 not recovered through user fees.”.

15 **SEC. 747. REPORTS AND DATA COLLECTION BY THE SEC-**
16 **RETARY.**

17 (a) ANNUAL REPORT TO CONGRESS.—

18 (1) Section 452(a)(10)(A) (42 U.S.C.
19 652(a)(10)(A)) is amended—

20 (A) by striking “this part;” and inserting
21 “this part, including—”; and

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

23 “(i) the total amount of child support
24 payments collected as a result of services

1 furnished during the fiscal year to individ-
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the
4 Federal Government of so furnishing the
5 services; and

6 “(iii) the number of cases involving
7 families—

8 “(I) who became ineligible for as-
9 sistance under State programs funded
10 under part A during a month in the
11 fiscal year; and

12 “(II) with respect to whom a
13 child support payment was received in
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.
16 652(a)(10)(C)) is amended—

17 (A) in the matter preceding clause (i)—

18 (i) by striking “with the data required
19 under each clause being separately stated
20 for cases” and inserting “separately stated
21 for (1) cases”;

22 (ii) by striking “cases where the child
23 was formerly receiving” and inserting “or
24 formerly received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all
4 other”;

5 (B) in each of clauses (i) and (ii), by strik-
6 ing “, and the total amount of such obliga-
7 tions”;

8 (C) in clause (iii), by striking “described
9 in” and all that follows and inserting “in which
10 support was collected during the fiscal year;”;

11 (D) by striking clause (iv);

12 (E) by redesignating clause (v) as clause
13 (vii), and inserting after clause (iii) the follow-
14 ing:

15 “(iv) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as current support;

18 “(v) the total amount of support col-
19 lected during such fiscal year and distrib-
20 uted as arrearages;

21 “(vi) the total amount of support due
22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.
24 652(a)(10)(G)) is amended by striking “on the use
25 of Federal courts and”.

1 ~~(4) Section 452(a)(10) (42 U.S.C. 652(a)(10))~~
2 is amended by striking all that follows subparagraph
3 ~~(I)~~.

4 ~~(b) EFFECTIVE DATE.~~—The amendments made by
5 subsection ~~(a)~~ shall be effective with respect to fiscal year
6 1996 and succeeding fiscal years.

7 **Subtitle F—Establishment and**
8 **Modification of Support Orders**

9 ~~SEC. 751. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-~~
10 ~~MENT OF CHILD SUPPORT ORDERS.~~

11 Section 466(a)(10) ~~(42 U.S.C. 666(a)(10))~~ is amend-
12 ed to read as follows:

13 ~~“(10) REVIEW AND ADJUSTMENT OF SUPPORT~~
14 ~~ORDERS.~~—Procedures under which the State shall
15 review and adjust each support order being enforced
16 under this part. Such procedures shall provide the
17 following:

18 ~~“(A) The State shall review and, as appro-~~
19 ~~priate, adjust the support order every 3 years,~~
20 ~~taking into account the best interests of the~~
21 ~~child involved.~~

22 ~~“(B)(i) The State may elect to review and,~~
23 ~~if appropriate, adjust an order pursuant to sub-~~
24 ~~paragraph (A) by—~~

1 “(I) reviewing and, if appropriate, ad-
2 justing the order in accordance with the
3 guidelines established pursuant to section
4 467(a) if the amount of the child support
5 award under the order differs from the
6 amount that would be awarded in accord-
7 ance with the guidelines; or

8 “(II) applying a cost-of-living adjust-
9 ment to the order in accordance with a for-
10 mula developed by the State and permit ei-
11 ther party to contest the adjustment, with-
12 in 30 days after the date of the notice of
13 the adjustment, by making a request for
14 review and, if appropriate, adjustment of
15 the order in accordance with the child sup-
16 port guidelines established pursuant to sec-
17 tion 467(a).

18 “(ii) Any adjustment under clause (i) shall
19 be made without a requirement for proof or
20 showing of a change in circumstances.

21 “(C) The State may use automated meth-
22 ods (including automated comparisons with
23 wage or State income tax data) to identify or-
24 ders eligible for review, conduct the review,
25 identify orders eligible for adjustment, apply

1 the appropriate adjustment to the orders eligi-
2 ble for adjustment under the threshold estab-
3 lished by the State.

4 “(D) The State shall, at the request of ei-
5 ther parent subject to such an order or of any
6 State child support enforcement agency, review
7 and, if appropriate, adjust the order in accord-
8 ance with the guidelines established pursuant to
9 section 467(a) based upon a substantial change
10 in the circumstances of either parent.

11 “(E) The State shall provide notice to the
12 parents subject to such an order informing
13 them of their right to request the State to re-
14 view and, if appropriate, adjust the order pur-
15 suant to subparagraph (D). The notice may be
16 included in the order.”.

17 **SEC. 752. FURNISHING CONSUMER REPORTS FOR CERTAIN**
18 **PURPOSES RELATING TO CHILD SUPPORT.**

19 Section 604 of the Fair Credit Reporting Act (15
20 U.S.C. 1681b) is amended by adding at the end the follow-
21 ing:

22 “(4) In response to a request by the head of a
23 State or local child support enforcement agency (or
24 a State or local government official authorized by
25 the head of such an agency), if the person making

1 the request certifies to the consumer reporting agency that—

2
3 “(A) the consumer report is needed for the
4 purpose of establishing an individual’s capacity
5 to make child support payments or determining
6 the appropriate level of such payments;

7 “(B) the person has provided at least 10
8 days prior notice to the consumer whose report
9 is requested, by certified or registered mail to
10 the last known address of the consumer, that
11 the report will be requested, and

12 “(C) the consumer report will be kept con-
13 fidential, will be used solely for a purpose de-
14 scribed in subparagraph (A), and will not be
15 used in connection with any other civil, admin-
16 istrative, or criminal proceeding, or for any
17 other purpose.

18 “(5) To an agency administering a State plan
19 under section 454 of the Social Security Act (42
20 U.S.C. 654) for use to set an initial or modified
21 child support award.”

1 **Subtitle G—Enforcement of**
2 **Support Orders**

3 **SEC. 761. FEDERAL INCOME TAX REFUND OFFSET.**

4 (a) ~~CHANGED ORDER OF REFUND DISTRIBUTION~~
5 ~~UNDER INTERNAL REVENUE CODE.—~~

6 (1) Subsection (c) of section 6402 of the Inter-
7 nal Revenue Code of 1986 is amended by striking
8 the third sentence and inserting the following new
9 sentences: “A reduction under this subsection shall
10 be after any other reduction allowed by subsection
11 (d) with respect to the Department of Health and
12 Human Services and the Department of Education
13 with respect to a student loan and before any other
14 reduction allowed by law and before such overpay-
15 ment is credited to the future liability for tax of
16 such person pursuant to subsection (b). A reduction
17 under this subsection shall be assigned to the State
18 with respect to past-due support owed to individuals
19 for periods such individuals were receiving assistance
20 under part A or B of title IV of the Social Security
21 Act only after satisfying all other past-due sup-
22 port.”.

23 (2) Paragraph (2) of section 6402(d) of such
24 Code is amended—

1 (A) by striking “Any overpayment” and in-
2 serting “Except in the case of past-due legally
3 enforceable debts owed to the Department of
4 Health and Human Services or to the Depart-
5 ment of Education with respect to a student
6 loan, any overpayment”; and

7 (B) by striking “with respect to past-due
8 support collected pursuant to an assignment
9 under section 402(a)(26) of the Social Security
10 Act”.

11 (b) ~~ELIMINATION OF DISPARITIES IN TREATMENT~~
12 ~~OF ASSIGNED AND NON ASSIGNED ARREARAGES.—~~

13 (1) Section 464(a) (42 U.S.C. 664(a)) is
14 amended—

15 (A) by striking “(a)” and inserting “(a)
16 OFFSET AUTHORIZED.—”;

17 (B) in paragraph (1)—

18 (i) in the 1st sentence, by striking
19 “which has been assigned to such State
20 pursuant to section 402(a)(26) or section
21 471(a)(17)”; and

22 (ii) in the 2nd sentence, by striking
23 “in accordance with section 457(b)(4) or
24 (d)(3)” and inserting “as provided in para-
25 graph (2)”;

1 (C) by striking paragraph (2) and insert-
2 ing the following:

3 ~~“(2) The State agency shall distribute amounts paid~~
4 by the Secretary of the Treasury pursuant to paragraph
5 (1)—

6 ~~“(A) in accordance with section 457(a), in the~~
7 case of past-due support assigned to a State pursu-
8 ant to requirements imposed pursuant to section
9 405(a)(8); and

10 ~~“(B) to or on behalf of the child to whom the~~
11 support was owed, in the case of past-due support
12 not so assigned.”; and

13 (D) in paragraph (3)—

14 (i) by striking “or (2)” each place
15 such term appears; and

16 (ii) in subparagraph (B), by striking
17 “under paragraph (2)” and inserting “on
18 account of past-due support described in
19 paragraph (2)(B)”.

20 (2) Section 464(b) (42 U.S.C. 664(b)) is
21 amended—

22 (A) by striking “(b)(1)” and inserting the
23 following:

24 ~~“(b) REGULATIONS.—”~~; and

25 (B) by striking paragraph (2).

1 (3) Section 464(c) (42 U.S.C. 664(c)) is
2 amended—

3 (A) by striking “(c)(1) Except as provided
4 in paragraph (2), as” and inserting the follow-
5 ing:

6 “(c) DEFINITION.—As”; and

7 (B) by striking paragraphs (2) and (3).

8 **SEC. 762. AUTHORITY TO COLLECT SUPPORT FROM FED-**
9 **ERAL EMPLOYEES.**

10 (a) CONSOLIDATION AND STREAMLINING OF AU-
11 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
12 read as follows:

13 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
14 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
15 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
16 **SUPPORT AND ALIMONY OBLIGATIONS.**

17 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
18 withstanding any other provision of law (including section
19 207 of this Act and section 5301 of title 38, United States
20 Code), effective January 1, 1975, moneys (the entitlement
21 to which is based upon remuneration for employment) due
22 from, or payable by, the United States or the District of
23 Columbia (including any agency, subdivision, or instru-
24 mentality thereof) to any individual, including members
25 of the Armed Forces of the United States, shall be subject,

1 in like manner and to the same extent as if the United
2 States or the District of Columbia were a private person,
3 to withholding in accordance with State law enacted pur-
4 suant to subsections (a)(1) and (b) of section 466 and reg-
5 ulations of the Secretary under such subsections, and to
6 any other legal process brought, by a State agency admin-
7 istering a program under a State plan approved under this
8 part or by an individual obligee, to enforce the legal obliga-
9 tion of the individual to provide child support or alimony.

10 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
11 PRIVATE PERSON.—With respect to notice to withhold in-
12 come pursuant to subsection (a)(1) or (b) of section 466,
13 or any other order or process to enforce support obliga-
14 tions against an individual (if the order or process con-
15 tains or is accompanied by sufficient data to permit
16 prompt identification of the individual and the moneys in-
17 volved), each governmental entity specified in subsection
18 (a) shall be subject to the same requirements as would
19 apply if the entity were a private person, except as other-
20 wise provided in this section.

21 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
22 OR PROCESS—

23 “(1) DESIGNATION OF AGENT.—The head of
24 each agency subject to this section shall—

1 “(A) designate an agent or agents to re-
2 ceive orders and accept service of process in
3 matters relating to child support or alimony;
4 and

5 “(B) annually publish in the Federal Reg-
6 ister the designation of the agent or agents,
7 identified by title or position, mailing address,
8 and telephone number.

9 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
10 agent designated pursuant to paragraph (1) of this
11 subsection receives notice pursuant to State proce-
12 dures in effect pursuant to subsection (a)(1) or (b)
13 of section 466, or is effectively served with any
14 order, process, or interrogatory, with respect to an
15 individual’s child support or alimony payment obli-
16 gations, the agent shall—

17 “(A) as soon as possible (but not later
18 than 15 days) thereafter, send written notice of
19 the notice or service (together with a copy of
20 the notice or service) to the individual at the
21 duty station or last-known home address of the
22 individual;

23 “(B) within 30 days (or such longer period
24 as may be prescribed by applicable State law)
25 after receipt of a notice pursuant to such State

1 procedures, comply with all applicable provi-
2 sions of section 466; and

3 ~~“(C) within 30 days (or such longer period~~
4 ~~as may be prescribed by applicable State law)~~
5 ~~after effective service of any other such order,~~
6 ~~process, or interrogatory, respond to the order,~~
7 ~~process, or interrogatory.~~

8 ~~“(d) PRIORITY OF CLAIMS.—If a governmental entity~~
9 ~~specified in subsection (a) receives notice or is served with~~
10 ~~process, as provided in this section, concerning amounts~~
11 ~~owed by an individual to more than 1 person—~~

12 ~~“(1) support collection under section 466(b)~~
13 ~~must be given priority over any other process, as~~
14 ~~provided in section 466(b)(7);~~

15 ~~“(2) allocation of moneys due or payable to an~~
16 ~~individual among claimants under section 466(b)~~
17 ~~shall be governed by section 466(b) and the regula-~~
18 ~~tions prescribed under such section; and~~

19 ~~“(3) such moneys as remain after compliance~~
20 ~~with paragraphs (1) and (2) shall be available to~~
21 ~~satisfy any other such processes on a first-come,~~
22 ~~first-served basis, with any such process being satis-~~
23 ~~fied out of such moneys as remain after the satisfac-~~
24 ~~tion of all such processes which have been previously~~
25 ~~served.~~

1 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
2 governmental entity that is affected by legal process
3 served for the enforcement of an individual’s child support
4 or alimony payment obligations shall not be required to
5 vary its normal pay and disbursement cycle in order to
6 comply with the legal process.

7 “(f) RELIEF FROM LIABILITY.—

8 “(1) Neither the United States, nor the govern-
9 ment of the District of Columbia, nor any disbursing
10 officer shall be liable with respect to any payment
11 made from moneys due or payable from the United
12 States to any individual pursuant to legal process
13 regular on its face, if the payment is made in ac-
14 cordance with this section and the regulations issued
15 to carry out this section.

16 “(2) No Federal employee whose duties include
17 taking actions necessary to comply with the require-
18 ments of subsection (a) with regard to any individ-
19 ual shall be subject under any law to any discipli-
20 nary action or civil or criminal liability or penalty
21 for, or on account of, any disclosure of information
22 made by the employee in connection with the carry-
23 ing out of such actions.

24 “(g) REGULATIONS.—Authority to promulgate regu-
25 lations for the implementation of this section shall, insofar

1 as this section applies to moneys due from (or payable
2 by)—

3 ~~“(1) the United States (other than the legisla-~~
4 ~~tive or judicial branches of the Federal Government)~~
5 ~~or the government of the District of Columbia, be~~
6 ~~vested in the President (or the designee of the Presi-~~
7 ~~dent);~~

8 ~~“(2) the legislative branch of the Federal Gov-~~
9 ~~ernment, be vested jointly in the President pro tem-~~
10 ~~pore of the Senate and the Speaker of the House of~~
11 ~~Representatives (or their designees), and~~

12 ~~“(3) the judicial branch of the Federal Govern-~~
13 ~~ment, be vested in the Chief Justice of the United~~
14 ~~States (or the designee of the Chief Justice).~~

15 ~~“(h) MONEYS SUBJECT TO PROCESS.—~~

16 ~~“(1) IN GENERAL.—Subject to paragraph (2),~~
17 ~~moneys paid or payable to an individual which are~~
18 ~~considered to be based upon remuneration for em-~~
19 ~~ployment, for purposes of this section—~~

20 ~~“(A) consist of—~~

21 ~~“(i) compensation paid or payable for~~
22 ~~personal services of the individual, whether~~
23 ~~the compensation is denominated as wages,~~
24 ~~salary, commission, bonus, pay, allowances,~~

1 or otherwise (including severance pay, sick
2 pay, and incentive pay);

3 ~~“(ii) periodic benefits (including a
4 periodic benefit as defined in section
5 228(h)(3)) or other payments—~~

6 ~~“(I) under the insurance system
7 established by title II;~~

8 ~~“(II) under any other system or
9 fund established by the United States
10 which provides for the payment of
11 pensions, retirement or retired pay,
12 annuities, dependents’ or survivors’
13 benefits, or similar amounts payable
14 on account of personal services per-
15 formed by the individual or any other
16 individual;~~

17 ~~“(III) as compensation for death
18 under any Federal program;~~

19 ~~“(IV) under any Federal pro-
20 gram established to provide ‘black
21 lung’ benefits; or~~

22 ~~“(V) by the Secretary of Veter-
23 ans Affairs as pension, or as com-
24 pensation for a service-connected dis-
25 ability or death (except any compensa-~~

1 tion paid by the Secretary to a mem-
2 ber of the Armed Forces who is in re-
3 ceipt of retired or retainer pay if the
4 member has waived a portion of the
5 retired pay of the member in order to
6 receive the compensation); and

7 ~~“(iii) worker’s compensation benefits~~
8 paid under Federal or State law but

9 ~~“(B) do not include any payment—~~

10 ~~“(i) by way of reimbursement or oth-~~
11 ~~erwise, to defray expenses incurred by the~~
12 ~~individual in carrying out duties associated~~
13 ~~with the employment of the individual; or~~

14 ~~“(ii) as allowances for members of the~~
15 ~~uniformed services payable pursuant to~~
16 ~~chapter 7 of title 37, United States Code,~~
17 ~~as prescribed by the Secretaries concerned~~
18 ~~(defined by section 101(5) of such title) as~~
19 ~~necessary for the efficient performance of~~
20 ~~duty.~~

21 ~~“(2) CERTAIN AMOUNTS EXCLUDED.—In deter-~~
22 ~~mining the amount of any moneys due from, or pay-~~
23 ~~able by, the United States to any individual, there~~
24 ~~shall be excluded amounts which—~~

1 “(A) are owed by the individual to the
2 United States;

3 “(B) are required by law to be, and are,
4 deducted from the remuneration or other pay-
5 ment involved, including Federal employment
6 taxes, and fines and forfeitures ordered by
7 court-martial;

8 “(C) are properly withheld for Federal,
9 State, or local income tax purposes, if the with-
10 holding of the amounts is authorized or re-
11 quired by law and if amounts withheld are not
12 greater than would be the case if the individual
13 claimed all dependents to which he was entitled
14 (the withholding of additional amounts pursu-
15 ant to section 3402(i) of the Internal Revenue
16 Code of 1986 may be permitted only when the
17 individual presents evidence of a tax obligation
18 which supports the additional withholding);

19 “(D) are deducted as health insurance pre-
20 miums;

21 “(E) are deducted as normal retirement
22 contributions (not including amounts deducted
23 for supplementary coverage); or

24 “(F) are deducted as normal life insurance
25 premiums from salary or other remuneration

1 for employment (not including amounts de-
2 ducted for supplementary coverage).

3 “(i) DEFINITIONS.—As used in this section:

4 “(1) UNITED STATES.—The term ‘United
5 States’ includes any department, agency, or instru-
6 mentality of the legislative, judicial, or executive
7 branch of the Federal Government, the United
8 States Postal Service, the Postal Rate Commission,
9 any Federal corporation created by an Act of Con-
10 gress that is wholly owned by the Federal Govern-
11 ment, and the governments of the territories and
12 possessions of the United States.

13 “(2) CHILD SUPPORT.—The term ‘child sup-
14 port’, when used in reference to the legal obligations
15 of an individual to provide such support, means peri-
16 odic payments of funds for the support and mainte-
17 nance of a child or children with respect to which
18 the individual has such an obligation, and (subject
19 to and in accordance with State law) includes pay-
20 ments to provide for health care, education, recre-
21 ation, clothing, or to meet other specific needs of
22 such a child or children, and includes attorney’s
23 fees, interest, and court costs, when and to the ex-
24 tent that the same are expressly made recoverable as
25 such pursuant to a decree, order, or judgment issued

1 in accordance with applicable State law by a court
2 of competent jurisdiction.

3 “(3) ALIMONY.—The term ‘alimony’, when used
4 in reference to the legal obligations of an individual
5 to provide the same, means periodic payments of
6 funds for the support and maintenance of the spouse
7 (or former spouse) of the individual, and (subject to
8 and in accordance with State law) includes separate
9 maintenance, alimony pendente lite, maintenance,
10 and spousal support, and includes attorney’s fees,
11 interest, and court costs when and to the extent that
12 the same are expressly made recoverable as such
13 pursuant to a decree, order, or judgment issued in
14 accordance with applicable State law by a court of
15 competent jurisdiction. Such term does not include
16 any payment or transfer of property or its value by
17 an individual to the spouse or a former spouse of the
18 individual in compliance with any community prop-
19 erty settlement, equitable distribution of property, or
20 other division of property between spouses or former
21 spouses.

22 “(4) PRIVATE PERSON.—The term ‘private per-
23 son’ means a person who does not have sovereign or
24 other special immunity or privilege which causes the
25 person not to be subject to legal process.

1 ~~“(5) LEGAL PROCESS.—~~The term ‘legal proc-
2 ~~ess’~~ means any writ, order, summons, or other simi-
3 ~~lar process in the nature of garnishment—~~

4 ~~“(A) which is issued by—~~

5 ~~“(i) a court of competent jurisdiction~~
6 ~~in any State, territory, or possession of the~~
7 ~~United States;~~

8 ~~“(ii) a court of competent jurisdiction~~
9 ~~in any foreign country with which the~~
10 ~~United States has entered into an agree-~~
11 ~~ment which requires the United States to~~
12 ~~honor the process; or~~

13 ~~“(iii) an authorized official pursuant~~
14 ~~to an order of such a court of competent~~
15 ~~jurisdiction or pursuant to State or local~~
16 ~~law; and~~

17 ~~“(B) which is directed to, and the purpose~~
18 ~~of which is to compel, a governmental entity~~
19 ~~which holds moneys which are otherwise pay-~~
20 ~~able to an individual to make a payment from~~
21 ~~the moneys to another party in order to satisfy~~
22 ~~a legal obligation of the individual to provide~~
23 ~~child support or make alimony payments.”.~~

24 ~~(b) CONFORMING AMENDMENTS.—~~

1 (1) ~~TO PART D OF TITLE IV.—Sections 461 and~~
2 462 (42 U.S.C. 661 and 662) are repealed.

3 (2) ~~TO TITLE 5, UNITED STATES CODE.—Sec-~~
4 tion 5520a of title 5, United States Code, is amend-
5 ed, in subsections (h)(2) and (i), by striking “sec-
6 tions 459, 461, and 462 of the Social Security Act
7 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
8 tion 459 of the Social Security Act (42 U.S.C.
9 659)”.

10 (c) ~~MILITARY RETIRED AND RETAINER PAY.—~~

11 (1) ~~DEFINITION OF COURT.—Section~~
12 1408(a)(1) of title 10, United States Code, is
13 amended—

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

16 (B) by striking the period at the end of
17 subparagraph (C) and inserting “; and”; and

18 (C) by adding after subparagraph (C) the
19 following:

20 “(D) any administrative or judicial tribu-
21 nal of a State competent to enter orders for
22 support or maintenance (including a State
23 agency administering a program under a State
24 plan approved under part D of title IV of the
25 Social Security Act), and, for purposes of this

1 subparagraph, the term ‘State’ includes the
2 District of Columbia, the Commonwealth of
3 Puerto Rico, the Virgin Islands, Guam, and
4 American Samoa.”.

5 (2) DEFINITION OF COURT ORDER.—Section
6 1408(a)(2) of such title is amended by inserting “or
7 a court order for the payment of child support not
8 included in or accompanied by such a decree or set-
9 tlement,” before “which—”.

10 (3) PUBLIC PAYEE.—Section 1408(d) of such
11 title is amended—

12 (A) in the heading, by inserting “(OR FOR
13 BENEFIT OF)” before “SPOUSE OR”; and

14 (B) in paragraph (1), in the first sentence,
15 by inserting “(or for the benefit of such spouse
16 or former spouse to a State disbursement unit
17 established pursuant to section 454B of the So-
18 cial Security Act or other public payee des-
19 ignated by a State, in accordance with part D
20 of title IV of the Social Security Act, as di-
21 rected by court order, or as otherwise directed
22 in accordance with such part D)” before “in an
23 amount sufficient”.

1 (A) RESIDENTIAL ADDRESS.—Except as
2 provided in subparagraph (B), the address for
3 a member of the Armed Forces shown in the lo-
4 cator service shall be the residential address of
5 that member.

6 (B) DUTY ADDRESS.—The address for a
7 member of the Armed Forces shown in the loca-
8 tor service shall be the duty address of that
9 member in the case of a member—

10 (i) who is permanently assigned over-
11 seas; to a vessel; or to a routinely
12 deployable unit; or

13 (ii) with respect to whom the Sec-
14 retary concerned makes a determination
15 that the member's residential address
16 should not be disclosed due to national se-
17 curity or safety concerns.

18 (3) UPDATING OF LOCATOR INFORMATION.—

19 Within 30 days after a member listed in the locator
20 service establishes a new residential address (or a
21 new duty address, in the case of a member covered
22 by paragraph (2)(B)), the Secretary concerned shall
23 update the locator service to indicate the new ad-
24 dress of the member.

1 (4) AVAILABILITY OF INFORMATION.—The Sec-
2 retary of Defense shall make information regarding
3 the address of a member of the Armed Forces listed
4 in the locator service available, on request, to the
5 Federal Parent Locator Service established under
6 section 453 of the Social Security Act.

7 (b) FACILITATING GRANTING OF LEAVE FOR AT-
8 TENDANCE AT HEARINGS.—

9 (1) REGULATIONS.—The Secretary of each
10 military department, and the Secretary of Transpor-
11 tation with respect to the Coast Guard when it is
12 not operating as a service in the Navy, shall pre-
13 scribe regulations to facilitate the granting of leave
14 to a member of the Armed Forces under the juris-
15 diction of that Secretary in a case in which—

16 (A) the leave is needed for the member to
17 attend a hearing described in paragraph (2);

18 (B) the member is not serving in or with
19 a unit deployed in a contingency operation (as
20 defined in section 101 of title 10, United States
21 Code); and

22 (C) the exigencies of military service (as
23 determined by the Secretary concerned) do not
24 otherwise require that such leave not be grant-
25 ed.

1 (2) COVERED HEARINGS.—Paragraph (1) ap-
2 plies to a hearing that is conducted by a court or
3 pursuant to an administrative process established
4 under State law, in connection with a civil action—

5 (A) to determine whether a member of the
6 Armed Forces is a natural parent of a child; or

7 (B) to determine an obligation of a mem-
8 ber of the Armed Forces to provide child sup-
9 port.

10 (3) DEFINITIONS.—For purposes of this sub-
11 section:

12 (A) The term “court” has the meaning
13 given that term in section 1408(a) of title 10,
14 United States Code.

15 (B) The term “child support” has the
16 meaning given such term in section 459(i) of
17 the Social Security Act (42 U.S.C. 659(i)).

18 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
19 PLIANCE WITH CHILD SUPPORT ORDERS.—

20 (1) DATE OF CERTIFICATION OF COURT
21 ORDER.—Section 1408 of title 10, United States
22 Code, as amended by section 762(c)(4) of this Act,
23 is amended—

24 (A) by redesignating subsections (i) and (j)
25 as subsections (j) and (k), respectively; and

1 (B) by inserting after subsection (h) the
2 following:

3 “(i) CERTIFICATION DATE.—It is not necessary that
4 the date of a certification of the authenticity or complete-
5 ness of a copy of a court order for child support received
6 by the Secretary concerned for the purposes of this section
7 be recent in relation to the date of receipt by the Sec-
8 retary.”.

9 (2) PAYMENTS CONSISTENT WITH ASSIGN-
10 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
11 of such title is amended by inserting after the 1st
12 sentence the following: “In the case of a spouse or
13 former spouse who, pursuant to section 405(a)(8) of
14 the Social Security Act (42 U.S.C. 605(a)(8)), as-
15 signs to a State the rights of the spouse or former
16 spouse to receive support, the Secretary concerned
17 may make the child support payments referred to in
18 the preceding sentence to that State in amounts con-
19 sistent with that assignment of rights.”.

20 (3) ARREARAGES OWED BY MEMBERS OF THE
21 UNIFORMED SERVICES.—Section 1408(d) of such
22 title is amended by adding at the end the following:
23 “(6) In the case of a court order for which effective
24 service is made on the Secretary concerned on or after
25 the date of the enactment of this paragraph and which

1 provides for payments from the disposable retired pay of
2 a member to satisfy the amount of child support set forth
3 in the order, the authority provided in paragraph (1) to
4 make payments from the disposable retired pay of a mem-
5 ber to satisfy the amount of child support set forth in a
6 court order shall apply to payment of any amount of child
7 support arrearages set forth in that order as well as to
8 amounts of child support that currently become due.”.

9 (4) PAYROLL DEDUCTIONS.—The Secretary of
10 Defense shall begin payroll deductions within 30
11 days after receiving notice of withholding, or for the
12 first pay period that begins after such 30-day pe-
13 riod.

14 **SEC. 764. VOIDING OF FRAUDULENT TRANSFERS.**

15 Section 466 (42 U.S.C. 666), as amended by section
16 721 of this Act, is amended by adding at the end the
17 following:

18 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In
19 order to satisfy section 454(20)(A), each State must have
20 in effect—

21 “(1)(A) the Uniform Fraudulent Conveyance
22 Act of 1981;

23 “(B) the Uniform Fraudulent Transfer Act
24 of 1984; or

1 ~~“(C) another law, specifying indicia of~~
 2 ~~fraud which create a prima facie case that a~~
 3 ~~debtor transferred income or property to avoid~~
 4 ~~payment to a child support creditor, which the~~
 5 ~~Secretary finds affords comparable rights to~~
 6 ~~child support creditors; and~~

7 ~~“(2) procedures under which, in any case in~~
 8 ~~which the State knows of a transfer by a child sup-~~
 9 ~~port debtor with respect to which such a prima facie~~
 10 ~~case is established, the State must—~~

11 ~~“(A) seek to void such transfer; or~~

12 ~~“(B) obtain a settlement in the best inter-~~
 13 ~~ests of the child support creditor.”.~~

14 **SEC. 765. SENSE OF THE CONGRESS THAT STATES SHOULD**
 15 **SUSPEND DRIVERS', BUSINESS, AND OCCUPA-**
 16 **TIONAL LICENSES OF PERSONS OWING PAST-**
 17 **DUE CHILD SUPPORT.**

18 It is the sense of the Congress that each State should
 19 suspend any driver's license, business license, or occupa-
 20 tional license issued to any person who owes past-due child
 21 support.

22 **SEC. 766. WORK REQUIREMENT FOR PERSONS OWING**
 23 **PAST-DUE CHILD SUPPORT.**

24 Section 466(a) of the Social Security Act (42 U.S.C.
 25 666(a)), as amended by sections 701(a), 715, 717(a), and

1 723 of this Act, is amended by adding at the end the
2 following:

3 ~~“(16) PROCEDURES TO ENSURE THAT PERSONS~~
4 ~~OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN~~
5 ~~FOR PAYMENT OF SUCH SUPPORT.—~~

6 ~~“(A) Procedures requiring the State, in~~
7 ~~any case in which an individual owes past-due~~
8 ~~support with respect to a child receiving assist-~~
9 ~~ance under a State program funded under part~~
10 ~~A, to seek a court order that requires the indi-~~
11 ~~vidual to—~~

12 ~~“(i) pay such support in accordance~~
13 ~~with a plan approved by the court; or~~

14 ~~“(ii) if the individual is subject to~~
15 ~~such a plan and is not incapacitated, par-~~
16 ~~ticipate in such work activities (as defined~~
17 ~~in section 404(b)(1)) as the court deems~~
18 ~~appropriate.~~

19 ~~“(B) As used in subparagraph (A), the~~
20 ~~term ‘past-due support’ means the amount of a~~
21 ~~delinquency, determined under a court order, or~~
22 ~~an order of an administrative process estab-~~
23 ~~lished under State law, for support and mainte-~~
24 ~~nance of a child, or of a child and the parent~~
25 ~~with whom the child is living.”.~~

1 **SEC. 767. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections
3 716 and 746(b) of this Act, is amended by adding at the
4 end the following:

5 “(o) **SUPPORT ORDER DEFINED.**—As used in this
6 part, the term ‘support order’ means an order issued by
7 a court or an administrative process established under
8 State law that requires support and maintenance of a child
9 or of a child and the parent with whom the child is liv-
10 ing.”.

11 **SEC. 768. LIENS.**

12 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
13 to read as follows:

14 “(4) Procedures under which—

15 “(A) liens arise by operation of law against
16 real and personal property for amounts of over-
17 due support owed by an absent parent who re-
18 sides or owns property in the State; and

19 “(B) the State accords full faith and credit
20 to liens described in subparagraph (A) arising
21 in another State, without registration of the un-
22 derlying order.”.

1 **SEC. 769. STATE LAW AUTHORIZING SUSPENSION OF LI-**
 2 **CENSES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
 4 sections 715, 717(a), and 723 of this Act, is amended by
 5 adding at the end the following:

6 “(15) AUTHORITY TO WITHHOLD OR SUSPEND
 7 LICENSES.—Procedures under which the State has
 8 (and uses in appropriate cases) authority to withhold
 9 or suspend, or to restrict the use of driver’s licenses,
 10 professional and occupational licenses, and rec-
 11 reational licenses of individuals owing overdue sup-
 12 port or failing, after receiving appropriate notice, to
 13 comply with subpoenas or warrants relating to pa-
 14 ternity or child support proceedings.”.

15 **Subtitle H—Medical Support**

16 **SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION**
 17 **OF MEDICAL CHILD SUPPORT ORDER.**

18 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
 19 ployee Retirement Income Security Act of 1974 (29
 20 U.S.C. 1169(a)(2)(B)) is amended—

21 (1) by striking “issued by a court of competent
 22 jurisdiction”;

23 (2) by striking the period at the end of clause
 24 (ii) and inserting a comma; and

25 (3) by adding, after and below clause (ii), the
 26 following:

1 “if such judgment, decree, or order (I) is issued
2 by a court of competent jurisdiction or (II) is
3 issued through an administrative process estab-
4 lished under State law and has the force and ef-
5 fect of law under applicable State law.”.

6 ~~(b) EFFECTIVE DATE.—~~

7 ~~(1) IN GENERAL.—~~The amendments made by
8 this section shall take effect on the date of the en-
9 actment of this Act.

10 ~~(2) PLAN AMENDMENTS NOT REQUIRED UNTIL~~
11 ~~JANUARY 1, 1996.—~~Any amendment to a plan re-
12 quired to be made by an amendment made by this
13 section shall not be required to be made before the
14 first plan year beginning on or after January 1,
15 1996, if—

16 ~~(A) during the period after the date before~~
17 ~~the date of the enactment of this Act and be-~~
18 ~~fore such first plan year, the plan is operated~~
19 ~~in accordance with the requirements of the~~
20 ~~amendments made by this section; and~~

21 ~~(B) such plan amendment applies retro-~~
22 ~~actively to the period after the date before the~~
23 ~~date of the enactment of this Act and before~~
24 ~~such first plan year.~~

1 A plan shall not be treated as failing to be operated
2 in accordance with the provisions of the plan merely
3 because it operates in accordance with this para-
4 graph.

5 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**
6 **residential Parents**

8 **SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION**
9 **PROGRAMS.**

10 Part D of title IV (42 U.S.C. 651–669) is amended
11 by adding at the end the following:

12 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
13 **TION PROGRAMS.**

14 “(a) IN GENERAL.—The Administration for Children
15 and Families shall make grants under this section to en-
16 able States to establish and administer programs to sup-
17 port and facilitate absent parents’ access to and visitation
18 of their children, by means of activities including medi-
19 ation (both voluntary and mandatory), counseling, edu-
20 cation, development of parenting plans, visitation enforce-
21 ment (including monitoring, supervision and neutral drop-
22 off and pickup), and development of guidelines for visita-
23 tion and alternative custody arrangements.

1 “(b) AMOUNT OF GRANT.—The amount of the grant
2 to be made to a State under this section for a fiscal year
3 shall be an amount equal to the lesser of—

4 “(1) 90 percent of State expenditures during
5 the fiscal year for activities described in subsection
6 (a); or

7 “(2) the allotment of the State under sub-
8 section (c) for the fiscal year.

9 “(c) ALLOTMENTS TO STATES.—

10 “(1) IN GENERAL.—The allotment of a State
11 for a fiscal year is the amount that bears the same
12 ratio to the amount appropriated for grants under
13 this section for the fiscal year as the number of chil-
14 dren in the State living with only 1 biological parent
15 bears to the total number of such children in all
16 States.

17 “(2) MINIMUM ALLOTMENT.—The Administra-
18 tion for Children and Families shall adjust allot-
19 ments to States under paragraph (1) as necessary to
20 ensure that no State is allotted less than—

21 “(A) \$50,000 for fiscal year 1996 or 1997;

22 or

23 “(B) \$100,000 for any succeeding fiscal
24 year.

1 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
2 FOR SIMILAR ACTIVITIES.—A State to which a grant is
3 made under this section may not use the grant to supplant
4 expenditures by the State for activities specified in sub-
5 section (a), but shall use the grant to supplement such
6 expenditures at a level at least equal to the level of such
7 expenditures for fiscal year 1995.

8 “(e) STATE ADMINISTRATION.—Each State to which
9 a grant is made under this section—

10 “(1) may administer State programs funded
11 with the grant, directly or through grants to or con-
12 tracts with courts, local public agencies, or non-prof-
13 it private entities;

14 “(2) shall not be required to operate such pro-
15 grams on a statewide basis; and

16 “(3) shall monitor, evaluate, and report on such
17 programs in accordance with regulations prescribed
18 by the Secretary.”.

19 **Subtitle J—Effect of Enactment**

20 **SEC. 791. EFFECTIVE DATES.**

21 (a) IN GENERAL.—Except as otherwise specifically
22 provided (but subject to subsections (b) and (c))—

23 (1) the provisions of this title requiring the en-
24 actment or amendment of State laws under section
25 466 of the Social Security Act, or revision of State

1 plans under section 454 of such Act, shall be effective
2 with respect to periods beginning on and after
3 October 1, 1996; and

4 (2) all other provisions of this title shall become
5 effective upon enactment.

6 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
7 provisions of this title shall become effective with respect
8 to a State on the later of—

9 (1) the date specified in this title, or

10 (2) the effective date of laws enacted by the leg-
11 islature of such State implementing such provisions,
12 but in no event later than the first day of the first cal-
13 endar quarter beginning after the close of the first regular
14 session of the State legislature that begins after the date
15 of the enactment of this Act. For purposes of the previous
16 sentence, in the case of a State that has a 2-year legisla-
17 tive session, each year of such session shall be deemed to
18 be a separate regular session of the State legislature.

19 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
20 AMENDMENT.—A State shall not be found out of compli-
21 ance with any requirement enacted by this title if the State
22 is unable to so comply without amending the State con-
23 stitution until the earlier of—

24 (1) 1 year after the effective date of the nec-
25 essary State constitutional amendment; or

1 (2) 5 years after the date of the enactment of
2 this title.

3 **TITLE VIII—MISCELLANEOUS**
4 **PROVISIONS**

5 **SEC. 801. SCORING.**

6 Section 251(b)(2) of the Balanced Budget and Emer-
7 gency Deficit Control Act of 1985 is amended by adding
8 at the end the following new subparagraph:

9 “(H) SPECIAL ALLOWANCE FOR WELFARE RE-
10 FORM.—For any fiscal year, the adjustments shall
11 be appropriations for discretionary programs result-
12 ing from the Personal Responsibility Act of 1995 (as
13 described in the joint explanatory statement accom-
14 panying a conference report on that Act) in discre-
15 tionary accounts and the outlays flowing in all years
16 from such appropriations (but not to exceed
17 amounts authorized for those programs by that Act
18 for that fiscal year) minus appropriations for com-
19 parable discretionary programs for fiscal year 1995
20 (as described in the joint explanatory statement ac-
21 companying a conference report on that Act.”.

22 **SEC. 802. PROVISIONS TO ENCOURAGE ELECTRONIC BENE-**
23 **FIT TRANSFER SYSTEMS.**

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

1 (1) by striking “(d) In the event” and inserting
2 “~~(d)~~ APPLICABILITY TO SERVICE PROVIDERS
3 OTHER THAN CERTAIN FINANCIAL INSTITU-
4 TIONS.—

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

6 (2) by adding at the end the following new
7 paragraph:

8 “~~(2)~~ STATE AND LOCAL GOVERNMENT ELEC-
9 TRONIC BENEFIT TRANSFER PROGRAMS.—

10 “~~(A)~~ EXEMPTION GENERALLY.—The dis-
11 closures, protections, responsibilities, and rem-
12 edies established under this title, and any regu-
13 lation prescribed or order issued by the Board
14 in accordance with this title, shall not apply to
15 any electronic benefit transfer program estab-
16 lished under State or local law or administered
17 by a State or local government.

18 “~~(B)~~ EXCEPTION FOR DIRECT DEPOSIT
19 INTO RECIPIENT’S ACCOUNT.—Subparagraph
20 (A) shall not apply with respect to any elec-
21 tronic funds transfer under an electronic benefit
22 transfer program for deposits directly into a
23 consumer account held by the recipient of the
24 benefit.

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

3 “(i) ~~affecting or altering the protec-~~
4 tions otherwise applicable with respect to
5 benefits established by Federal, State, or
6 local law; or

7 “(ii) ~~otherwise superseding the appli-~~
8 cation of any State or local law.

9 “(D) ~~ELECTRONIC BENEFIT TRANSFER~~
10 PROGRAM DEFINED.—For purposes of this
11 paragraph, the term ‘~~electronic benefit transfer~~
12 program’—

13 “(i) means a program under which a
14 government agency distributes needs-tested
15 benefits by establishing accounts to be
16 accessed by recipients electronically, such
17 as through automated teller machines, or
18 point-of-sale terminals; and

19 “(ii) does not include employment-re-
20 lated payments, including salaries and pen-
21 sion, retirement, or unemployment benefits
22 established by Federal, State, or local gov-
23 ernments.”.

1 **SECTION 1. SHORT TITLE; REFERENCE; TABLE OF CON-**
 2 **TENTS.**

3 (a) *SHORT TITLE.*—This Act may be cited as the
 4 “Family Self-Sufficiency Act of 1995”.

5 (b) *REFERENCE TO SOCIAL SECURITY ACT.*—Except
 6 as otherwise specifically provided, wherever in this Act an
 7 amendment is expressed in terms of an amendment to or
 8 repeal of a section or other provision, the reference shall
 9 be considered to be made to that section or other provision
 10 of the Social Security Act.

11 (c) *TABLE OF CONTENTS.*—The table of contents of this
 12 Act is as follows:

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

*TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR
 NEEDY FAMILIES*

Sec. 101. Block grants to States.

Sec. 102. Report on data processing.

Sec. 103. Continued application of current standards under medicaid program.

Sec. 104. Waivers.

*Sec. 105. Deemed income requirement for Federal and federally funded programs
 under the Social Security Act.*

Sec. 106. Conforming amendments to the Social Security Act.

*Sec. 107. Conforming amendments to the Food Stamp Act of 1977 and related
 provisions.*

Sec. 108. Conforming amendments to other laws.

*Sec. 109. Secretarial submission of legislative proposal for technical and conform-
 ing amendments.*

Sec. 110. Effective date; transition rule.

TITLE II—MODIFICATIONS TO THE JOBS PROGRAM

Sec. 201. Modifications to the JOBS program.

Sec. 202. Effective date.

TITLE III—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

*Sec. 301. Denial of supplemental security income benefits by reason of disability
 to drug addicts and alcoholics.*

Sec. 302. Limited eligibility of noncitizens for SSI benefits.

- Sec. 303. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.*
- Sec. 304. Denial of SSI benefits for fugitive felons and probation and parole violators.*
- Sec. 305. Effective dates; application to current recipients.*

Subtitle B—Benefits for Disabled Children

- Sec. 311. Restrictions on eligibility for benefits.*
- Sec. 312. Continuing disability reviews.*
- Sec. 313. Treatment requirements for disabled individuals under the age of 18.*

Subtitle C—Study of Disability Determination Process

- Sec. 321. Study of disability determination process.*

Subtitle D—National Commission on the Future of Disability

- Sec. 331. Establishment.*
- Sec. 332. Duties of the Commission.*
- Sec. 333. Membership.*
- Sec. 334. Staff and support services.*
- Sec. 335. Powers of Commission.*
- Sec. 336. Reports.*
- Sec. 337. Termination.*

TITLE IV—CHILD SUPPORT

Subtitle A—Eligibility for Services; Distribution of Payments

- Sec. 401. State obligation to provide child support enforcement services.*
- Sec. 402. Distribution of child support collections.*
- Sec. 403. Rights to notification and hearings.*
- Sec. 404. Privacy safeguards.*

Subtitle B—Locate and Case Tracking

- Sec. 411. State case registry.*
- Sec. 412. Collection and disbursement of support payments.*
- Sec. 413. State directory of new hires.*
- Sec. 414. Amendments concerning income withholding.*
- Sec. 415. Locator information from interstate networks.*
- Sec. 416. Expansion of the Federal parent locator service.*
- Sec. 417. Collection and use of social security numbers for use in child support enforcement.*

Subtitle C—Streamlining and Uniformity of Procedures

- Sec. 421. Adoption of uniform State laws.*
- Sec. 422. Improvements to full faith and credit for child support orders.*
- Sec. 423. Administrative enforcement in interstate cases.*
- Sec. 424. Use of forms in interstate enforcement.*
- Sec. 425. State laws providing expedited procedures.*

Subtitle D—Paternity Establishment

- Sec. 431. State laws concerning paternity establishment.*
- Sec. 432. Outreach for voluntary paternity establishment.*

Sec. 433. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

- Sec. 441. Federal matching payments.*
- Sec. 442. Performance-based incentives and penalties.*
- Sec. 443. Federal and State reviews and audits.*
- Sec. 444. Required reporting procedures.*
- Sec. 445. Automated data processing requirements.*
- Sec. 446. Technical assistance.*
- Sec. 447. Reports and data collection by the Secretary.*

Subtitle F—Establishment and Modification of Support Orders

- Sec. 451. National Child Support Guidelines Commission.*
- Sec. 452. Simplified process for review and adjustment of child support orders.*
- Sec. 453. Furnishing consumer reports for certain purposes relating to child support.*
- Sec. 454. Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases.*

Subtitle G—Enforcement of Support Orders

- Sec. 461. Federal income tax refund offset.*
- Sec. 462. Internal Revenue Service collection of arrearages.*
- Sec. 463. Authority to collect support from Federal employees.*
- Sec. 464. Enforcement of child support obligations of members of the Armed Forces.*
- Sec. 465. Voiding of fraudulent transfers.*
- Sec. 466. Work requirement for persons owing child support.*
- Sec. 467. Definition of support order.*
- Sec. 468. Reporting arrearages to credit bureaus.*
- Sec. 469. Liens.*
- Sec. 470. State law authorizing suspension of licenses.*
- Sec. 471. Denial of passports for nonpayment of child support.*

Subtitle H—Medical Support

- Sec. 475. Technical correction to ERISA definition of medical child support order.*
- Sec. 476. Enforcement of orders for health care coverage.*

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

- Sec. 481. Grants to States for access and visitation programs.*

Subtitle J—Effect of Enactment

- Sec. 491. Effective dates.*

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

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

5 *Part A of title IV (42 U.S.C. 601 et seq.) is amended*
6 *to read as follows:*

7 **“PART A—BLOCK GRANTS TO STATES FOR TEM-**
8 **PORARY ASSISTANCE FOR NEEDY FAMILIES**
9 **WITH MINOR CHILDREN**

10 **“SEC. 401. PURPOSE.**

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

13 *“(1) provide assistance to needy families with*
14 *minor children;*

15 *“(2) provide job preparation and opportunities*
16 *for such families; and*

17 *“(3) prevent and reduce the incidence of out-of-*
18 *wedlock pregnancies.*

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

20 *“(a) IN GENERAL.—As used in this part, the term ‘eli-*
21 *gible State’ means, with respect to a fiscal year, a State*
22 *that has submitted to the Secretary a plan that includes*
23 *the following:*

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

4 “(A) *Conduct a program designed to serve*
5 *all political subdivisions in the State to—*

6 “(i) *provide assistance to needy fami-*
7 *lies with not less than 1 minor child; and*

8 “(ii) *provide a parent or caretaker in*
9 *such families with work experience, assist-*
10 *ance in finding employment, and other*
11 *work preparation activities and support*
12 *services that the State considers appropriate*
13 *to enable such families to leave the program*
14 *and become self-sufficient.*

15 “(B) *Require a parent or caretaker receiv-*
16 *ing assistance under the program for more than*
17 *24 months (whether or not consecutive), or at the*
18 *option of the State, a lesser period, to engage in*
19 *work activities in accordance with section 404*
20 *and part F.*

21 “(C) *Satisfy the minimum participation*
22 *rates specified in section 404.*

23 “(D) *Treat—*

24 “(i) *families with minor children mov-*
25 *ing into the State from another State; and*

1 “(ii) noncitizens of the United States.

2 “(E) Safeguard and restrict the use and
3 disclosure of information about individuals and
4 families receiving assistance under the program.

5 “(F) Take action to prevent and reduce the
6 incidence of out-of-wedlock pregnancies, with
7 special emphasis on teenage pregnancies.

8 “(2) CERTIFICATION THAT THE STATE WILL OP-
9 ERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—
10 A certification by the chief executive officer of the
11 State that, during the fiscal year, the State will oper-
12 ate a child support enforcement program under the
13 State plan approved under part D, in a manner that
14 complies with the requirements of such part.

15 “(3) CERTIFICATION THAT THE STATE WILL OP-
16 ERATE A CHILD PROTECTION PROGRAM.—A certifi-
17 cation by the chief executive officer of the State that,
18 during the fiscal year, the State will operate a child
19 protection program in accordance with part B.

20 “(4) CERTIFICATION THAT THE STATE WILL OP-
21 ERATE A FOSTER CARE AND ADOPTION ASSISTANCE
22 PROGRAM.—A certification by the chief executive offi-
23 cer of the State that, during the fiscal year, the State
24 will operate a foster care and adoption assistance
25 program in accordance with part E.

1 “(5) *CERTIFICATION THAT THE STATE WILL OP-*
2 *ERATE A JOBS PROGRAM.*—A certification by the chief
3 *executive officer of the State that, during the fiscal*
4 *year, the State will operate a JOBS program in ac-*
5 *cordance with part F.*

6 “(6) *CERTIFICATION THAT THE STATE WILL PAR-*
7 *TICIPATE IN THE INCOME AND ELIGIBILITY VERIFICA-*
8 *TION SYSTEM.*—A certification by the chief executive
9 *officer of the State that, during the fiscal year, the*
10 *State will participate in the income and eligibility*
11 *verification system required by section 1137.*

12 “(7) *CERTIFICATION OF THE ADMINISTRATION*
13 *OF THE PROGRAM.*—The chief executive officer of the
14 *State shall certify which State agency or agencies are*
15 *responsible for the administration and supervision of*
16 *the State program for the fiscal year.*

17 “(8) *CERTIFICATION THAT REQUIRED REPORTS*
18 *WILL BE SUBMITTED.*—A certification by the chief ex-
19 *ecutive officer of the State that the State shall provide*
20 *the Secretary with any reports required under this*
21 *part and part F.*

22 “(9) *ESTIMATE OF FISCAL YEAR STATE AND*
23 *LOCAL EXPENDITURES.*—An estimate of the total
24 *amount of State and local expenditures under the*
25 *State program for the fiscal year.*

1 “(b) *DETERMINATIONS.*—*The Secretary shall deter-*
2 *mine whether a plan submitted pursuant to subsection (a)*
3 *contains the material required by subsection (a).*

4 “(c) *DEFINITIONS.*—*For purposes of this part, the fol-*
5 *lowing definitions shall apply:*

6 “(1) *MINOR CHILD.*—*The term ‘minor child’*
7 *means an individual—*

8 “(A) *who—*

9 “(i) *has not attained 18 years of age;*

10 *or*

11 “(ii) *has—*

12 “(I) *not attained 19 years of age;*

13 *and*

14 “(II) *is a full-time student in a*

15 *secondary school (or in the equivalent*

16 *level of vocational or technical train-*

17 *ing); and*

18 “(B) *who resides with such individual’s cus-*
19 *todial parent or other caretaker relative.*

20 “(2) *WORK ACTIVITY.*—*The term ‘work activity’*
21 *means an activity described in section 482.*

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

1 “(4) *STATE*.—The term ‘State’ includes the sev-
2 eral States, the District of Columbia, the Common-
3 wealth of Puerto Rico, the United States Virgin Is-
4 lands, Guam, and American Samoa.

5 **“SEC. 403. PAYMENTS TO STATES.**

6 “(a) *ENTITLEMENT*.—

7 “(1) *IN GENERAL*.—Subject to the provisions of
8 section 406, the Secretary shall pay to each eligible
9 State for each of fiscal years 1996, 1997, 1998, 1999,
10 and 2000 a grant in an amount equal to the State
11 family assistance grant for the fiscal year.

12 “(2) *APPROPRIATION*.—

13 “(A) *STATES*.—There are authorized to be
14 appropriated and there are appropriated
15 \$16,779,000,000 for each fiscal year described in
16 paragraph (1) for the purpose of paying State
17 family assistance grants to States under such
18 paragraph.

19 “(B) *INDIAN TRIBES*.—There are authorized
20 to be appropriated and there are appropriated
21 \$7,638,474 for each fiscal year described in
22 paragraph (1) for the purpose of paying State
23 family assistance grants to Indian tribes under
24 such paragraph in accordance with section
25 482(i).

1 “(b) *STATE FAMILY ASSISTANCE GRANT.*—

2 “(1) *IN GENERAL.*—For purposes of subsection
3 (a), a State family assistance grant for any State for
4 a fiscal year is an amount equal to the total amount
5 of the Federal payments to the State under section
6 403 for fiscal year 1994 (as such section was in effect
7 before October 1, 1995).

8 “(2) *STATE APPROPRIATION OF GRANT.*—Not-
9 withstanding any other provision of law, any funds
10 received by a State under this part shall be expended
11 only in accordance with the laws and procedures ap-
12 plicable to expenditures of the State’s own revenues,
13 including appropriation by the State legislature, con-
14 sistent with the terms and conditions required under
15 this part.

16 “(3) *SPECIAL RULE FOR INDIAN TRIBES.*—For
17 amount of a State family assistance grant for a fiscal
18 year for an Indian tribe, see section 482(i).

19 “(c) *USE OF GRANT.*—

20 “(1) *IN GENERAL.*—Subject to this part, a State
21 to which a grant is made under this section may use
22 the grant in any manner that is reasonably cal-
23 culated to accomplish the purpose of this part.

24 “(2) *AUTHORITY TO TREAT INTERSTATE IMMI-*
25 *GRANTS UNDER RULES OF FORMER STATE.*—A State

1 to which a grant is made under this section may
2 apply to a family the rules of the program operated
3 under this part of another State if the family has
4 moved to the State from the other State and has re-
5 sided in the State for less than 12 months.

6 “(3) *AUTHORITY TO RESERVE CERTAIN AMOUNTS*
7 *FOR ASSISTANCE.*—A State may reserve amounts
8 paid to the State under this part for any fiscal year
9 for the purpose of providing, without fiscal year limi-
10 tation, assistance under the State program operated
11 under this part.

12 “(4) *AUTHORITY TO PROVIDE CHILD CARE AND*
13 *TRANSITIONAL SERVICES.*—A State to which a grant
14 is made under this section may provide, at the State’s
15 option, child care and transitional services to—

16 “(A) families at risk of becoming eligible for
17 assistance under the program if child care is not
18 provided; and

19 “(B) families that cease to receive assistance
20 under the program because of employment.

21 “(d) *TIMING OF PAYMENTS.*—The Secretary shall pay
22 each grant payable to a State under this section in quar-
23 terly installments.

24 “(e) *LIMITATION ON FEDERAL AUTHORITY.*—The Sec-
25 retary may not regulate the conduct of States under this

1 *part or enforce any provision of this part, except to the*
2 *extent expressly provided in this part.*

3 “(f) *SUPPLEMENTAL ASSISTANCE FOR NEEDY FAMI-*
4 *LIES FEDERAL LOAN FUND.—*

5 “(1) *ESTABLISHMENT.—There is hereby estab-*
6 *lished in the Treasury of the United States a revolv-*
7 *ing loan fund which shall be known as the ‘Supple-*
8 *mental Assistance for Needy Families Federal Loan*
9 *Fund’.*

10 “(2) *DEPOSITS INTO FUND.—*

11 “(A) *APPROPRIATION.—Out of any money*
12 *in the Treasury of the United States not other-*
13 *wise appropriated, \$1,700,000,000 are hereby*
14 *appropriated for fiscal year 1996 for payment to*
15 *the Supplemental Assistance for Needy Families*
16 *Federal Loan Fund.*

17 “(B) *LOAN REPAYMENTS.—The Secretary*
18 *shall deposit into the fund any principal or in-*
19 *terest payment received with respect to a loan*
20 *made under this subsection.*

21 “(3) *AVAILABILITY.—Amounts in the fund are*
22 *authorized to remain available without fiscal year*
23 *limitation for the purpose of making loans and re-*
24 *ceiving payments of principal and interest on such*
25 *loans, in accordance with this subsection.*

1 “(4) *USE OF FUND.*—

2 “(A) *LOANS TO STATES.*—*The Secretary*
3 *shall make loans from the fund to any loan-eligible*
4 *State, as defined in subparagraph (D), for a*
5 *period to maturity of not more than 3 years.*

6 “(B) *RATE OF INTEREST.*—*The Secretary*
7 *shall charge and collect interest on any loan*
8 *made under subparagraph (A) at a rate equal to*
9 *the Federal short term rate, as defined in section*
10 *1274(d) of the Internal Revenue Code of 1986.*

11 “(C) *MAXIMUM LOAN.*—*The cumulative*
12 *amount of any loans made to a State under sub-*
13 *paragraph (A) during fiscal years 1996 through*
14 *2000 shall not exceed 10 percent of the State*
15 *family assistance grant under subsection (b) for*
16 *a fiscal year.*

17 “(D) *LOAN-ELIGIBLE STATE.*—*For purposes*
18 *of subparagraph (A), a loan-eligible State is a*
19 *State which has not had a penalty described in*
20 *section 406 imposed against it at any time prior*
21 *to the loan being made.*

22 “(5) *LIMITATION ON USE OF LOAN.*—*A State*
23 *shall use a loan received under this subsection only*
24 *for—*

1 “(A) the purpose of providing assistance
 2 under the State program funded under this part;
 3 or

4 “(B) welfare anti-fraud activities, systems,
 5 or initiatives, including positive client identity
 6 verification and computerized data record
 7 matching and analysis.

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

9 “(a) PARTICIPATION RATE REQUIREMENTS.—

10 “(1) REQUIREMENT APPLICABLE TO ALL FAMI-
 11 LIES RECEIVING ASSISTANCE.—

12 “(A) IN GENERAL.—A State to which a
 13 grant is made under section 403 for a fiscal year
 14 shall achieve the minimum participation rate
 15 specified in the following table for the fiscal year
 16 with respect to all families receiving assistance
 17 under the State program funded under this part:

“If the fiscal year is:	The minimum participation rate is:
1996	20
1997	30
1998	35
1999	40
2000	45
2001 or thereafter	50.

18 “(B) STATE OPTION FOR PARTICIPATION
 19 REQUIREMENT EXEMPTIONS.—For any fiscal
 20 year before fiscal year 1999, a State may opt to
 21 not require an individual described in section

1 402(a)(19)(C) (as such section was in effect on
2 September 30, 1995) to engage in work activities
3 and may exclude such individuals from the de-
4 termination of the minimum participation rate
5 specified for such fiscal year in subparagraph
6 (A).

7 “(C) CHILD CARE FOR INDIVIDUALS WITH
8 CHILDREN UNDER 6 YEARS OF AGE.—If a State
9 requires an individual described in section
10 402(a)(19)(C)(iii)(II) (as such section was in ef-
11 fect on September 30, 1995) to engage in work
12 activities, the State shall provide the individual
13 with child care.

14 “(D) PARTICIPATION RATE.—For purposes
15 of this paragraph:

16 “(i) AVERAGE MONTHLY RATE.—The
17 participation rate of a State for a fiscal
18 year is the average of the participation
19 rates of the State for each month in the fis-
20 cal year.

21 “(ii) MONTHLY PARTICIPATION
22 RATES.—The participation rate of a State
23 for a month, expressed as a percentage, is—

24 “(I) the number of families receiv-
25 ing assistance under the State program

1 *funded under this part which include*
2 *an individual who is engaged in work*
3 *activities for the month; divided by*

4 *“(II) the total number of families*
5 *receiving assistance under the State*
6 *program funded under this part dur-*
7 *ing the month.*

8 *“(iii) ENGAGED.—A recipient is en-*
9 *gaged in work activities for a month in a*
10 *fiscal year if the recipient is participating,*
11 *per the State’s requirement which must be*
12 *at least 20 hours each week in the month,*
13 *in work activities described in clause (i),*
14 *(ii), (vi), (vii), (viii), (ix), or (x) of section*
15 *482(d)(1)(A), (or, in the case of the first 4*
16 *weeks for which the recipient is required*
17 *under this section to participate in work*
18 *activities, an activity described in any such*
19 *clause or in clause (iii), (iv), or (v) of such*
20 *section).*

21 *“(2) REQUIREMENT APPLICABLE TO 2-PARENT*
22 *FAMILIES.—*

23 *“(A) IN GENERAL.—A State to which a*
24 *grant is made under section 403 for a fiscal year*
25 *shall achieve the minimum participation rate*

1 specified in the following table for the fiscal year
 2 with respect to 2-parent families receiving assist-
 3 ance under the State program funded under this
 4 part:

<i>“If the fiscal year is:</i>	<i>The minimum participation rate is:</i>
1996	60
1997 or 1998	75
1999 or thereafter	90.

5 “(B) *PARTICIPATION RATE.*—For purposes
 6 of this paragraph:

7 “(i) *AVERAGE MONTHLY RATE.*—The
 8 participation rate of a State for a fiscal
 9 year is the average of the participation
 10 rates of the State for each month in the fis-
 11 cal year.

12 “(ii) *MONTHLY PARTICIPATION*
 13 *RATES.*—The participation rate of a State
 14 for a month is—

15 “(I) the number of 2-parent fami-
 16 lies receiving assistance under the
 17 State program funded under this part
 18 which include at least 1 adult who is
 19 engaged in work activities for the
 20 month; divided by

21 “(II) the total number of 2-parent
 22 families receiving assistance under the

1 *State program funded under this part*
2 *during the month.*

3 “(iii) *ENGAGED.*—*An adult is engaged*
4 *in work activities for a month in a fiscal*
5 *year if the adult is making progress in such*
6 *activities, per the State’s requirement which*
7 *must be at least 30 hours each week in a*
8 *month, in work activities described in*
9 *clause (vi), (vii), (viii), (ix), or (x) of sec-*
10 *tion 482(d)(1)(A) (or, in the case of the first*
11 *4 weeks for which the recipient is required*
12 *under this section to participate in work*
13 *activities, an activity described in any such*
14 *clause or in clause (iii), (iv), or (v) of such*
15 *section).*

16 “(b) *PENALTIES AGAINST INDIVIDUALS.*—

17 “(1) *APPLICABLE TO ALL FAMILIES.*—*If an adult*
18 *in a family receiving assistance under the State pro-*
19 *gram funded under this part refuses to engage (within*
20 *the meaning of subsection (a)(1)(C)(iii)) in work ac-*
21 *tivities required under this section, a State to which*
22 *a grant is made under section 403 shall—*

23 “(A) *reduce the amount of assistance that*
24 *would otherwise be payable to the family; or*

25 “(B) *terminate such assistance,*

1 *subject to such good cause and other exceptions as the*
2 *State may establish.*

3 “(2) *APPLICABLE TO 2-PARENT FAMILIES.*—*If an*
4 *adult in a 2-parent family refuses to engage (within*
5 *the meaning of subsection (a)(2)(B)(iii)) in work ac-*
6 *tivities for at least 30 hours per week during any*
7 *month, a State to which a grant is made under sec-*
8 *tion 402 shall—*

9 “(A) *reduce the amount of assistance other-*
10 *wise payable to the family; or*

11 “(B) *terminate such assistance,*
12 *subject to such good cause and other exceptions as the*
13 *State may establish.*

14 “(3) *LIMITATION ON FEDERAL AUTHORITY.*—*No*
15 *officer or employee of the Federal Government may*
16 *regulate the conduct of States under this paragraph*
17 *or enforce this paragraph against any State.*

18 **“SEC. 405. LIMITATIONS.**

19 “(a) *NO ASSISTANCE FOR MORE THAN 5 YEARS.*—

20 “(1) *IN GENERAL.*—*Except as provided under*
21 *paragraph (2), a State to which a grant is made*
22 *under section 403 may not use any part of the grant*
23 *to provide assistance to a family of an individual*
24 *who has received assistance under the program oper-*
25 *ated under this part for the lesser of—*

1 “(A) *the period of time established at the*
2 *option of the State; or*

3 “(B) *60 months (whether or not consecutive)*
4 *after September 30, 1995.*

5 “(2) *MINOR CHILD EXCEPTION.—If an individ-*
6 *ual received assistance under the State program oper-*
7 *ated under this part as a minor child in a needy*
8 *family, any period during which such individual’s*
9 *family received assistance shall not be counted for*
10 *purposes of applying the limitation described in*
11 *paragraph (1) to an application for assistance under*
12 *such program by such individual as the head of a*
13 *household of a needy family with minor children.*

14 “(3) *HARDSHIP EXCEPTION.—*

15 “(A) *IN GENERAL.—The State may exempt*
16 *a family from the application of paragraph (1)*
17 *by reason of hardship.*

18 “(B) *LIMITATION.—The number of families*
19 *with respect to which an exemption made by a*
20 *State under subparagraph (A) is in effect for a*
21 *fiscal year shall not exceed 15 percent of the av-*
22 *erage monthly number of families to which the*
23 *State is providing assistance under the program*
24 *operated under this part.*

1 “(b) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PER-
2 SON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED
3 RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR
4 MORE STATES.—An individual shall not be considered an
5 eligible individual for the purposes of this part during the
6 10-year period that begins on the date the individual is con-
7 victed in Federal or State court of having made a fraudu-
8 lent statement or representation with respect to the place
9 of residence of the individual in order to receive assistance
10 simultaneously from 2 or more States under programs that
11 are funded under this title, title XIX, or the Food Stamp
12 Act of 1977, or benefits in 2 or more States under the sup-
13 plemental security income program under title XVI.

14 “(c) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS
15 AND PROBATION AND PAROLE VIOLATORS.—

16 “(1) IN GENERAL.—An individual shall not be
17 considered an eligible individual for the purposes of
18 this part if such individual is—

19 “(A) fleeing to avoid prosecution, or custody
20 or confinement after conviction, under the laws
21 of the place from which the individual flees, for
22 a crime, or an attempt to commit a crime, which
23 is a felony under the laws of the place from
24 which the individual flees, or which, in the case

1 *of the State of New Jersey, is a high mis-*
2 *demeanor under the laws of such State; or*

3 *“(B) violating a condition of probation or*
4 *parole imposed under Federal or State law.*

5 *“(2) EXCHANGE OF INFORMATION WITH LAW EN-*
6 *FORCEMENT AGENCIES.—Notwithstanding any other*
7 *provision of law, a State shall furnish any Federal,*
8 *State, or local law enforcement officer, upon the re-*
9 *quest of the officer, with the current address of any*
10 *recipient of assistance under this part, if the officer*
11 *furnishes the agency with the name of the recipient*
12 *and notifies the agency that—*

13 *“(A) such recipient—*

14 *“(i) is described in subparagraph (A)*
15 *or (B) of paragraph (1); or*

16 *“(ii) has information that is necessary*
17 *for the officer to conduct the officer’s official*
18 *duties; and*

19 *“(B) the location or apprehension of the re-*
20 *ipient is within such officer’s official duties.*

21 *“(d) STATE OPTION TO PROHIBIT ASSISTANCE FOR*
22 *CERTAIN ALIENS.—*

23 *“(1) IN GENERAL.—A State to which a grant is*
24 *made under section 403 may, at its option, prohibit*
25 *the use of any part of the grant to provide assistance*

1 *under the State program funded under this part for*
2 *an individual who is not a citizen or national of the*
3 *United States.*

4 *“(2) DEEMING OF INCOME AND RESOURCES IF*
5 *ASSISTANCE IS PROVIDED.—For deeming of income*
6 *and resources requirements if assistance is provided*
7 *to an individual who is not a citizen or national of*
8 *the United States, see section 1145.*

9 **“SEC. 406. STATE PENALTIES.**

10 *“(a) IN GENERAL.—Subject to the provisions of sub-*
11 *section (b), the Secretary shall deduct from the grant other-*
12 *wise payable under section 403 the following penalties:*

13 *“(1) FOR USE OF GRANT IN VIOLATION OF THIS*
14 *PART.—If an audit conducted pursuant to chapter 75*
15 *of title 31, United States Code, finds that an amount*
16 *paid to a State under section 403 for a fiscal year*
17 *has been used in violation of this part, then the Sec-*
18 *retary shall reduce the amount of the grant otherwise*
19 *payable to the State under such section for the imme-*
20 *diately succeeding fiscal year quarter by the amount*
21 *so used, plus 5 percent of such grant (determined*
22 *without regard to this section).*

23 *“(2) FOR FAILURE TO SUBMIT REQUIRED RE-*
24 *PORT.—*

1 “(A) *IN GENERAL.*—*If the Secretary deter-*
2 *mines that a State has not, within 6 months*
3 *after the end of a fiscal year, submitted the re-*
4 *port required by section 408 for the fiscal year,*
5 *the Secretary shall reduce by 5 percent the*
6 *amount of the grant that would (in the absence*
7 *of this section) be payable to the State under sec-*
8 *tion 403 for the immediately succeeding fiscal*
9 *year.*

10 “(B) *RESCISSION OF PENALTY.*—*The Sec-*
11 *retary shall rescind a penalty imposed on a*
12 *State under subparagraph (A) with respect to a*
13 *report for a fiscal year if the State submits the*
14 *report before the end of the immediately succeed-*
15 *ing fiscal year.*

16 “(3) *FOR FAILURE TO SATISFY MINIMUM PAR-*
17 *TICIPATION RATES.*—

18 “(A) *IN GENERAL.*—*If the Secretary deter-*
19 *mines that a State has failed to satisfy the mini-*
20 *imum participation rates specified in section 404*
21 *for a fiscal year, the Secretary shall reduce by*
22 *not more than 5 percent the amount of the grant*
23 *that would (in the absence of this section) be*
24 *payable to the State under section 403 for the*
25 *immediately succeeding fiscal year.*

1 “(B) *PENALTY BASED ON SEVERITY OF*
2 *FAILURE.—The Secretary shall impose reduc-*
3 *tions under subparagraph (A) on the basis of the*
4 *degree of noncompliance.*

5 “(4) *FOR FAILURE TO PARTICIPATE IN THE IN-*
6 *COME AND ELIGIBILITY VERIFICATION SYSTEM.—If*
7 *the Secretary determines that a State program funded*
8 *under this part is not participating during a fiscal*
9 *year in the income and eligibility verification system*
10 *required by section 1137, the Secretary shall reduce*
11 *by not more than 5 percent the amount of the grant*
12 *that would (in the absence of this section) be payable*
13 *to the State under section 403 for the immediately*
14 *succeeding fiscal year.*

15 “(5) *FOR FAILURE TO COMPLY WITH PATERNITY*
16 *ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT*
17 *REQUIREMENTS UNDER PART D.—*

18 “(A) *IN GENERAL.—Notwithstanding any*
19 *other provision of this Act, if a State’s program*
20 *operated under part D of this title is found as*
21 *a result of a review conducted under section*
22 *452(a)(4) of this title not to have complied sub-*
23 *stantially with the requirements of such part for*
24 *any quarter beginning after September 30, 1983,*
25 *and the Secretary determines that the State’s*

1 *program is not complying substantially with*
2 *such requirements at the time such finding is*
3 *made, the amounts otherwise payable to the*
4 *State under section 403 for such quarter and*
5 *each subsequent quarter, prior to the first quar-*
6 *ter throughout which the State program is found*
7 *to be in substantial compliance with such re-*
8 *quirements, shall be reduced (subject to para-*
9 *graph (2)) by—*

10 *“(i) not less than 1 nor more than 2*
11 *percent;*

12 *“(ii) not less than 2 nor more than 3*
13 *percent, if the finding is the second consecu-*
14 *tive such finding made as a result of such*
15 *a review; or*

16 *“(iii) not less than 3 nor more than 5*
17 *percent, if the finding is the third or a sub-*
18 *sequent consecutive such finding made as a*
19 *result of such a review.*

20 *“(B) SUSPENSION OF REDUCTIONS.—*

21 *“(i) IN GENERAL.—The reductions re-*
22 *quired under subparagraph (A) shall be sus-*
23 *pending for any quarter if—*

24 *“(I) the State submits a corrective*
25 *action plan, within a period prescribed*

1 *by the Secretary following notice of the*
2 *finding under subparagraph (A),*
3 *which contains steps necessary to*
4 *achieve substantial compliance within*
5 *a time period which the Secretary*
6 *finds to be appropriate;*

7 *“(II) the Secretary approves such*
8 *corrective action plan (and any*
9 *amendments thereto) as being sufficient*
10 *to achieve substantial compliance; and*

11 *“(III) the Secretary finds that the*
12 *corrective action plan (and any*
13 *amendments approved under subclause*
14 *(II)) is being fully implemented by the*
15 *State and that the State is progressing*
16 *in accordance with the timetable con-*
17 *tained in the plan to achieve substan-*
18 *tial compliance with such require-*
19 *ments.*

20 *“(ii) CONTINUATION OF SUSPEN-*
21 *SION.—A suspension of the penalty under*
22 *clause (i) shall continue until such time as*
23 *the Secretary determines that—*

24 *“(I) the State has achieved sub-*
25 *stantial compliance;*

1 “(II) the State is no longer imple-
2 menting its corrective action plan; or

3 “(III) the State is implementing
4 or has implemented its corrective ac-
5 tion plan but has failed to achieve sub-
6 stantial compliance within the appro-
7 priate time period (as specified in
8 clause (i)(I)).

9 “(iii) EXCEPTIONS.—

10 “(I) ACHIEVES COMPLIANCE.—In
11 the case of a State whose penalty sus-
12 pension ends pursuant to clause (ii)(I),
13 the penalty shall not be applied.

14 “(II) NO LONGER IMPLEMENTING
15 CORRECTIVE ACTION PLAN.—In the
16 case of a State whose penalty suspen-
17 sion ends pursuant to clause (ii)(II),
18 the penalty shall be applied as if the
19 suspension had not occurred.

20 “(III) FAILURE TO ACHIEVE COM-
21 PLIANCE WITHIN APPROPRIATE TIME
22 PERIOD.—In the case of a State whose
23 penalty suspension ends pursuant to
24 clause (ii)(III), the penalty shall be
25 applied to all quarters ending after the

1 *expiration of the time period specified*
2 *in such clause and prior to the first*
3 *quarter throughout which the State*
4 *program is found to be in substantial*
5 *compliance.*

6 “(C) DETERMINATION OF SUBSTANTIAL
7 COMPLIANCE.—*For purposes of this paragraph*
8 *and section 452(a)(4) of this title, a State which*
9 *is not in full compliance with the requirements*
10 *of part D shall be determined to be in substan-*
11 *tial compliance with such requirements only if*
12 *the Secretary determines that any noncompli-*
13 *ance with such requirements is of a technical na-*
14 *ture which does not adversely affect the perform-*
15 *ance of the child support enforcement program.*

16 “(6) FOR FAILURE TO TIMELY REPAY A SUPPLE-
17 MENTAL ASSISTANCE FOR NEEDY FAMILIES FEDERAL
18 LOAN.—*If the Secretary determines that a State has*
19 *failed to repay any amount borrowed from the Sup-*
20 *plemental Assistance for Needy Families Federal*
21 *Loan Fund established under section 403(f) within*
22 *the period of maturity applicable to such loan, plus*
23 *any interest owed on such loan, then the Secretary*
24 *shall reduce the amount of the grant otherwise pay-*
25 *able to the State under section 403 for the imme-*

1 *diately succeeding fiscal year quarter by the outstand-*
2 *ing loan amount, plus the interest owed on such out-*
3 *standing amount.*

4 *“(b) REQUIREMENTS.—*

5 *“(1) LIMITATION ON AMOUNT OF PENALTY.—*

6 *“(A) IN GENERAL.—In imposing the pen-*
7 *alties described in subsection (a), the Secretary*
8 *shall not reduce any quarterly payment to a*
9 *State by more than 25 percent.*

10 *“(B) CARRYFORWARD OF UNRECOVERED*
11 *PENALTIES.—To the extent that subparagraph*
12 *(A) prevents the Secretary from recovering dur-*
13 *ing a fiscal year the full amount of all penalties*
14 *imposed on a State under subsection (a) for a*
15 *prior fiscal year, the Secretary shall apply any*
16 *remaining amount of such penalties to the grant*
17 *otherwise payable to the State under section 403*
18 *for the immediately succeeding fiscal year.*

19 *“(2) STATE FUNDS TO REPLACE REDUCTIONS IN*
20 *GRANT.—A State which has a penalty imposed*
21 *against it under subsection (a) shall expend addi-*
22 *tional State funds in an amount equal to the amount*
23 *of the penalty for the purpose of providing assistance*
24 *under the State program under this part.*

1 “(3) *REASONABLE CAUSE FOR NONCOMPLI-*
2 *ANCE.—The Secretary may not impose a penalty on*
3 *a State under subsection (a) if the Secretary deter-*
4 *mines that the State has reasonable cause for failing*
5 *to comply with a requirement for which a penalty is*
6 *imposed under such subsection.*

7 **“SEC. 407. RELIGIOUS CHARACTER AND FREEDOM.**

8 *“Notwithstanding any other provision of law, any reli-*
9 *gious organization participating in the State program*
10 *funded under this part shall retain its independence from*
11 *Federal, State, and local government, including such an or-*
12 *ganization’s control over the definition, development, prac-*
13 *tice, and expression of its religious beliefs. However, a reli-*
14 *gious organization participating in the State program*
15 *under this part shall not deny needy families and children*
16 *any assistance provided under this part on the basis of reli-*
17 *gion, a religious belief, or refusal to participate in a reli-*
18 *gious practice.*

19 **“SEC. 408. DATA COLLECTION AND REPORTING.**

20 *“(a) IN GENERAL.—Each State to which a grant is*
21 *made under section 403 for a fiscal year shall, not later*
22 *than 6 months after the end of fiscal year 1997, and each*
23 *fiscal year thereafter, transmit to the Secretary the follow-*
24 *ing aggregate information on families to which assistance*

1 *was provided during the fiscal year under the State pro-*
2 *gram operated under this part:*

3 “(1) *The number of adults receiving such assist-*
4 *ance.*

5 “(2) *The number of children receiving such as-*
6 *sistance and the average age of the children.*

7 “(3) *The employment status of such adults, and*
8 *the average earnings of employed adults receiving*
9 *such assistance.*

10 “(4) *The age, race, and educational attainment*
11 *at the time of application for assistance of the adults*
12 *receiving such assistance.*

13 “(5) *The average amount of cash and other as-*
14 *sistance provided to the families under the program.*

15 “(6) *The number of months, since the most recent*
16 *application for assistance under the program, for*
17 *which such assistance has been provided to the fami-*
18 *lies.*

19 “(7) *The total number of months for which as-*
20 *sistance has been provided to the families under the*
21 *program.*

22 “(8) *Any other data necessary to indicate wheth-*
23 *er the State is in compliance with the plan most re-*
24 *cently submitted by the State pursuant to section 402.*

1 “(9) *The components of any program carried out*
2 *by the State to provide employment and training ac-*
3 *tivities in order to comply with section 404 and part*
4 *F, and the average monthly number of adults in each*
5 *such component.*

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

11 “(11) *The number of cases closed due to section*
12 *405(a).*

13 “(12) *The increase or decrease in the number of*
14 *children born out of wedlock to recipients of assist-*
15 *ance under the State program funded under this part.*

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

21 “(c) *REPORT ON USE OF FEDERAL FUNDS TO COVER*
22 *ADMINISTRATIVE COSTS AND OVERHEAD.—The report re-*
23 *quired by subsection (a) for a fiscal year shall include a*
24 *statement of—*

1 “(1) the total amount and percentage of the Fed-
2 eral funds paid to the State under this part for the
3 fiscal year that are used to cover administrative costs
4 or overhead; and

5 “(2) the total amount of State funds that are
6 used to cover such costs or overhead.

7 “(d) *REPORT ON STATE EXPENDITURES ON PRO-*
8 *GRAMS FOR NEEDY FAMILIES.*—The report required by sub-
9 section (a) for a fiscal year shall include a statement of
10 the total amount expended by the State during the fiscal
11 year on the program under this part and the purposes for
12 which such amount was spent.

13 “(e) *REPORT ON NONCUSTODIAL PARENTS PARTICI-*
14 *PATING IN WORK ACTIVITIES.*—The report required by sub-
15 section (a) for a fiscal year shall include the number of
16 noncustodial parents in the State who participated in work
17 activities during the fiscal year.

18 “(f) *REPORT ON CHILD SUPPORT COLLECTED.*—The
19 report required by subsection (a) for a fiscal year shall in-
20 clude the total amount of child support collected by the
21 State agency administering the State program under part
22 D on behalf of a family receiving assistance under this part.

23 “(g) *REPORT ON CHILD CARE.*—The report required
24 by subsection (a) for a fiscal year shall include the total
25 amount expended by the State for child care under the pro-

1 gram under this part, along with a description of the types
2 of child care provided, including—

3 “(1) child care provided in the case of a family
4 that has ceased to receive assistance under this part
5 because of employment; or

6 “(2) child care provided in the case of a family
7 that is not receiving assistance under this part but
8 would be at risk of becoming eligible for such assist-
9 ance if child care was not provided.

10 “(h) *REPORT ON TRANSITIONAL SERVICES.*—The re-
11 port required by subsection (a) for a fiscal year shall in-
12 clude the total amount expended by the State for providing
13 transitional services to a family that has ceased to receive
14 assistance under this part because of employment, along
15 with a description of such services.

16 **“SEC. 409. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
17 **IES.**

18 “(a) *RESEARCH.*—The Secretary may conduct re-
19 search on the effects and costs of State programs funded
20 under this part.

21 “(b) *DEVELOPMENT AND EVALUATION OF INNOVATIVE*
22 *APPROACHES TO EMPLOYING WELFARE RECIPIENTS.*—The
23 Secretary may assist States in developing, and shall evalu-
24 ate, innovative approaches to employing recipients of assist-
25 ance under programs funded under this part. In performing

1 *such evaluations, the Secretary shall, to the maximum ex-*
2 *tent feasible, use random assignment to experimental and*
3 *control groups.*

4 “(c) *STUDIES OF WELFARE CASELOADS.*—*The Sec-*
5 *retary may conduct studies of the caseloads of States operat-*
6 *ing programs funded under this part.*

7 “(d) *DISSEMINATION OF INFORMATION.*—*The Sec-*
8 *retary shall develop innovative methods of disseminating*
9 *information on any research, evaluations, and studies con-*
10 *ducted under this section, including the facilitation of the*
11 *sharing of information and best practices among States and*
12 *localities through the use of computers and other tech-*
13 *nologies.*

14 “(e) *ANNUAL RANKING OF STATES AND REVIEW OF*
15 *MOST AND LEAST SUCCESSFUL WORK PROGRAMS.*—

16 “(1) *ANNUAL RANKING OF STATES.*—*The Sec-*
17 *retary shall rank annually the States to which grants*
18 *are paid under section 403 in the order of their suc-*
19 *cess in moving recipients of assistance under the*
20 *State program funded under this part into long-term*
21 *private sector jobs.*

22 “(2) *ANNUAL REVIEW OF MOST AND LEAST SUC-*
23 *CESSFUL WORK PROGRAMS.*—*The Secretary shall re-*
24 *view the programs of the 3 States most recently*
25 *ranked highest under paragraph (1) and the 3 States*

1 *most recently ranked lowest under paragraph (1) that*
2 *provide parents with work experience, assistance in*
3 *finding employment, and other work preparation ac-*
4 *tivities and support services to enable the families of*
5 *such parents to leave the program and become self-suf-*
6 *ficient.*

7 *“(f) STUDY ON ALTERNATIVE OUTCOMES MEAS-*
8 *URES.—*

9 *“(1) STUDY.—The Secretary shall, in coopera-*
10 *tion with the States, study and analyze outcomes*
11 *measures for evaluating the success of a State in mov-*
12 *ing individuals out of the welfare system through em-*
13 *ployment as an alternative to the minimum partici-*
14 *pation rates described in section 404. The study shall*
15 *include a determination as to whether such alter-*
16 *native outcomes measures should be applied on a na-*
17 *tional or a State-by-State basis.*

18 *“(2) REPORT.—Not later than September 30,*
19 *1998, the Secretary shall submit to the Committee on*
20 *Finance of the Senate and the Committee on Ways*
21 *and Means of the House of Representatives a report*
22 *containing the findings of the study described in*
23 *paragraph (1).*

1 **“SEC. 410. STUDY BY THE CENSUS BUREAU.**

2 “(a) *IN GENERAL.*—The Bureau of the Census shall
3 *expand the Survey of Income and Program Participation*
4 *as necessary to obtain such information as will enable in-*
5 *terested persons to evaluate the impact of the amendments*
6 *made by titles I and II of the Family Self-Sufficiency Act*
7 *of 1995 on a random national sample of recipients of assist-*
8 *ance under State programs funded under this part and (as*
9 *appropriate) other low-income families, and in doing so,*
10 *shall pay particular attention to the issues of out-of-wedlock*
11 *births, welfare dependency, the beginning and end of welfare*
12 *spells, and the causes of repeat welfare spells.*

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

18 **“SEC. 411. ASSISTANT SECRETARY FOR FAMILY SUPPORT.**

19 “*The programs under this part, part D, and part F*
20 *of this title shall be administered by an Assistant Secretary*
21 *for Family Support within the Department of Health and*
22 *Human Services, who shall be appointed by the President,*
23 *by and with the advice and consent of the Senate, and who*
24 *shall be in addition to any other Assistant Secretary of*
25 *Health and Human Services provided for by law.*

1 **“SEC. 412. STATE DEMONSTRATION PROGRAMS.**

2 *“Nothing in this part shall be construed as limiting*
3 *a State’s ability to conduct demonstration projects for the*
4 *purpose of identifying innovative or effective program de-*
5 *signs in 1 or more political subdivisions of the State.*

6 **“SEC. 413. NO INDIVIDUAL ENTITLEMENT.**

7 *“Notwithstanding any other provision of law, no indi-*
8 *vidual is entitled to any assistance under this part or any*
9 *service under part F.”.*

10 **SEC. 102. REPORT ON DATA PROCESSING.**

11 *(a) IN GENERAL.—Not later than 6 months after the*
12 *date of the enactment of this Act, the Secretary of Health*
13 *and Human Services shall prepare and submit to the Con-*
14 *gress a report on—*

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

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

22 *(A) tracking participants in public pro-*
23 *grams over time; and*

24 *(B) checking case records of the States to de-*
25 *termine whether individuals are participating in*
26 *public programs in 2 or more States.*

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

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

7 (2) an estimate of the amount of time required
8 to establish such a system and of the cost of establish-
9 ing such a system.

10 **SEC. 103. CONTINUED APPLICATION OF CURRENT STAND-**
11 **ARDS UNDER MEDICAID PROGRAM.**

12 (a) *IN GENERAL.*—Title XIX (42 U.S.C. 1396 et seq.)
13 is amended—

14 (1) in section 1931, by inserting “subject to sec-
15 tion 1931(a),” after “under this title,” and by redesi-
16 gnating such section as section 1932; and

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

19 “CONTINUED APPLICATION OF AFDC STANDARDS

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

22 “(1) except as provided in paragraph (2), any
23 reference in this title (or other provision of law in re-
24 lation to the operation of this title) to a provision of
25 part A of title IV of this Act, or a State plan under
26 such part, shall be considered a reference to such pro-

1 *vision or plan as in effect as of June 1, 1995, with*
2 *respect to the State and eligibility for medical assist-*
3 *ance under this title shall be determined as if such*
4 *provision or plan (as in effect as of such date) had*
5 *remained in effect on and after October 1, 1995; and*

6 *“(2) any reference in section 1902(a)(5) or*
7 *1902(a)(55) to a State plan approved under part A*
8 *of title IV shall be deemed a reference to a State pro-*
9 *gram funded under such part (as in effect on and*
10 *after October 1, 1995).*

11 *“(b) In the case of a waiver of a provision of part*
12 *A of title IV in effect with respect to a State as of June*
13 *1, 1995, if the waiver affects eligibility of individuals for*
14 *medical assistance under this title, such waiver may, at the*
15 *option of the State, continue to be applied in relation to*
16 *this title after the date the waiver would otherwise expire.”.*

17 *(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C.*
18 *1396a(a)) is amended—*

19 *(1) by striking “and” at the end of paragraph*
20 *(61);*

21 *(2) by striking the period at the end of para-*
22 *graph (62) and inserting “; and”; and*

23 *(3) by inserting after paragraph (62) the follow-*
24 *ing new paragraph:*

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

5 (c) *CONFORMING AMENDMENTS.*—(1) Section 1902(c)
6 (42 U.S.C. 1396a(c)) is amended by striking “if—” and
7 all that follows and inserting the following: “if the State
8 requires individuals described in subsection (l)(1) to apply
9 for assistance under the State program funded under part
10 A of title IV as a condition of applying for or receiving
11 medical assistance under this title.”.

12 (2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended
13 by striking paragraph (9).

14 (d) *EFFECTIVE DATE.*—The amendments made by this
15 section shall apply to medical assistance furnished for cal-
16 endar quarters beginning on or after October 1, 1995.

17 **SEC. 104. WAIVERS.**

18 (a) *CONTINUATION OF WAIVERS.*—

19 (1) *IN GENERAL.*—Except as provided in para-
20 graph (2), if any waiver granted to a State under sec-
21 tion 1115 of the Social Security Act or otherwise
22 which relates to the provision of assistance under a
23 State plan under part A of title IV of such Act (42
24 U.S.C. 1396 et seq.), is in effect or approved by the
25 Secretary of Health and Human Services (in this sec-

1 *tion referred to as the “Secretary”) as of October 1,*
2 *1995, the amendments made by this Act shall not*
3 *apply with respect to the State before the expiration*
4 *(determined without regard to any extensions) of the*
5 *waiver to the extent such amendments are inconsis-*
6 *ent with the terms of the waiver.*

7 (2) *FINANCING LIMITATION.—Notwithstanding*
8 *any other provision of law, beginning with fiscal year*
9 *1996, a State operating under a waiver described in*
10 *paragraph (1) shall receive the payment described for*
11 *such State for such fiscal year under section 403 of*
12 *the Social Security Act, as added by section 101, in*
13 *lieu of any other payment provided for in the waiver.*

14 (b) *STATE OPTION TO TERMINATE WAIVER.—*

15 (1) *IN GENERAL.—A State may terminate a*
16 *waiver described in subsection (a) before the expira-*
17 *tion of the waiver.*

18 (2) *REPORT.—A State which terminates a waiv-*
19 *er under paragraph (1) shall submit a report to the*
20 *Secretary summarizing the waiver and any available*
21 *information concerning the result or effect of such*
22 *waiver.*

23 (3) *HOLD HARMLESS PROVISION.—*

24 (A) *IN GENERAL.—A State that, not later*
25 *than the date described in subparagraph (B),*

1 *submits a written request to terminate a waiver*
2 *described in subsection (a) shall be held harmless*
3 *for accrued cost neutrality liabilities incurred*
4 *under the terms and conditions of such waiver.*

5 *(B) DATE DESCRIBED.—The date described*
6 *in this subparagraph is the later of—*

7 *(i) January 1, 1996; or*

8 *(ii) 90 days following the adjournment*
9 *of the first regular session of the State legis-*
10 *lature that begins after the date of the en-*
11 *actment of this Act.*

12 *(c) SECRETARIAL ENCOURAGEMENT OF CURRENT*
13 *WAIVERS.—The Secretary shall encourage any State oper-*
14 *ating a waiver described in subsection (a) to continue such*
15 *waiver and to evaluate, using random sampling and other*
16 *characteristics of accepted scientific evaluations, the result*
17 *or effect of such waiver.*

18 **SEC. 105. DEEMED INCOME REQUIREMENT FOR FEDERAL**
19 **AND FEDERALLY FUNDED PROGRAMS UNDER**
20 **THE SOCIAL SECURITY ACT.**

21 *(a) IN GENERAL.—Part A of title XI (42 U.S.C. 1301–*
22 *1320b–14) is amended by adding at the end the following*
23 *new section:*

1 “(c) *LENGTH OF DEEMED INCOME PERIOD.*—The re-
2 quirement of subsection (a) shall apply for the period for
3 which the sponsor has agreed, in such affidavit or agree-
4 ment, to provide support for such individual, or for a pe-
5 riod of 5 years beginning on the date such individual was
6 first lawfully in the United States after the execution of
7 such affidavit or agreement, whichever period is longer.

8 “(d) *DEEMED INCOME AUTHORITY TO STATE AND*
9 *LOCAL AGENCIES.*—

10 “(1) *IN GENERAL.*—For purposes of determining
11 the eligibility of an individual (whether a citizen or
12 national of the United States or an alien) for assist-
13 ance, and the amount of assistance, under any State
14 or local program of assistance authorized under this
15 Act for which eligibility is based on need, or any
16 need-based program of assistance authorized under
17 this Act and administered by a State or local govern-
18 ment other than a program described in subsection
19 (a), the State or local government may, notwithstand-
20 ing any other provision of law, require that the in-
21 come and resources described in subsection (b) be
22 deemed to be the income and resources of such indi-
23 vidual.

24 “(2) *LENGTH OF DEEMING PERIOD.*—A State or
25 local government may impose a requirement described

1 *in paragraph (1) for the period described in sub-*
2 *section (c).”.*

3 *(b) CONFORMING AMENDMENTS.—*

4 *(1) Section 1621 (42 U.S.C. 1382j) is repealed.*

5 *(2) Section 1614(f)(3) (42 U.S.C. 1382c(f)(3)) is*
6 *amended by striking “section 1621” and inserting*
7 *“section 1145”.*

8 **SEC. 106. CONFORMING AMENDMENTS TO THE SOCIAL SE-**
9 **CURITY ACT.**

10 *(a) AMENDMENTS TO TITLE II.—*

11 *(1) Section 205(c)(2)(C)(vi) (42 U.S.C.*
12 *405(c)(2)(C)(vi)), as so redesignated by section*
13 *321(a)(9)(B) of the Social Security Independence and*
14 *Program Improvements Act of 1994, is amended—*

15 *(A) by inserting “an agency administering*
16 *a program funded under part A of title IV or”*
17 *before “an agency operating”; and*

18 *(B) by striking “A or D of title IV of this*
19 *Act” and inserting “D of such title”.*

20 *(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is*
21 *amended by inserting “under a State program funded*
22 *under” before “part A of title IV”.*

23 *(b) AMENDMENT TO PART B OF TITLE IV.—Section*
24 *422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking*

1 “under the State plan approved” and inserting “under the
2 State program funded.”.

3 (c) AMENDMENTS TO PART D OF TITLE IV.—

4 (1) Section 451 (42 U.S.C. 651) is amended by
5 striking “aid” and inserting “assistance under a
6 State program funded”.

7 (2) Section 452(a)(10)(C) (42 U.S.C.
8 652(a)(10)(C)) is amended—

9 (A) by striking “aid to families with de-
10 pendent children” and inserting “assistance
11 under a State program funded under part A”;
12 and

13 (B) by striking “such aid” and inserting
14 “such assistance”; and

15 (C) by striking “402(a)(26) or”.

16 (3) Section 452(a)(10)(F) (42 U.S.C.
17 652(a)(10)(F)) is amended—

18 (A) by striking “aid under a State plan ap-
19 proved” and inserting “assistance under a State
20 program funded”; and

21 (B) by striking “in accordance with the
22 standards referred to in section
23 402(a)(26)(B)(ii)” and inserting “by the State”.

24 (4) Section 452(b) (42 U.S.C. 652(b)) is amend-
25 ed in the first sentence by striking “aid under the

1 *State plan approved under part A” and inserting*
2 *“assistance under a State program funded under part*
3 *A”.*

4 (5) *Section 452(d)(3)(B)(i) (42 U.S.C.*
5 *652(d)(3)(B)(i)) is amended by striking “1115(c)”*
6 *and inserting “1115(b)”.*

7 (6) *Section 452(g)(2)(A)(ii)(I) (42 U.S.C.*
8 *652(g)(2)(A)(ii)(I)) is amended by striking “aid is*
9 *being paid under the State’s plan approved under*
10 *part A or E” and inserting “assistance is being pro-*
11 *vided under the State program funded under part A*
12 *or aid is being paid under the State’s plan approved*
13 *under part E”.*

14 (7) *Section 452(g)(2)(A) (42 U.S.C.*
15 *652(g)(2)(A)) is amended in the matter following*
16 *clause (iii) by striking “aid was being paid under the*
17 *State’s plan approved under part A or E” and insert-*
18 *ing “assistance was being provided under the State*
19 *program funded under part A or aid was being paid*
20 *under the State’s plan approved under part E”.*

21 (8) *Section 452(g)(2) (42 U.S.C. 652(g)(2)) is*
22 *amended in the matter following subparagraph (B)—*

23 (A) *by striking “who is a dependent child*
24 *by reason of the death of a parent” and inserting*
25 *“with respect to whom assistance is being pro-*

1 *vided under the State program funded under*
2 *part A”;*

3 *(B) by inserting “by the State agency ad-*
4 *ministering the State plan approved under this*
5 *part” after “found”; and*

6 *(C) by striking “under section 402(a)(26)”*
7 *and inserting “with the State in establishing pa-*
8 *ternity”.*

9 *(9) Section 452(h) (42 U.S.C. 652(h)) is amend-*
10 *ed by striking “under section 402(a)(26)”.*

11 *(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is*
12 *amended by striking “aid” and inserting “assistance*
13 *under a State program funded”.*

14 *(11) Section 454 (42 U.S.C. 654)) is amended—*

15 *(A) in paragraph (5)(A)—*

16 *(i) by striking “under section*
17 *402(a)(26)”;* and

18 *(ii) by striking “except that this para-*
19 *graph shall not apply to such payments for*
20 *any month following the first month in*
21 *which the amount collected is sufficient to*
22 *make such family ineligible for assistance*
23 *under the State plan approved under part*
24 *A;”;* and

1 (B) in paragraph (6)(D), by striking “aid
2 under a State plan approved” and inserting “as-
3 sistance under a State program funded”.

4 (12) Section 456 (42 U.S.C. 656) is amended by
5 striking “under section 402(a)(26)” each place it ap-
6 pears.

7 (13) Section 466(a)(3)(B) (42 U.S.C.
8 666(a)(3)(B)) is amended by striking “402(a)(26)
9 or”.

10 (14) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is
11 amended by striking “aid” and inserting “assistance
12 under a State program funded”.

13 (15) Section 469(a) (42 U.S.C. 669(a)) is
14 amended—

15 (A) by striking “aid under plans approved”
16 and inserting “assistance under State programs
17 funded”; and

18 (B) by striking “such aid” and inserting
19 “such assistance”.

20 (d) AMENDMENTS TO PART E OF TITLE IV.—

21 (1) Section 470 (42 U.S.C. 670) is amended by
22 striking “the State’s plan approved” and inserting “a
23 State program funded”.

24 (2) Section 471(17) (42 U.S.C. 671(17)) is
25 amended by striking “plans approved under parts A

1 *and D” and inserting “program funded under part A*
2 *and plan approved under part D”.*

3 (3) *Section 472(a) (42 U.S.C. 672(a)) is amend-*
4 *ed—*

5 (A) *in the matter preceding paragraph (1),*
6 *by striking “would meet the requirements of sec-*
7 *tion 406(a) or of section 407 but for his removal*
8 *from the home of a relative (specified in section*
9 *406(a))” and inserting “would be a minor child*
10 *in a needy family under the State program*
11 *funded under part A but for the child’s removal*
12 *from the home of the child’s custodial parent or*
13 *caretaker relative.’; and*

14 (B) *in paragraph (4)—*

15 (i) *in subparagraph (A), by striking*
16 *“aid under a State plan approved under*
17 *section 402” and inserting “assistance*
18 *under a State program funded under part*
19 *A”;* and

20 (ii) *in subparagraph (B)—*

21 (I) *in clause (i), by striking “aid”*
22 *and inserting “assistance”;* and

23 (II) *in clause (ii), by striking*
24 *“relative specified in section 406(a)”*

1 and inserting “the child’s custodial
2 parent or caretaker relative”.

3 (4) Section 472(h) (42 U.S.C. 672(h)) is amend-
4 ed to read as follows:

5 “(h)(1) For purposes of title XIX, any child with re-
6 spect to whom foster care maintenance payments are made
7 under this section shall be deemed to be a dependent child
8 as defined in section 406 (as in effect as of June 1, 1995)
9 and shall be deemed to be a recipient of aid to families
10 with dependent children under part A of this title (as so
11 in effect). For purposes of title XX, any child with respect
12 to whom foster care maintenance payments are made under
13 this section shall be deemed to be a minor child in a needy
14 family under a State program funded under part A and
15 shall be deemed to be a recipient of assistance under such
16 part.

17 “(2) For purposes of paragraph (1), a child whose costs
18 in a foster family home or child care institution are covered
19 by the foster care maintenance payments being made with
20 respect to the child’s minor parent, as provided in section
21 475(4)(B), shall be considered a child with respect to whom
22 foster care maintenance payments are made under this sec-
23 tion.”.

24 (5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is
25 amended—

1 (A) in subparagraph (A)(i)—

2 (i) by striking “met the requirements
3 of section 406(a) or section 407” and all
4 that follows through “specified in section
5 406(a),” and inserting “was a minor child
6 in a needy family under the State program
7 funded under part A or would have met
8 such a standard except for the child’s re-
9 moval from the home of the child’s custodial
10 parent or caretaker relative,” ; and

11 (ii) by striking “(or 403)”;

12 (B) in subparagraph (B)(i), by striking
13 “aid under the State plan approved under sec-
14 tion 402” and inserting “assistance under the
15 State program funded under part A”;

16 (C) in subparagraph (B)(ii)—

17 (i) in subclause (I), by striking “aid”
18 and inserting “assistance”; and

19 (ii) in subclause (II)—

20 (I) by striking “a relative speci-
21 fied in section 406(a)” and inserting
22 “the child’s custodial parent or care-
23 taker relative”; and

1 (II) by striking “aid” each place
2 such term appears and inserting “as-
3 sistance”.

4 (6) Section 473(b) (42 U.S.C. 673(b)) is amend-
5 ed to read as follows:

6 “(b)(1) For purposes of title XIX, any child who is
7 described in paragraph (3) shall be deemed to be a depend-
8 ent child as defined in section 406 (as in effect as of June
9 1, 1995) and shall be deemed to be a recipient of aid to
10 families with dependent children under part A of this title
11 (as so in effect) in the State where such child resides.

12 “(2) For purposes of title XX, any child who is de-
13 scribed in paragraph (3) shall be deemed to be a minor
14 child in a needy family under a State program funded
15 under part A and shall be deemed to be a recipient of assist-
16 ance under such part.

17 “(3) A child described in this paragraph is any
18 child—

19 “(A)(i) who is a child described in sub-
20 section (a)(2), and

21 “(ii) with respect to whom an adoption as-
22 sistance agreement is in effect under this section
23 (whether or nor adoption assistance payments
24 are provided under the agreement or are being
25 made under this section), including any such

1 *child who has been placed for adoption in ac-*
2 *cordance with applicable State and local law*
3 *(whether or not an interlocutory or other judicial*
4 *decree of adoption has been issued), or*

5 *“(B) with respect to whom foster care main-*
6 *tenance payments are being made under section*
7 *472.*

8 *“(4) For purposes of paragraphs (1) and (2), a child*
9 *whose costs in a foster family home or child-care institution*
10 *are covered by the foster care maintenance payments being*
11 *made with respect to the child’s minor parent, as provided*
12 *in section 475(4)(B), shall be considered a child with re-*
13 *spect to whom foster care maintenance payments are being*
14 *made under section 472.”.*

15 *(e) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42*
16 *U.S.C. 1202(a)(7)) is amended by striking “aid to families*
17 *with dependent children under the State plan approved*
18 *under section 402 of this Act” and inserting “assistance*
19 *under a State program funded under part A of title IV”.*

20 *(f) AMENDMENTS TO TITLE XI.—*

21 *(1) Section 1109 (42 U.S.C. 1309) is amended*
22 *by striking “or part A of title IV,”.*

23 *(2) Section 1115 (42 U.S.C. 1315) is amended—*

24 *(A) in subsection (a)(2)—*

25 *(i) by inserting “(A)” after “(2)”;*

1 (ii) by striking “403,”;

2 (iii) by striking the period at the end
3 and inserting “; and”; and

4 (iv) by adding at the end the following
5 new subparagraph:

6 “(B) costs of such project which would not other-
7 wise be a permissible use of funds under part A of
8 title IV and which are not included as part of the
9 costs of projects under section 1110, shall to the extent
10 and for the period prescribed by the Secretary, be re-
11 garded as a permissible use of funds under such
12 part.”; and

13 (B) in subsection (c)(3), by striking “under
14 the program of aid to families with dependent
15 children” and inserting “part A of such title”.

16 (3) Section 1116 (42 U.S.C. 1316) is amended—

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

19 (B) in subsection (a)(3), by striking “404,”.

20 (4) Section 1118 (42 U.S.C. 1318) is amended—

21 (A) by striking “403(a),”;

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

23 and

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

4 (5) Section 1119 (42 U.S.C. 1319) is amended—

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

6 (B) by striking “403(a),”.

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

9 (7) Section 1136 (42 U.S.C. 1320b-6) is re-
10 pealed.

11 (8) Section 1137 (42 U.S.C. 1320b-7) is amend-
12 ed—

13 (A) in subsection (b), by striking paragraph

14 (1) and inserting the following:

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

17 (B) in subsection (d)(1)(B)—

18 (i) by striking “In this subsection—”
19 and all that follows through “(ii) in” and
20 inserting “In this subsection, in”;

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

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

1 (A) by striking “assistance to families with
2 dependent children” and inserting “assistance
3 under a State program funded”; and

4 (B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

7 (3) in subsection (j), by striking “a State plan approved” and inserting “a State program funded”;
8 and

10 (4) in subsection (k)(1)(A), by striking “a regular benefit payable to the household for living expenses under a State plan for aid to families with dependent children approved” and inserting “assistance payable to the household under a State program funded”.

16 (b) Section 6 of such Act (7 U.S.C. 2015) is amended—
17 ed—

18 (1) in subsection (c)(5), by striking “the State plan approved” and inserting “the State program funded”;

21 (2) in subsection (d)(4)—

22 (A) in subparagraph (B)(i), by striking “in subparagraphs (A) and (B) of section 402(a)(35) of part A of title IV of the Social Security Act”
23 and inserting “under the State program funded
24 and inserting “under the State program funded
25

1 *under part A of title IV of the Social Security*
2 *Act”;*

3 *(B) in subparagraph (I)(i)(II), by striking*
4 *“benefits under part A” and inserting “assist-*
5 *ance under a State program funded under part*
6 *A”;* and

7 *(C) in subparagraph (L)(ii) by striking*
8 *“training”;* and

9 *(3) in subsection (e)(6), by striking “aid to fami-*
10 *lies with dependent children” and inserting “assist-*
11 *ance under a State program funded”.*

12 *(c) Section 8(e) of such Act (7 U.S.C. 2017(e)) is*
13 *amended—*

14 *(1) in paragraph (1)(A)(i), by striking “aid to*
15 *families with dependent children” and inserting “as-*
16 *stance under a State program”;*

17 *(2) in paragraph (2)(A)(ii)(I), by striking “ben-*
18 *efits paid to such household under a State plan for*
19 *aid to families with dependent children approved”*
20 *and inserting “assistance paid to such household*
21 *under a State program funded”;* and

22 *(3) in paragraph (3), by striking “such aid to*
23 *families with dependent children” and inserting “the*
24 *assistance under a State program funded under part*
25 *A of title IV of the Social Security Act”.*

1 (d) Section 11 of such Act (7 U.S.C. 2020) is amend-
2 ed—

3 (1) in subsection (e)(2), by striking “the aid to
4 families with dependent children program” and in-
5 serting “the State program funded”; and

6 (2) in subsection (i)(1), by striking “the aid to
7 families with dependent children program” and in-
8 serting “the State program funded”.

9 (e) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4))
10 is amended by striking “State plans under the Aid to Fami-
11 lies with Dependent Children Program under” and insert-
12 ing “State programs funded under part A of”.

13 (f) Section 17 of such Act (7 U.S.C. 2026) is amend-
14 ed—

15 (1) in subsection (b)—

16 (A) the first sentence of paragraph (1)(A),
17 by striking “aid to families with dependent chil-
18 dren” and inserting “assistance under a State
19 program funded”; and

20 (B) in paragraph (3)—

21 (i) in the first sentence of subpara-
22 graph (B), by striking “aid to families with
23 dependent children under part F of title IV
24 of the Social Security Act (42 U.S.C. 681 et
25 seq.)” and inserting “assistance under part

1 *A of title IV of the Social Security Act (42*
2 *U.S.C. 601 et seq.)”;*

3 (ii) *in subparagraph (C)—*

4 (II) *in the first sentence, by strik-*
5 *ing “subsections (a)(19) and (g)” and*
6 *all that follows through “section*
7 *402(g)(1)(A) and”;* and

8 (III) *in the second sentence, by*
9 *striking “‘aid to families with depend-*
10 *ent children’ ” and inserting “‘assist-*
11 *ance under the State program funded*
12 *under part A’ ”;* and

13 (iii) *in subparagraph (E), by striking*
14 *“the provisions of section 402, and sections*
15 *481 through 487,” and inserting “sections*
16 *481 through 487”;* and

17 (2) *in subsection (i)—*

18 (A) *in paragraph (1), by striking “benefits*
19 *under a State plan” and all that follows through*
20 *“and without regard” and inserting “assistance*
21 *under a State program funded under part A of*
22 *title IV of the Social Security Act (42 U.S.C.*
23 *601 et seq.) (referred to in this subsection as an*
24 *‘eligible household’) shall be issued monthly allot-*

1 *ments following the rules and procedures of the*
2 *program, and without regard”;* and

3 *(B) in paragraph (2)—*

4 *(i) in subparagraph (D)—*

5 *(I) in the first sentence, by strik-*
6 *ing “benefit provided under” and in-*
7 *serting “assistance provided under a*
8 *State program funded under”;* and

9 *(II) in the first sentence, by strik-*
10 *ing “section 402(a)(7)(C)” and all that*
11 *follows to the end period and inserting*
12 *“any nonrecurring lump-sum income*
13 *and income deemed or allocated to the*
14 *household under the State program*
15 *funded under such part”;* and

16 *(ii) in subparagraph (E)—*

17 *(I) in the first sentence, by strik-*
18 *ing “section 402(a)(8) of the Social Se-*
19 *curity Act (42 U.S.C. 602(a)(8))” and*
20 *inserting “the State program funded*
21 *under part A of title IV of the Social*
22 *Security Act”;* and

23 *(II) in the second sentence, by*
24 *striking “the earned income disregards*
25 *provided under 402(a)(8) of the Social*

1 *Security Act*” and inserting “any
2 *earned income disregards provided*
3 *under the State program funded under*
4 *such part*”.

5 (g) *Section 5(h)(1) of the Agriculture and Consumer*
6 *Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c*
7 *note) is amended by striking “the program for aid to fami-*
8 *lies with dependent children” and inserting “the State pro-*
9 *gram funded*”.

10 (h) *Section 9 of the National School Lunch Act (42*
11 *U.S.C. 1758) is amended—*

12 (1) *in subsection (b)—*

13 (A) *in paragraph (2)(C)(ii)(II), by striking*
14 *“program for aid to families with dependent*
15 *children” and inserting “State program funded”;*
16 *and*

17 (B) *in paragraph (6)—*

18 (i) *in subparagraph (A)(ii), by strik-*
19 *ing “an AFDC assistance unit (under the*
20 *aid to families with dependent children pro-*
21 *gram authorized” and inserting “a family*
22 *(under the State program funded”;* and

23 (ii) *in subparagraph (B), by striking*
24 *“aid to families with dependent children”*
25 *and inserting “assistance under the State*

1 *program funded under part A of title IV of*
2 *the Social Security Act (42 U.S.C. 601 et*
3 *seq.)”; and*

4 (2) *in subsection (d)(2)(C), by striking “program*
5 *for aid to families with dependent children” and in-*
6 *serting “State program funded”.*

7 (i) *Section 17 of the Child Nutrition Act of 1966 (42*
8 *U.S.C. 1786) is amended—*

9 (1) *in subsection (d)(2)(A)(ii)(II), by striking*
10 *“program for aid to families with dependent children*
11 *established” and inserting “State program funded”;*

12 (2) *in subsection (e)(4)(A), by striking “program*
13 *for aid to families with dependent children” and in-*
14 *serting “State program funded”; and*

15 (3) *in subsection (f)(1)(C)(iii), by striking “aid*
16 *to families with dependent children,” and inserting*
17 *“State program funded under part A of title IV of the*
18 *Social Security Act (42 U.S.C. 601 et seq.) and with*
19 *the”.*

20 **SEC. 108. CONFORMING AMENDMENTS TO OTHER LAWS.**

21 (a) *Subsection (b) of section 508 of the Unemployment*
22 *Compensation Amendments of 1976 (Public Law 94–566;*
23 *90 Stat. 2689) is amended to read as follows:*

24 “(b) *PROVISION FOR REIMBURSEMENT OF EX-*
25 *PENSES.—For purposes of section 455 of the Social Security*

1 *Act, expenses incurred to reimburse State employment of-*
2 *fices for furnishing information requested of such offices—*

3 “(1) pursuant to the third sentence of section
4 3(a) of the Act entitled ‘An Act to provide for the es-
5 tablishment of a national employment system and for
6 cooperation with the States in the promotion of such
7 system, and for other purposes’, approved June 6,
8 1933 (29 U.S.C. 49b(a)), or

9 “(2) by a State or local agency charged with the
10 duty of carrying a State plan for child support ap-
11 proved under part D of title IV of the Social Security
12 Act,

13 *shall be considered to constitute expenses incurred in the*
14 *administration of such State plan.”.*

15 (b) Section 9121 of the Omnibus Budget Reconcili-
16 *ation Act of 1987 (42 U.S.C. 602 note) is repealed.*

17 (c) Section 9122 of the Omnibus Budget Reconciliation
18 *Act of 1987 (42 U.S.C. 602 note) is repealed.*

19 (d) Section 221 of the Housing and Urban-Rural Re-
20 *covery Act of 1983 (42 U.S.C. 602 note), relating to treat-*
21 *ment under AFDC of certain rental payments for federally*
22 *assisted housing, is repealed.*

23 (e) Section 159 of the Tax Equity and Fiscal Respon-
24 *sibility Act of 1982 (42 U.S.C. 602 note) is repealed.*

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

3 (g) *Section 233 of the Social Security Act Amendments*
4 *of 1994 (42 U.S.C. 602 note) is repealed.*

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

9 (1) *in subsection (a), by striking “aid to families*
10 *with dependent children under a State plan ap-*
11 *proved” and inserting “assistance under a State pro-*
12 *gram funded”; and*

13 (2) *in subsection (c), by striking “aid to families*
14 *with dependent children in the State under a State*
15 *plan approved” and inserting “assistance in the State*
16 *under a State program funded”.*

17 (i) *The Higher Education Act of 1965 (20 U.S.C. 1001*
18 *et seq.) is amended—*

19 (1) *in section 404C(c)(3) (20 U.S.C. 1070a-*
20 *23(c)(3)), by striking “(Aid to Families with Depend-*
21 *ent Children)”;* and

22 (2) *in section 480(b)(2) (20 U.S.C.*
23 *1087vv(b)(2)), by striking “aid to families with de-*
24 *pendent children under a State plan approved” and*
25 *inserting “assistance under a State program funded”.*

1 (j) *The Carl D. Perkins Vocational and Applied Tech-*
2 *nology Education Act (20 U.S.C. 2301 et seq.) is amend-*
3 *ed—*

4 (1) *in section 231(d)(3)(A)(ii) (20 U.S.C.*
5 *2341(d)(3)(A)(ii)), by striking “the program for aid*
6 *to dependent children” and inserting “the State pro-*
7 *gram funded”;*

8 (2) *in section 232(b)(2)(B) (20 U.S.C.*
9 *2341a(b)(2)(B)), by striking “the program for aid to*
10 *families with dependent children” and inserting “the*
11 *State program funded”;* and

12 (3) *in section 521(14)(B)(iii) (20 U.S.C.*
13 *2471(14)(B)(iii)), by striking “the program for aid to*
14 *families with dependent children” and inserting “the*
15 *State program funded”.*

16 (k) *The Elementary and Secondary Education Act of*
17 *1965 (20 U.S.C. 2701 et seq.) is amended—*

18 (1) *in section 1113(a)(5) (20 U.S.C. 6313(a)(5)),*
19 *by striking “Aid to Families with Dependent Chil-*
20 *dren Program” and inserting “State program funded*
21 *under part A of title IV of the Social Security Act”;*

22 (2) *in section 1124(c)(5) (20 U.S.C. 6333(c)(5)),*
23 *by striking “the program of aid to families with de-*
24 *pendent children under a State plan approved under”*

1 *and inserting “a State program funded under part A*
2 *of”;* and

3 (3) *in section 5203(b)(2) (20 U.S.C.*
4 *7233(b)(2))—*

5 (A) *in subparagraph (A)(xi), by striking*
6 *“Aid to Families with Dependent Children bene-*
7 *fits” and inserting “assistance under a State*
8 *program funded under part A of title IV of the*
9 *Social Security Act”;* and

10 (B) *in subparagraph (B)(viii), by striking*
11 *“Aid to Families with Dependent Children” and*
12 *inserting “assistance under the State program*
13 *funded under part A of title IV of the Social Se-*
14 *curity Act”.*

15 (i) *Chapter VII of title I of Public Law 99–88 (25*
16 *U.S.C. 13d–1) is amended to read as follows: “Provided fur-*
17 *ther, That general assistance payments made by the Bureau*
18 *of Indian Affairs shall be made—*

19 “(1) *after April 29, 1985, and before October 1,*
20 *1995, on the basis of Aid to Families with Dependent*
21 *Children (AFDC) standards of need; and*

22 “(2) *on and after October 1, 1995, on the basis*
23 *of standards of need established under the State pro-*
24 *gram funded under part A of title IV of the Social*
25 *Security Act,*

1 *except that where a State ratably reduces its AFDC or State*
2 *program payments, the Bureau shall reduce general assist-*
3 *ance payments in such State by the same percentage as the*
4 *State has reduced the AFDC or State program payment.”.*

5 *(m) The Internal Revenue Code of 1986 (26 U.S.C. 1*
6 *et seq.) is amended—*

7 *(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by*
8 *striking all that follows “agency as” and inserting*
9 *“being eligible for financial assistance under part A*
10 *of title IV of the Social Security Act and as having*
11 *continually received such financial assistance during*
12 *the 90-day period which immediately precedes the*
13 *date on which such individual is hired by the em-*
14 *ployer.”;*

15 *(2) in section 3304(a)(16) (26 U.S.C.*
16 *3304(a)(16)), by striking “eligibility for aid or serv-*
17 *ices,” and all that follows through “children ap-*
18 *proved” and inserting “eligibility for assistance, or*
19 *the amount of such assistance, under a State program*
20 *funded”;*

21 *(3) in section 6103(l)(7)(D)(i) (26 U.S.C.*
22 *6103(l)(7)(D)(i)), by striking “aid to families with*
23 *dependent children provided under a State plan ap-*
24 *proved” and inserting “a State program funded”;*

1 (4) in section 6334(a)(11)(A) (26 U.S.C.
2 6334(a)(11)(A)), by striking “(relating to aid to fam-
3 ilies with dependent children)”; and

4 (5) in section 7523(b)(3)(C) (26 U.S.C.
5 7523(b)(3)(C)), by striking “aid to families with de-
6 pendent children” and inserting “assistance under a
7 State program funded under part A of title IV of the
8 Social Security Act”.

9 (n) Section 3(b) of the Wagner-Peyser Act (29 U.S.C.
10 49b(b)) is amended by striking “State plan approved under
11 part A of title IV” and inserting “State program funded
12 under part A of title IV”.

13 (o) The Job Training Partnership Act (29 U.S.C. 1501
14 et seq.) is amended—

15 (1) in section 106(b)(6)(C) (29 U.S.C.
16 1516(b)(6)(C)), by striking “State aid to families
17 with dependent children records,” and inserting
18 “records collected under the State program funded
19 under part A of title IV of the Social Security Act”;

20 (2) in section 501(1) (29 U.S.C. 1791(1)), by
21 striking “aid to families with dependent children”
22 and inserting “assistance under the State program
23 funded”;

24 (3) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)),
25 by striking “aid to families with dependent children”

1 and inserting “assistance under the State program
2 funded”; and

3 (4) in section 508(a)(2)(A) (29 U.S.C.
4 1791g(a)(2)(A)), by striking “aid to families with de-
5 pendent children” and inserting “assistance under the
6 State program funded”.

7 (p) Section 3803(c)(2)(C)(iv) of title 31, United States
8 Code, is amended to read as follows:

9 “(iv) assistance under a State program
10 funded under part A of title IV of the Social
11 Security Act”.

12 (q) Section 2605(b)(2)(A)(i) of the Low-Income Home
13 Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i))
14 is amended to read as follows:

15 “(i) assistance under the State pro-
16 gram funded under part A of title IV of the
17 Social Security Act;”.

18 (r) Section 303(f)(2) of the Family Support Act of
19 1988 (42 U.S.C. 602 note) is amended—

20 (1) by striking “(A)”; and

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

22 (s) The Balanced Budget and Emergency Deficit Con-
23 trol Act of 1985 (2 U.S.C. 900 et seq.) is amended—

24 (1) in section 255(h) (2 U.S.C. 905(h), by strik-
25 ing “Aid to families with dependent children (75-

1 0412-0-1-609);” and inserting “Block grants to
2 States for temporary assistance for needy families;”;
3 and

4 (2) in section 256 (2 U.S.C. 906)—

5 (A) by striking subsection (k); and

6 (B) by redesignating subsection (l) as sub-
7 section (k).

8 (t) *The Immigration and Nationality Act* (8 U.S.C.
9 1101 et seq.) is amended—

10 (1) in section 210(f) (8 U.S.C. 1160(f)), by strik-
11 ing “aid under a State plan approved under” each
12 place it appears and inserting “assistance under a
13 State program funded under”;

14 (2) in section 245A(h) (8 U.S.C. 1255a(h))—

15 (A) in paragraph (1)(A)(i), by striking
16 “program of aid to families with dependent chil-
17 dren” and inserting “State program of assist-
18 ance”; and

19 (B) in paragraph (2)(B), by striking “aid
20 to families with dependent children” and insert-
21 ing “assistance under a State program funded
22 under part A of title IV of the Social Security
23 Act”; and

1 (3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by
2 striking “State plan approved” and inserting “State
3 program funded”.

4 (u) Section 640(a)(4)(B)(i) of the Head Start Act (42
5 U.S.C. 9835(a)(4)(B)(i)) is amended by striking “program
6 of aid to families with dependent children under a State
7 plan approved” and inserting “State program of assistance
8 funded”.

9 (v) Section 9 of the Act of April 19, 1950 (64 Stat.
10 47, chapter 92; 25 U.S.C. 639) is repealed.

11 **SEC. 109. SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-**
12 **POSAL FOR TECHNICAL AND CONFORMING**
13 **AMENDMENTS.**

14 Not later than 90 days after the date of the enactment
15 of this Act, the Secretary of Health and Human Services,
16 in consultation, as appropriate, with the heads of other Fed-
17 eral agencies, shall submit to the appropriate committees
18 of Congress a legislative proposal providing for such tech-
19 nical and conforming amendments in the law as are re-
20 quired by the provisions of this Act.

21 **SEC. 110. EFFECTIVE DATE; TRANSITION RULE.**

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

25 (b) *TRANSITION RULE.*—

1 (1) *STATE OPTION TO CONTINUE AFDC PRO-*
2 *GRAM.—*

3 (A) *6-MONTH EXTENSION.—A State may*
4 *continue a State program under parts A and F*
5 *of title IV of the Social Security Act, as in effect*
6 *on September 30, 1995 (for purposes of this*
7 *paragraph, the “State AFDC program”) until*
8 *March 31, 1996.*

9 (B) *REDUCTION OF FISCAL YEAR 1996*
10 *GRANT.—In the case of any State opting to con-*
11 *tinue the State AFDC program pursuant to sub-*
12 *paragraph (A), the State family assistance grant*
13 *paid to such State under section 403(b) of the*
14 *Social Security Act (as added by section 101*
15 *and as in effect on and after October 1, 1995) for*
16 *fiscal year 1996 (after the termination of the*
17 *State AFDC program) shall be reduced by an*
18 *amount equal to the total Federal payment to*
19 *such State under section 403 of the Social Secu-*
20 *rity Act (as in effect on September 30, 1995) for*
21 *such fiscal year.*

22 (2) *CLAIMS, ACTIONS, AND PROCEEDINGS.—The*
23 *amendments made by this title shall not apply with*
24 *respect to—*

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

5 (B) administrative actions and proceedings
6 commenced before such date, or authorized before
7 such date to be commenced, under such provi-
8 sions.

9 **TITLE II—MODIFICATIONS TO** 10 **THE JOBS PROGRAM**

11 **SEC. 201. MODIFICATIONS TO THE JOBS PROGRAM.**

12 (a) *INCREASED EMPLOYMENT AND JOB RETENTION.*—

13 (1) *JOB OPPORTUNITIES AND BASIC SKILLS.*—

14 The heading for part F of title IV (42 U.S.C. 681 et
15 seq.) is amended by striking “TRAINING”.

16 (2) *PURPOSE.*—Section 481(a) (42 U.S.C.
17 681(a)) is amended to read as follows:

18 “SEC. 481. (a) *PURPOSE.*—It is the purpose of this
19 part to assist each State in providing such services as the
20 State determines to be necessary to—

21 “(1) enable individuals receiving assistance
22 under part A to enter employment as quickly as pos-
23 sible;

24 “(2) increase job retention among such individ-
25 uals; and

1 “(3) ensure that needy families with children ob-
2 tain the supportive services that will help them avoid
3 long-term welfare dependence.”.

4 (b) *ESTABLISHMENT AND OPERATION OF STATE PRO-*
5 *GRAMS.*—

6 (1) *STATE PLANS FOR JOBS PROGRAMS.*—Section
7 482(a) (42 U.S.C. 682(a)) is amended—

8 (A) in the heading, by striking “TRAINING”;

9 (B) in paragraph (1)—

10 (i) in subparagraph (A)—

11 (I) by striking “of aid to families
12 with dependent children”;

13 (II) by striking “training”; and

14 (III) by striking “under a plan
15 approved” and all that follows through
16 the period and inserting a period;

17 (ii) in subparagraph (B)—

18 (I) in the matter preceding clause
19 (i), by striking “plan for establishing
20 and operating the program must de-
21 scribe” and inserting “shall submit to
22 the Secretary periodically, but not less
23 frequently than every 2 years, a plan
24 describing”;

25 (II) in clause (ii)—

1 (aa) by striking “the extent
2 to which such services are expected
3 to be made available by other
4 agencies on a nonreimbursable
5 basis,”; and

6 (bb) by striking “program,
7 and” and inserting “program.”;
8 and

9 (III) by striking clause (iii);

10 (iii) by striking subparagraph (C);

11 (iv) in subparagraph (D)(i), by strik-
12 ing “Not later than October 1, 1992, each
13 State shall make” and inserting “Each
14 State shall make appropriate services of”;
15 and

16 (v) by redesignating subparagraph (D)
17 as subparagraph (C);

18 (C) in paragraph (2)—

19 (i) by striking “(2) The” and inserting
20 “(2)(A) The”;

21 (ii) by striking “approved”; and

22 (iii) by adding at the end the following
23 new subparagraphs:

24 “(B) The State agency shall establish procedures to—

1 “(i) encourage the placement of participants in
2 jobs as quickly as possible, including using perform-
3 ance measures that reward staff performance, or such
4 other management practice as the State may choose;
5 and

6 “(ii) assist participants in retaining employ-
7 ment after they are hired.

8 “(C) The Secretary shall provide technical assistance
9 and training to States to assist the States in implementing
10 effective management practices and strategies in order to
11 achieve the purpose of this part.”; and

12 (D) by striking paragraph (3).

13 (2) *EMPLOYABILITY PLAN*.—Section 482(b)(1)
14 (42 U.S.C. 682(b)(1)) is amended—

15 (A) in subparagraph (A), by inserting “the
16 employability of each participant under the pro-
17 gram and, in appropriate circumstances, a sub-
18 sequent assessment which may include” after
19 “assessment of”; and

20 (B) in subparagraph (B)—

21 (i) by striking “such assessment” and
22 inserting “the subsequent assessment”; and

23 (ii) by striking the last sentence.

24 (3) *PROVISION OF INFORMATION*.—Section
25 482(c) (42 U.S.C. 682(c)) is amended—

1 (A) in paragraph (1), by striking “aid to
2 families with dependent children” and inserting
3 “assistance under the State program funded
4 under part A”;

5 (B) in paragraph (2), by striking “aid to
6 families with dependent children” and inserting
7 “assistance under the State program funded
8 under part A”;

9 (C) in paragraph (4), by striking “aid to
10 families with dependent children of the grounds
11 for exemption from participation in the program
12 and the consequences of refusal to participate if
13 not exempt” and inserting “assistance under the
14 State program funded under part A of the con-
15 sequences of refusal to participate in the pro-
16 gram under this part”; and

17 (D) by striking paragraph (5).

18 (4) SERVICES AND ACTIVITIES.—Section 482(d)
19 (42 U.S.C. 682(d)) is amended—

20 (A) in paragraph (1)(A), by striking “Such
21 services and activities—” and all that follows
22 through the period and inserting “Such services
23 and activities shall be designed to improve the
24 employability of participants and may include
25 any combination of the following:

1 “(i) Educational activities (as appropriate), in-
2 cluding high school or equivalent education (combined
3 with training as needed), basic and remedial edu-
4 cation to achieve a basic literacy level, and education
5 for individuals with limited English proficiency.

6 “(ii) Job skills training.

7 “(iii) Job readiness activities to help prepare
8 participants for work.

9 “(iv) Job development and job placement.

10 “(v) Group and individual job search.

11 “(vi) On-the-job training.

12 “(vii) Work supplementation programs as de-
13 scribed in subsection (e).

14 “(viii) Community work experience programs as
15 described in subsection (f), or any other community
16 service programs approved by the State.

17 “(ix) A job placement voucher program, as de-
18 scribed in subsection (g).

19 “(x) Unsubsidized employment.”;

20 (B) in paragraph (2), by striking the last
21 sentence; and

22 (C) in paragraph (3)—

23 (i) by striking “the Secretary shall
24 permit up to 5 States to” and inserting “A
25 State may”; and

1 (ii) by striking the last sentence.

2 (5) WORK SUPPLEMENTATION PROGRAM.—Sec-
3 tion 482(e) (42 U.S.C. 682(e)) is amended—

4 (A) in paragraph (1)—

5 (i) by striking “aid to families with
6 dependent children” each place it appears
7 and inserting “assistance under the State
8 program funded under part A”; and

9 (ii) by striking “paragraph (3)(C)(i)
10 and (ii)” and inserting “paragraph (3)”;
11 and

12 (B) in paragraph (2)—

13 (i) by striking subparagraphs (A), (C),
14 (D), (F), and (G);

15 (ii) in subparagraph (B), by striking
16 “approved”;

17 (iii) in subparagraph (E)—

18 (I) by striking “aid to families
19 with dependent children” and inserting
20 “assistance”;

21 (II) by striking “(as determined
22 under subparagraph (D))”; and

23 (III) by striking “State plan ap-
24 proved” and inserting “State pro-
25 gram”; and

1 (iv) by redesignating subparagraphs
2 (B) and (E) as subparagraphs (A) and (B),
3 respectively;

4 (C) in paragraph (3) to read as follows:

5 “(3) For purposes of this section, a subsidized job is
6 a job provided to an individual for not more than a 12-
7 month period—

8 “(A) by the State or local agency administering
9 the State plan under part A; or

10 “(B) by any other employer for which all or part
11 of the wages are paid by such State or local agency.

12 A State may provide or subsidize under the program any
13 type of job which such State determines to be appropriate.”;

14 (D) by striking paragraph (4);

15 (E) in paragraph (5)(A)—

16 (i) by striking “eligible” each place it
17 appears; and

18 (ii) by redesignating such paragraph
19 as paragraph (4);

20 (F) in paragraph (6)—

21 (i) by striking “aid to families with
22 dependent children under the State plan ap-
23 proved” each place it appears and inserting
24 “assistance”; and

1 (ii) by redesignating such paragraph
2 as paragraph (5); and

3 (G) by striking paragraph (7).

4 (6) COMMUNITY WORK EXPERIENCE PROGRAM.—

5 Section 482(f) (42 U.S.C. 682(f)) is amended—

6 (A) in paragraph (1)—

7 (i) in subparagraph (B)—

8 (I) in clause (i), by striking “aid
9 to families with dependent children
10 payable with respect to the family of
11 which such individual is a member
12 under the State plan approved under
13 this part” and inserting “assistance
14 payable with respect to the family of
15 which such individual is a member
16 under the State program funded under
17 part A”; and

18 (II) in clause (ii), by striking
19 “aid to families with dependent chil-
20 dren payable with respect to the family
21 of which such individual is a member
22 under the State plan approved under
23 this part (excluding any portion of
24 such aid” and inserting “assistance
25 payable with respect to the family of

1 *which such individual is a member*
2 *under the State program funded under*
3 *part A (excluding any portion of such*
4 *assistance”;*

5 *(ii) by striking subparagraph (C);*

6 *(iii) in subparagraph (D)—*

7 *(I) by striking “approved”; and*

8 *(II) by striking “community work*
9 *experience program” and all that fol-*
10 *lows through the period and inserting*
11 *“community service program.”; and*

12 *(iv) by redesignating subparagraphs*
13 *(D) and (E) as subparagraphs (C) and (D),*
14 *respectively.*

15 *(B) in paragraph (3)—*

16 *(i) by striking “any program of job*
17 *search under subsection (g),”; and*

18 *(ii) by striking “aid to families with*
19 *dependent children” and inserting “assist-*
20 *ance under the State program funded under*
21 *part A”; and*

22 *(C) by striking paragraph (4).*

23 (7) *JOB PLACEMENT VOUCHER PROGRAM.—Sec-*
24 *tion 482(g) (42 U.S.C. 682(g)) is amended to read as*
25 *follows:*

1 “(g) *JOB PLACEMENT VOUCHER PROGRAM.*—(1) *The*
2 *State agency may establish and operate a job placement*
3 *voucher program for individuals participating in the pro-*
4 *gram under this part.*

5 “(2) *A State that elects to operate a job placement*
6 *voucher program under this subsection—*

7 “(i) *shall establish eligibility requirements for*
8 *participation in the job placement voucher program;*
9 *and*

10 “(ii) *may establish other requirements for such*
11 *voucher program as the State deems appropriate.*

12 “(3) *A job placement voucher program operated by a*
13 *State under this subsection shall include the following re-*
14 *quirements:*

15 “(A) *The State shall identify, maintain, and*
16 *make available to an individual applying for or re-*
17 *ceiving assistance under part A a list of State-ap-*
18 *proved job placement organizations that offer services*
19 *in the area where the individual resides and a de-*
20 *scription of the job placement and support services*
21 *each such organization provides. Such organizations*
22 *may be publicly or privately owned and operated.*

23 “(B)(i) *An individual determined to be eligible*
24 *for assistance under part A shall, at the time the in-*
25 *dividual becomes eligible for such assistance—*

1 “(I) receive the list and description de-
2 scribed in subparagraph (A);

3 “(II) agree, in exchange for job placement
4 and support services, to—

5 “(aa) execute, within a period of
6 time permitted by the State, a contract
7 with a State-approved job placement
8 organization which provides that the
9 organization shall attempt to find em-
10 ployment for the individual; and

11 “(bb) comply with the terms of the
12 contract; and

13 “(III) receive a job placement voucher (in
14 an amount to be determined by the State) for
15 payment to a State-approved job placement or-
16 ganization.

17 “(ii) The State shall impose the sanctions pro-
18 vided for in section 404(b) on any individual who
19 does not fulfill the terms of a contract executed with
20 a State-approved job placement organization.

21 “(C) At the time an individual executes a con-
22 tract with a State-approved job placement organiza-
23 tion, the individual shall provide the organization
24 with the job placement voucher that the individual re-
25 ceived pursuant to subparagraph (B).

1 “(D)(i) A State-approved job placement organi-
2 zation may redeem for payment from the State not
3 more than 25 percent of the value of a job placement
4 voucher upon the initial receipt of the voucher for
5 payment of costs incurred in finding and placing an
6 individual in an employment position. The remain-
7 ing value of such voucher shall not be redeemed for
8 payment from the State until the State-approved job
9 placement organization—

10 “(I) finds an employment position (as de-
11 termined by the State) for the individual who
12 provided the voucher; and

13 “(II) certifies to the State that the individ-
14 ual remains employed with the employer that the
15 organization originally placed the individual
16 with for the greater of—

17 “(aa) 6 continuous months; or

18 “(bb) a period determined by the State.

19 “(ii) A State may modify, on a case-by-case
20 basis, the requirement of clause (i)(II) under such
21 terms and conditions as the State deems appropriate.

22 “(E)(i) The State shall establish performance-
23 based standards to evaluate the success of the State
24 job placement voucher program operated under this
25 subsection in achieving employment for individuals

1 *participating in such voucher program. Such stand-*
2 *ards shall take into account the economic conditions*
3 *of the State in determining the rate of success.*

4 *“(ii) The State shall, not less than once a fiscal*
5 *year, evaluate the job placement voucher program op-*
6 *erated under this subsection in accordance with the*
7 *performance-based standards established under clause*
8 *(i).*

9 *“(iii) The State shall submit a report containing*
10 *the results of an evaluation conducted under clause*
11 *(ii) to the Secretary and a description of the perform-*
12 *ance-based standards used to conduct the evaluation*
13 *in such form and under such conditions as the Sec-*
14 *retary shall require. The Secretary shall review each*
15 *report submitted under this clause and may require*
16 *the State to revise the performance-based standards if*
17 *the Secretary determines that the State is not achiev-*
18 *ing an adequate rate of success for such State.”.*

19 *(8) DISPUTE RESOLUTION PROCEDURES.—Sec-*
20 *tion 482(h) (42 U.S.C. 682(h)) is amended by strik-*
21 *ing “or through the provision of a hearing pursuant*
22 *to section 402(a)(4); but in no event shall aid to fam-*
23 *ilies with dependent children” and inserting “; but in*
24 *no event shall assistance under the State program*
25 *funded under part A”.*

1 (9) *PROVISIONS RELATING TO INDIAN TRIBES.*—

2 *Section 482(i) (42 U.S.C. 682(i)) is amended—*

3 (A) *in paragraph (1)—*

4 (i) *by striking “training” each place it*
5 *appears; and*

6 (ii) *in the second sentence, by inserting*
7 *“, for fiscal years before 1996,” after*
8 *“State”;*

9 (B) *in paragraph (2), by inserting “, for*
10 *fiscal years before 1996,” after “paragraph (1)”;*

11 (C) *in paragraph (3)—*

12 (i) *by striking “training” each place it*
13 *appears; and*

14 (ii) *by striking “402(a)(19)” and in-*
15 *serting “404”;*

16 (D) *in paragraph (4)—*

17 (i) *by striking “training”;* and

18 (ii) *by striking “and the maximum*
19 *amount” and all that follows through the*
20 *period at the end of the second sentence and*
21 *inserting “and the amount that may be*
22 *paid under section 403 to the State within*
23 *which the tribe or Alaska Native organiza-*
24 *tion is located shall be increased by any*
25 *portion of the amount retained by the Sec-*

1 retary with respect to such program (and
2 not payable to such tribe or Alaska Native
3 organization for obligations already in-
4 curred).”;

5 (E) in paragraph (7)(D), by striking
6 “training” each place it appears;

7 (F) by redesignating paragraphs (3)
8 through (8) as paragraphs (4) through (9), re-
9 spectively; and

10 (G) by inserting after paragraph (2), the
11 following new paragraph:

12 “(3) For any fiscal year after 1995, the amount of
13 payment to any tribe or organization received under this
14 subsection shall be an amount equal to the amount such
15 tribe or organization received for fiscal year 1994.”.

16 (c) *COORDINATION REQUIREMENTS.*—Section 483 (42
17 U.S.C. 683) is amended—

18 (1) in subsection (a)(2), by striking “not less
19 than 60 days before its submission to the Secretary,”;

20 (2) in subsection (b), by striking “education and
21 training services” and inserting “necessary and sup-
22 portive assistance for employment”; and

23 (3) in subsection (c), by striking “approved”.

24 (d) *PROVISIONS GENERALLY APPLICABLE.*—Section
25 484 (42 U.S.C. 684) is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (1), by striking “family
3 responsibilities,”; and

4 (B) in paragraph (5), by striking “, the
5 participant’s circumstances,”;

6 (2) in subsection (c), by striking the last sen-
7 tence; and

8 (3) in subsection (e), by striking “AFDC pro-
9 gram” and inserting “State program funded under
10 part A”.

11 (e) *CONTRACT AUTHORITY*.—Section 485 (42 U.S.C.
12 685) is amended in subsections (a) and (c), by striking “ap-
13 proved” each place it appears.

14 (f) *PERFORMANCE STANDARDS*.—Section 487(c) (42
15 U.S.C. 687(c)) is amended by striking “matching rate” and
16 inserting “payment to the States under section 403”.

17 **SEC. 202. EFFECTIVE DATE.**

18 This title and the amendments made by this title shall
19 take effect on October 1, 1995, unless a State has exercised
20 the option described in section 110(b).

1 **TITLE III—SUPPLEMENTAL**
2 **SECURITY INCOME**

3 **Subtitle A—Eligibility Restrictions**

4 **SEC. 301. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
5 **BENEFITS BY REASON OF DISABILITY TO**
6 **DRUG ADDICTS AND ALCOHOLICS.**

7 (a) *IN GENERAL.*—Section 1614(a)(3) (42 U.S.C.
8 1382c(a)(3)) is amended by adding at the end the following
9 new subparagraph:

10 “(I) Notwithstanding subparagraph (A), an individ-
11 ual shall not be considered to be disabled for purposes of
12 this title if alcoholism or drug addiction would (but for this
13 subparagraph) be a contributing factor material to the
14 Commissioner’s determination that the individual is dis-
15 abled.”.

16 (b) *CONFORMING AMENDMENTS.*—

17 (1) Section 1611(e) (42 U.S.C. 1382(e)) is
18 amended by striking paragraph (3).

19 (2) Section 1631(a)(2)(A)(ii) (42 U.S.C.
20 1383(a)(2)(A)(ii)) is amended—

21 (A) by striking “(I)”; and

22 (B) by striking subclause (II).

23 (3) Section 1631(a)(2)(B) (42 U.S.C.
24 1383(a)(2)(B)) is amended—

25 (A) by striking clause (vii);

1 (B) in clause (viii), by striking “(ix)” and
2 inserting “(viii)”;

3 (C) in clause (ix)—

4 (i) by striking “(viii)” and inserting
5 “(vii)”;

6 (ii) in subclause (II), by striking all
7 that follows “15 years” and inserting a pe-
8 riod;

9 (D) in clause (xiii)—

10 (i) by striking “(xii)” and inserting
11 “(xi)”;

12 (ii) by striking “(xi)” and inserting
13 “(x)”;

14 (E) by redesignating clauses (viii) through
15 (xiii) as clauses (vii) through (xii), respectively.

16 (4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C.
17 1383(a)(2)(D)(i)(II)) is amended by striking all that
18 follows “\$25.00 per month” and inserting a period.

19 (5) Section 1634 (42 U.S.C. 1383c) is amended
20 by striking subsection (e).

21 (6) Section 201(c)(1) of the Social Security Inde-
22 pendence and Program Improvements Act of 1994 (42
23 U.S.C. 425 note) is amended—

24 (A) by striking “—” and all that follows
25 through “(A)” the 1st place it appears;

1 (B) by striking “and” the 3rd place it ap-
2 pears;

3 (C) by striking subparagraph (B);

4 (D) by striking “either subparagraph (A) or
5 subparagraph (B)” and inserting “the preceding
6 sentence”; and

7 (E) by striking “subparagraph (A) or (B)”
8 and inserting “the preceding sentence”.

9 **SEC. 302. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI**
10 **BENEFITS.**

11 Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a))
12 is amended—

13 (1) in subparagraph (B)(i), by striking “either”
14 and all that follows through “, or” and inserting “(I)
15 a citizen; (II) a noncitizen who is granted asylum
16 under section 208 of the Immigration and National-
17 ity Act or whose deportation has been withheld under
18 section 243(h) of such Act for a period of not more
19 than 5 years after the date of arrival into the United
20 States; (III) a noncitizen who is admitted to the
21 United States as a refugee under section 207 of such
22 Act for not more than such 5-year period; (IV) a
23 noncitizen, lawfully present in any State (or any ter-
24 ritory or possession of the United States), who is a
25 veteran (as defined in section 101 of title 38, United

1 *States Code) with a discharge characterized as an*
2 *honorable discharge and not on account of alienage*
3 *or who is the spouse or unmarried dependent child*
4 *of such veteran; or (V) a noncitizen who has worked*
5 *sufficient calendar quarters of coverage to be a fully*
6 *insured individual for benefits under title II, or”;* and

7 (2) *by adding at the end the following new flush*
8 *sentence:*

9 *“For purposes of subparagraph (B)(i)(IV), the determina-*
10 *tion of whether a noncitizen is lawfully present in the*
11 *United States shall be made in accordance with regulations*
12 *of the Attorney General. A noncitizen shall not be consid-*
13 *ered to be lawfully present in the United States for purposes*
14 *of this title merely because the noncitizen may be considered*
15 *to be permanently residing in the United States under color*
16 *of law for purposes of any particular program.”.*

17 **SEC. 303. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDI-**
18 **VIDUALS FOUND TO HAVE FRAUDULENTLY**
19 **MISREPRESENTED RESIDENCE IN ORDER TO**
20 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
21 **MORE STATES.**

22 *Section 1614(a) (42 U.S.C. 1382c(a)) is amended by*
23 *adding at the end the following new paragraph:*

24 *“(5) An individual shall not be considered an eligible*
25 *individual for purposes of this title during the 10-year pe-*

1 riod beginning on the date the individual is convicted in
2 Federal or State court of having made a fraudulent state-
3 ment or representation with respect to the place of residence
4 of the individual in order to receive assistance simulta-
5 neously from 2 or more States under programs that are
6 funded under part A of title IV, title XIX, or the Food
7 Stamp Act of 1977, or benefits in 2 or more States under
8 the supplemental security income program under title
9 XVI.”.

10 **SEC. 304. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**
11 **AND PROBATION AND PAROLE VIOLATORS.**

12 (a) *IN GENERAL.*—Section 1611(e) (42 U.S.C.
13 1382(e)), as amended by section 301(b)(1) of this Act, is
14 amended by inserting after paragraph (2) the following new
15 paragraph:

16 “(3) A person shall not be an eligible individual or
17 eligible spouse for purposes of this title with respect to any
18 month if during such month the person is—

19 “(A) fleeing to avoid prosecution, or custody or
20 confinement after conviction, under the laws of the
21 place from which the person flees, for a crime, or an
22 attempt to commit a crime, which is a felony under
23 the laws of the place from which the person flees, or
24 which, in the case of the State of New Jersey, is a
25 high misdemeanor under the laws of such State; or

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

3 (b) EXCHANGE OF INFORMATION WITH LAW ENFORCE-
4 MENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is
5 amended by inserting after paragraph (3) the following new
6 paragraph:

7 “(4) Notwithstanding any other provision of law, the
8 Commissioner shall furnish any Federal, State, or local law
9 enforcement officer, upon the request of the officer, with the
10 current address of any recipient of benefits under this title,
11 if the officer furnishes the agency with the name of the re-
12 cipient and notifies the agency that—

13 “(A) the recipient—

14 “(i) is fleeing to avoid prosecution, or cus-
15 tody or confinement after conviction, under the
16 laws of the place from which the person flees, for
17 a crime, or an attempt to commit a crime, which
18 is a felony under the laws of the place from
19 which the person flees, or which, in the case of
20 the State of New Jersey, is a high misdemeanor
21 under the laws of such State;

22 “(ii) is violating a condition of probation
23 or parole imposed under Federal or State law; or

1 “(iii) has information that is necessary for
2 the officer to conduct the officer’s official duties;
3 and

4 “(B) the location or apprehension of the recipi-
5 ent is within the officer’s official duties.”.

6 **SEC. 305. EFFECTIVE DATES; APPLICATION TO CURRENT**
7 **RECIPIENTS.**

8 (a) *SECTIONS 301 AND 302.*—

9 (1) *IN GENERAL.*—Except as provided in para-
10 graph (2), the amendments made by sections 301 and
11 302 shall apply to applicants for benefits for months
12 beginning on or after the date of the enactment of this
13 Act, without regard to whether regulations have been
14 issued to implement such amendments.

15 (2) *APPLICATION TO CURRENT RECIPIENTS.*—

16 (A) *APPLICATION AND NOTICE.*—Notwith-
17 standing any other provision of law, in the case
18 of an individual who is receiving supplemental
19 security income benefits under title XVI of the
20 Social Security Act as of the date of the enact-
21 ment of this Act and whose eligibility for such
22 benefits would terminate by reason of the amend-
23 ments made by section 301 or 302, such amend-
24 ments shall apply with respect to the benefits of
25 such individual for months beginning on or after

1 *January 1, 1997, and the Commissioner of So-*
2 *cial Security shall so notify the individual not*
3 *later than 90 days after the date of the enact-*
4 *ment of this Act.*

5 *(B) REAPPLICATION.—*

6 *(i) IN GENERAL.—Not later than 120*
7 *days after the date of the enactment of this*
8 *Act, each individual notified pursuant to*
9 *subparagraph (A) who desires to reapply*
10 *for benefits under title XVI of the Social Se-*
11 *curity Act, as amended by this title, shall*
12 *reapply to the Commissioner of Social Secu-*
13 *rity.*

14 *(ii) DETERMINATION OF ELIGI-*
15 *BILITY.—Not later than 1 year after the*
16 *date of the enactment of this Act, the Com-*
17 *missioner of Social Security shall determine*
18 *the eligibility of each individual who*
19 *reapplies for benefits under clause (i) pur-*
20 *suant to the procedures of such title.*

21 *(b) OTHER AMENDMENTS.—The amendments made by*
22 *sections 303 and 304 shall take effect on the date of the*
23 *enactment of this Act.*

1 **Subtitle B—Benefits for Disabled**
2 **Children**

3 **SEC. 311. RESTRICTIONS ON ELIGIBILITY FOR BENEFITS.**

4 (a) *DEFINITION OF CHILDHOOD DISABILITY.*—Section
5 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section
6 301(a), is amended—

7 (1) in subparagraph (A), by striking “An indi-
8 vidual” and inserting “Except as provided in sub-
9 paragraph (C), an individual;

10 (2) in subparagraph (A), by striking “(or, in the
11 case of an individual under the age of 18, if he suffers
12 from any medically determinable physical or mental
13 impairment of comparable severity)”;

14 (3) by redesignating subparagraphs (C) through
15 (I) as subparagraphs (D) through (J), respectively;

16 (4) by inserting after subparagraph (B) the fol-
17 lowing new subparagraph:

18 “(C) An individual under the age of 18 shall be consid-
19 ered disabled for the purposes of this title if that individual
20 has a medically determinable physical or mental impair-
21 ment, which results in marked, pervasive, and severe func-
22 tional limitations, and which can be expected to result in
23 death or which has lasted or can be expected to last for a
24 continuous period of not less than 12 months.”; and

1 (5) in subparagraph (F), as redesignated by
2 paragraph (3), by striking “(D)” and inserting
3 “(E)”.

4 (b) *CHANGES TO CHILDHOOD SSI REGULATIONS.*—

5 (1) *MODIFICATION TO MEDICAL CRITERIA FOR*
6 *EVALUATION OF MENTAL AND EMOTIONAL DIS-*
7 *ORDERS.*—*The Commissioner of Social Security shall*
8 *modify sections 112.00C.2. and 112.02B.2.c.(2) of ap-*
9 *pendix 1 to subpart P of part 404 of title 20, Code*
10 *of Federal Regulations, to eliminate references to*
11 *maladaptive behavior in the domain of personal/*
12 *behaviorial function.*

13 (2) *DISCONTINUANCE OF INDIVIDUALIZED FUNC-*
14 *TIONAL ASSESSMENT.*—*The Commissioner of Social*
15 *Security shall discontinue the individual functional*
16 *assessment for children set forth in sections 416.924d*
17 *and 416.924e of title 20, Code of Federal Regulations.*

18 (c) *EFFECTIVE DATE; APPLICATION TO CURRENT RE-*
19 *CIPIENTS.*—

20 (1) *IN GENERAL.*—*The amendments made by*
21 *subsections (a) and (b) shall apply to applicants for*
22 *benefits for months beginning on or after the date of*
23 *the enactment of this Act, without regard to whether*
24 *regulations have been issued to implement such*
25 *amendments.*

1 (2) *APPLICATION TO CURRENT RECIPIENTS.*—

2 (A) *CONTINUING DISABILITY REVIEWS.*—Not
3 later than 1 year after the date of the enactment
4 of this Act, the Commissioner of Social Security
5 shall redetermine pursuant to the procedures of
6 title XVI of the Social Security Act the eligi-
7 bility of any individual who is receiving supple-
8 mental security income benefits under title XVI
9 of the Social Security Act as of the date of the
10 enactment of this Act and whose eligibility for
11 such benefits would terminate by reason of the
12 amendments made by subsection (a) or (b). The
13 Commissioner of Social Security shall give rede-
14 termination reviews under this subparagraph
15 priority over other redetermination reviews.

16 (B) *GRANDFATHER AND HOLD HARM-*
17 *LESS.*—The amendments made by subsections (a)
18 and (b), and the redetermination under subpara-
19 graph (A), shall only apply with respect to the
20 benefits of an individual described in subpara-
21 graph (A) for months beginning on or after Jan-
22 uary 1, 1997, and such individual shall be held
23 harmless for any payment of benefits made until
24 such date.

1 (C) NOTICE.—Not later than 90 days after
2 the date of the enactment of this Act, the Com-
3 missioner of Social Security shall notify an in-
4 dividual described in subparagraph (A) of the
5 provisions of this paragraph.

6 **SEC. 312. CONTINUING DISABILITY REVIEWS.**

7 (a) CONTINUING DISABILITY REVIEWS RELATING FOR
8 CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.
9 1382c(a)(3)(H)), as redesignated by section 311(a)(3), is
10 amended—

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

12 (2) by adding at the end the following new
13 clause:

14 “(i)(I) Not less frequently than once every 3 years,
15 the Commissioner shall redetermine the eligibility for bene-
16 fits under this title of each individual who has not attained
17 18 years of age and is eligible for such benefits by reason
18 of disability.

19 “(II) Subclause (I) shall not apply to an individual
20 if the individual has an impairment (or combination of im-
21 pairments) which is (or are) not expected to improve.”.

22 (b) DISABILITY REVIEW REQUIRED FOR SSI RECIPI-
23 ENTS WHO ARE 18 YEARS OF AGE.—

24 (1) IN GENERAL.—Section 1614(a)(3)(H) (42
25 U.S.C. 1382c(a)(3)(H)), as amended by subsection

1 (a), is amended by adding at the end the following
2 new clause:

3 “(iii) If an individual is eligible for benefits under this
4 title by reason of disability for the month preceding the
5 month in which the individual attains the age of 18 years,
6 the Commissioner shall redetermine such eligibility—

7 “(I) during the 1-year period beginning on the
8 individual’s 18th birthday; and

9 “(II) by applying the criteria used in determin-
10 ing such eligibility for applicants who have attained
11 the age of 18 years.

12 A review under this clause shall be considered a substitute
13 for a review otherwise required under any other provision
14 of this subparagraph during that 1-year period.”.

15 (2) *REPORT TO THE CONGRESS.*—Not later than
16 October 1, 1998, the Commissioner of Social Security
17 shall submit to the Committee on Ways and Means of
18 the House of Representatives and the Committee on
19 Finance of the Senate a report on the activities con-
20 ducted under section 1614(a)(3)(H)(iii) of the Social
21 Security Act, as added by paragraph (1).

22 (3) *CONFORMING REPEAL.*—Section 207 of the
23 Social Security Independence and Program Improve-
24 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.
25 1516) is hereby repealed.

1 (c) *DISABILITY REVIEW REQUIRED FOR LOW BIRTH*
2 *WEIGHT BABIES.*—Section 1614(a)(3)(H) (42 U.S.C.
3 1382c(a)(3)(H)), as amended by subsections (a) and (b), is
4 amended by adding at the end the following new clause:

5 “(iv)(I) Not later than 12 months after the birth of
6 an individual, the Commissioner shall redetermine the eli-
7 gibility for benefits under this title by reason of disability
8 of such individual whose low birth weight is a contributing
9 factor material to the Commissioner’s determination that
10 the individual is disabled.

11 “(II) A redetermination under subclause (I) shall be
12 considered a substitute for a review otherwise required
13 under any other provision of this subparagraph during that
14 12-month period.”.

15 (d) *EFFECTIVE DATE.*—The amendments made by this
16 section shall apply to benefits for months beginning on or
17 after the date of the enactment of this Act, without regard
18 to whether regulations have been issued to implement such
19 amendments.

20 **SEC. 313. TREATMENT REQUIREMENTS FOR DISABLED INDI-**
21 **VIDUALS UNDER THE AGE OF 18.**

22 (a) *IN GENERAL.*—Section 1631(a)(2) (42 U.S.C.
23 1383(a)(2)) is amended—

24 (1) by redesignating subparagraphs (E) and (F)
25 as subparagraphs (F) and (G), respectively; and

1 (2) by inserting after subparagraph (D) the fol-
2 lowing new subparagraph:

3 “(E)(i) Not later than 3 months after the Commis-
4 sioner determines that an individual under the age of 18
5 is eligible for benefits under this title by reason of disability
6 (and periodically thereafter, as the Commissioner may re-
7 quire), the representative payee of such individual shall file
8 with the State agency that makes disability determinations
9 on behalf of the Commissioner of Social Security in the
10 State in which such individual resides, a copy of the treat-
11 ment plan required by clause (ii).

12 “(ii) The treatment plan required by this clause shall
13 be developed by the individual’s treating physician or other
14 medical provider, or if approved by the Commissioner, other
15 service provider, and shall describe the services that such
16 physician or provider determines is appropriate for the
17 treatment of such individual’s impairment or combination
18 of impairments. Such plan shall be in such form and con-
19 tain such information as the Commissioner may prescribe.

20 “(iii) The representative payee of any individual de-
21 scribed in clause (i) shall provide evidence of adherence to
22 the treatment plan described in clause (ii) at the time of
23 any redetermination of eligibility conducted pursuant to
24 section 1614(a)(3)(G)(ii), and at such other time as the
25 Commissioner may prescribe.

1 “(iv) The failure of a representative payee to comply
2 without good cause with the requirements of clause (i) or
3 (iii) shall constitute misuse of benefits to which subpara-
4 graph (A)(iii) (but not subparagraph (F)) shall apply. In
5 providing for an alternative representative payee as re-
6 quired by subparagraph (A)(iii), the Commissioner shall
7 give preference to the State agency that administers the
8 State plan approved under title XIX for the State in which
9 the individual described in clause (i) resides or any other
10 State agency designated by the State for such responsibility,
11 unless the Commissioner determines that selection of an-
12 other organization or person would be appropriate. Any
13 such State agency that serves as a representative payee shall
14 be a ‘qualified organization’ for purposes of subparagraph
15 (D) of this paragraph.

16 “(v) This subparagraph shall not apply to the rep-
17 resentative payee of any individual with respect to whom
18 the Commissioner determines such application would be in-
19 appropriate or unnecessary. In making such determina-
20 tions, the Commissioner shall take into consideration the
21 nature of the individual’s impairment (or combination of
22 impairments) and the availability of treatment for such im-
23 pairment (or impairments). Section 1631(c) shall not apply
24 to a finding by the Commissioner that the requirements of

1 *this subparagraph should not apply to an individual's rep-*
2 *resentative payee."*

3 *(b) ACCESS TO MEDICAID RECORDS.—*

4 *(1) REQUIREMENT TO FURNISH INFORMATION.—*
5 *Section 1902(a) (42 U.S.C. 1396a(a)), as amended by*
6 *section 103(b), is amended—*

7 *(A) by striking "and" at the end of para-*
8 *graph (62);*

9 *(B) by striking the period at the end of*
10 *paragraph (63) and inserting "; and"; and*

11 *(C) by adding after paragraph (63) the fol-*
12 *lowing new paragraph:*

13 *"(64) provide that the State agency that admin-*
14 *isters the plan described in this section shall make*
15 *available to the Commissioner of Social Security such*
16 *information as the Commissioner may request in con-*
17 *nection with the verification of information furnished*
18 *to the Commissioner by a representative payee pursu-*
19 *ant to section 1631(a)(2)(E)(iii)."*

20 *(2) REIMBURSEMENT OF STATE COSTS.—Section*
21 *1633 (42 U.S.C. 1383b) is amended by adding at the*
22 *end the following new subsection:*

23 *"(d) The Commissioner of Social Security shall reim-*
24 *burse a State for the costs of providing information pursu-*

1 ant to section 1902(a)(64) from funds available for carrying
2 out this title.”

3 (c) *REPORT TO THE CONGRESS.*—Not later than the
4 last day of the 36th month beginning after the date of the
5 enactment of this Act, the Inspector General of the Social
6 Security Administration shall report to the Committee on
7 Ways and Means of the House of Representatives and the
8 Committee on Finance of the Senate on the implementation
9 of this section.

10 (d) *EFFECTIVE DATE.*—This section shall take effect
11 on the 1st day of the 12th month that begins after the date
12 of the enactment of this Act.

13 ***Subtitle C—Study of Disability*** 14 ***Determination Process***

15 ***SEC. 321. STUDY OF DISABILITY DETERMINATION PROCESS.***

16 (a) *IN GENERAL.*—Not later than 180 days after the
17 date of the enactment of this Act, and from funds otherwise
18 appropriated, the Commissioner of Social Security shall
19 contract with the National Academy of Sciences, or other
20 independent entity, to conduct a comprehensive study of the
21 disability determination process under titles II and XVI of
22 the Social Security Act, including the validity, reliability,
23 equity, and consistency with current scientific knowledge
24 and standards of the Listing of Impairments set forth in

1 *appendix 1 of subpart P of part 404 of title 20, Code of*
2 *Federal Regulations.*

3 (b) *STUDY OF DEFINITIONS.*—*The study described in*
4 *subsection (a) shall also include an examination of the ap-*
5 *propriateness of the definitions of disability in titles II and*
6 *XVI of the Social Security Act and the advantages and dis-*
7 *advantages of alternative definitions.*

8 (c) *REPORTS.*—*The Commissioner of Social Security*
9 *shall, through the applicable entity, issue an interim report*
10 *and a final report of the findings and recommendations re-*
11 *sulting from the study described in this section to the Presi-*
12 *dent and the Congress not later than 12 months and 24*
13 *months, respectively, from the date of the contract for such*
14 *study.*

15 ***Subtitle D—National Commission***
16 ***on the Future of Disability***

17 ***SEC. 331. ESTABLISHMENT.***

18 *There is established a commission to be known as the*
19 *National Commission on the Future of Disability (referred*
20 *to in this subtitle as the “Commission”), the expenses of*
21 *which shall be paid from funds otherwise appropriated for*
22 *the Social Security Administration.*

23 ***SEC. 332. DUTIES OF THE COMMISSION.***

24 (a) *IN GENERAL.*—*The Commission shall develop and*
25 *carry out a comprehensive study of all matters related to*

1 *the nature, purpose, and adequacy of all Federal programs*
2 *servicing individuals with disabilities. In particular, the*
3 *Commission shall study the disability insurance program*
4 *under title II of the Social Security Act and the supple-*
5 *mental security income program under title XVI of such*
6 *Act.*

7 (b) *MATTERS STUDIED.*—*The Commission shall pre-*
8 *pare an inventory of Federal programs servicing individuals*
9 *with disabilities, and shall examine—*

10 (1) *trends and projections regarding the size and*
11 *characteristics of the population of individuals with*
12 *disabilities, and the implications of such analyses for*
13 *program planning;*

14 (2) *the feasibility and design of performance*
15 *standards for the Nation's disability programs;*

16 (3) *the adequacy of Federal efforts in rehabilita-*
17 *tion research and training, and opportunities to im-*
18 *prove the lives of individuals with disabilities through*
19 *all manners of scientific and engineering research;*
20 *and*

21 (4) *the adequacy of policy research available to*
22 *the Federal Government, and what actions might be*
23 *undertaken to improve the quality and scope of such*
24 *research.*

1 (c) *RECOMMENDATIONS.*—*The Commission shall sub-*
2 *mit to the appropriate committees of the Congress and to*
3 *the President recommendations and, as appropriate, pro-*
4 *posals for legislation, regarding—*

5 (1) *which (if any) Federal disability programs*
6 *should be eliminated or augmented;*

7 (2) *what new Federal disability programs (if*
8 *any) should be established;*

9 (3) *the suitability of the organization and loca-*
10 *tion of disability programs within the Federal Gov-*
11 *ernment;*

12 (4) *other actions the Federal Government should*
13 *take to prevent disabilities and disadvantages associ-*
14 *ated with disabilities; and*

15 (5) *such other matters as the Commission consid-*
16 *ers appropriate.*

17 **SEC. 333. MEMBERSHIP.**

18 (a) *NUMBER AND APPOINTMENT.*—

19 (1) *IN GENERAL.*—*The Commission shall be com-*
20 *posed of 15 members, of whom—*

21 (A) *five shall be appointed by the President,*
22 *of whom not more than 3 shall be of the same*
23 *major political party;*

24 (B) *three shall be appointed by the Majority*
25 *Leader of the Senate;*

1 (C) two shall be appointed by the Minority
2 Leader of the Senate;

3 (D) three shall be appointed by the Speaker
4 of the House of Representatives; and

5 (E) two shall be appointed by the Minority
6 Leader of the House of Representatives.

7 (2) REPRESENTATION.—The Commission mem-
8 bers shall be chosen based on their education, train-
9 ing, or experience. In appointing individuals as
10 members of the Commission, the President and the
11 Majority and Minority Leaders of the Senate and the
12 Speaker and Minority Leader of the House of Rep-
13 resentatives shall seek to ensure that the membership
14 of the Commission reflects the diversity of individuals
15 with disabilities in the United States.

16 (b) COMPTROLLER GENERAL.—The Comptroller Gen-
17 eral shall serve on the Commission as an *ex officio* member
18 of the Commission to advise and oversee the methodology
19 and approach of the study of the Commission.

20 (c) PROHIBITION AGAINST OFFICER OR EMPLOYEE.—
21 No officer or employee of any government shall be appointed
22 under subsection (a).

23 (d) DEADLINE FOR APPOINTMENT; TERM OF APPOINT-
24 MENT.—Members of the Commission shall be appointed not
25 later than 60 days after the date of the enactment of this

1 *Act. The members shall serve on the Commission for the*
2 *life of the Commission.*

3 (e) *MEETINGS.*—*The Commission shall locate its head-*
4 *quarters in the District of Columbia, and shall meet at the*
5 *call of the Chairperson, but not less than 4 times each year*
6 *during the life of the Commission.*

7 (f) *QUORUM.*—*Ten members of the Commission shall*
8 *constitute a quorum, but a lesser number may hold hear-*
9 *ings.*

10 (g) *CHAIRPERSON AND VICE CHAIRPERSON.*—*Not*
11 *later than 15 days after the members of the Commission*
12 *are appointed, such members shall designate a Chairperson*
13 *and Vice Chairperson from among the members of the Com-*
14 *mission.*

15 (h) *CONTINUATION OF MEMBERSHIP.*—*If a member of*
16 *the Commission becomes an officer or employee of any gov-*
17 *ernment after appointment to the Commission, the individ-*
18 *ual may continue as a member until a successor member*
19 *is appointed.*

20 (i) *VACANCIES.*—*A vacancy on the Commission shall*
21 *be filled in the manner in which the original appointment*
22 *was made not later than 30 days after the Commission is*
23 *given notice of the vacancy.*

1 (j) *COMPENSATION.*—Members of the Commission shall
2 receive no additional pay, allowances, or benefits by reason
3 of their service on the Commission.

4 (k) *TRAVEL EXPENSES.*—Each member of the Com-
5 mission shall receive travel expenses, including per diem in
6 lieu of subsistence, in accordance with sections 5702 and
7 5703 of title 5, United States Code.

8 **SEC. 334. STAFF AND SUPPORT SERVICES.**

9 (a) *DIRECTOR.*—

10 (1) *APPOINTMENT.*—Upon consultation with the
11 members of the Commission, the Chairperson shall
12 appoint a Director of the Commission.

13 (2) *COMPENSATION.*—The Director shall be paid
14 the rate of basic pay for level V of the Executive
15 Schedule.

16 (b) *STAFF.*—With the approval of the Commission, the
17 Director may appoint such personnel as the Director con-
18 siders appropriate.

19 (c) *APPLICABILITY OF CIVIL SERVICE LAWS.*—The
20 staff of the Commission shall be appointed without regard
21 to the provisions of title 5, United States Code, governing
22 appointments in the competitive service, and shall be paid
23 without regard to the provisions of chapter 51 and sub-
24 chapter III of chapter 53 of such title relating to classifica-
25 tion and General Schedule pay rates.

1 (d) *EXPERTS AND CONSULTANTS.*—With the approval
2 of the Commission, the Director may procure temporary
3 and intermittent services under section 3109(b) of title 5,
4 United States Code.

5 (e) *STAFF OF FEDERAL AGENCIES.*—Upon the request
6 of the Commission, the head of any Federal agency may
7 detail, on a reimbursable basis, any of the personnel of such
8 agency to the Commission to assist in carrying out the du-
9 ties of the Commission under this subtitle.

10 (f) *OTHER RESOURCES.*—The Commission shall have
11 reasonable access to materials, resources, statistical data,
12 and other information from the Library of Congress and
13 agencies and elected representatives of the executive and leg-
14 islative branches of the Federal Government. The Chair-
15 person of the Commission shall make requests for such ac-
16 cess in writing when necessary.

17 (g) *PHYSICAL FACILITIES.*—The Administrator of the
18 General Services Administration shall locate suitable office
19 space for the operation of the Commission. The facilities
20 shall serve as the headquarters of the Commission and shall
21 include all necessary equipment and incidentals required
22 for proper functioning of the Commission.

23 **SEC. 335. POWERS OF COMMISSION.**

24 (a) *HEARINGS.*—The Commission may conduct public
25 hearings or forums at the discretion of the Commission, at

1 *any time and place the Commission is able to secure facili-*
2 *ties and witnesses, for the purpose of carrying out the duties*
3 *of the Commission under this subtitle.*

4 (b) *DELEGATION OF AUTHORITY.*—Any member or
5 agent of the Commission may, if authorized by the Commis-
6 sion, take any action the Commission is authorized to take
7 by this section.

8 (c) *INFORMATION.*—The Commission may secure di-
9 rectly from any Federal agency information necessary to
10 enable the Commission to carry out its duties under this
11 subtitle. Upon request of the Chairperson or Vice Chair-
12 person of the Commission, the head of a Federal agency
13 shall furnish the information to the Commission to the ex-
14 tent permitted by law.

15 (d) *GIFTS, BEQUESTS, AND DEVISES.*—The Commis-
16 sion may accept, use, and dispose of gifts, bequests, or de-
17 vises of services or property, both real and personal, for the
18 purpose of aiding or facilitating the work of the Commis-
19 sion. Gifts, bequests, or devises of money and proceeds from
20 sales of other property received as gifts, bequests, or devises
21 shall be deposited in the Treasury and shall be available
22 for disbursement upon order of the Commission.

23 (e) *MAILS.*—The Commission may use the United
24 States mails in the same manner and under the same condi-
25 tions as other Federal agencies.

1 **SEC. 336. REPORTS.**

2 (a) *INTERIM REPORT.*—Not later than 1 year prior
3 to the date on which the Commission terminates pursuant
4 to section 337, the Commission shall submit an interim re-
5 port to the President and to the Congress. The interim re-
6 port shall contain a detailed statement of the findings and
7 conclusions of the Commission, together with the Commis-
8 sion's recommendations for legislative and administrative
9 action, based on the activities of the Commission.

10 (b) *FINAL REPORT.*—Not later than the date on which
11 the Commission terminates, the Commission shall submit
12 to the Congress and to the President a final report contain-
13 ing—

14 (1) a detailed statement of final findings, conclu-
15 sions, and recommendations; and

16 (2) an assessment of the extent to which rec-
17 ommendations of the Commission included in the in-
18 terim report under subsection (a) have been imple-
19 mented.

20 (c) *PRINTING AND PUBLIC DISTRIBUTION.*—Upon re-
21 ceipt of each report of the Commission under this section,
22 the President shall—

23 (1) order the report to be printed; and

24 (2) make the report available to the public upon
25 request.

1 **SEC. 337. TERMINATION.**

2 *The Commission shall terminate on the date that is*
3 *2 years after the date on which the members of the Commis-*
4 *sion have met and designated a Chairperson and Vice*
5 *Chairperson.*

6 **TITLE IV—CHILD SUPPORT**
7 **Subtitle A—Eligibility for Services;**
8 **Distribution of Payments**

9 **SEC. 401. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**
10 **ENFORCEMENT SERVICES.**

11 *(a) STATE PLAN REQUIREMENTS.—Section 454 (42*
12 *U.S.C. 654) is amended—*

13 *(1) by striking paragraph (4) and inserting the*
14 *following new paragraph:*

15 *“(4) provide that the State will—*

16 *“(A) provide services relating to the estab-*
17 *lishment of paternity or the establishment, modi-*
18 *fication, or enforcement of child support obliga-*
19 *tions, as appropriate, under the plan with re-*
20 *spect to—*

21 *“(i) each child for whom (I) cash as-*
22 *sistance is provided under the State pro-*
23 *gram funded under part A of this title, (II)*
24 *benefits or services are provided under the*
25 *State program funded under part B of this*
26 *title, or (III) medical assistance is provided*

1 *under the State plan approved under title*
2 *XIX, unless the State agency administering*
3 *the plan determines (in accordance with*
4 *paragraph (28)) that it is against the best*
5 *interests of the child to do so; and*

6 *“(ii) any other child, if an individual*
7 *applies for such services with respect to the*
8 *child; and*

9 *“(B) enforce any support obligation estab-*
10 *lished with respect to—*

11 *“(i) a child with respect to whom the*
12 *State provides services under the plan; or*

13 *“(ii) the custodial parent of such a*
14 *child.”; and*

15 *(2) in paragraph (6)—*

16 *(A) by striking “provide that” and insert-*
17 *ing “provide that—”;*

18 *(B) by striking subparagraph (A) and in-*
19 *serting the following new subparagraph:*

20 *“(A) services under the plan shall be made*
21 *available to nonresidents on the same terms as to*
22 *residents;”;*

23 *(C) in subparagraph (B), by inserting “on*
24 *individuals not receiving assistance under any*

1 *State program funded under part A” after “such*
2 *services shall be imposed”;*

3 *(D) in each of subparagraphs (B), (C), (D),*
4 *and (E)—*

5 *(i) by indenting the subparagraph in*
6 *the same manner as, and aligning the left*
7 *margin of the subparagraph with the left*
8 *margin of, the matter inserted by subpara-*
9 *graph (B) of this paragraph; and*

10 *(ii) by striking the final comma and*
11 *inserting a semicolon; and*

12 *(E) in subparagraph (E), by indenting each*
13 *of clauses (i) and (ii) 2 additional ems.*

14 *(b) CONFORMING AMENDMENTS.—*

15 *(1) Section 452(b) (42 U.S.C. 652(b)) is amend-*
16 *ed by striking “454(6)” and inserting “454(4)”.*

17 *(2) Section 452(g)(2)(A) (42 U.S.C.*
18 *652(g)(2)(A)) is amended by striking “454(6)” each*
19 *place it appears and inserting “454(4)(A)(ii)”.*

20 *(3) Section 466(a)(3)(B) (42 U.S.C.*
21 *666(a)(3)(B)) is amended by striking “in the case of*
22 *overdue support which a State has agreed to collect*
23 *under section 454(6)” and inserting “in any other*
24 *case”.*

1 (4) Section 466(e) (42 U.S.C. 666(e)) is amended
2 by striking “paragraph (4) or (6) of section 454” and
3 inserting “section 454(4)”.

4 **SEC. 402. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
5 **TIONS.**

6 (a) *IN GENERAL.*—Section 457 (42 U.S.C. 657) is
7 amended to read as follows:

8 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

9 “(a) *IN GENERAL.*—An amount collected on behalf of
10 a family as support by a State pursuant to a plan approved
11 under this part shall be distributed as follows:

12 “(1) *FAMILIES RECEIVING CASH ASSISTANCE.*—
13 In the case of a family receiving cash assistance from
14 the State, the State shall—

15 “(A) retain, or distribute to the family, the
16 State share of the amount so collected; and

17 “(B) pay to the Federal Government the
18 Federal share of the amount so collected.

19 “(2) *FAMILIES THAT FORMERLY RECEIVED CASH*
20 *ASSISTANCE.*—In the case of a family that formerly
21 received cash assistance from the State:

22 “(A) *CURRENT SUPPORT PAYMENTS.*—To
23 the extent that the amount so collected does not
24 exceed the amount required to be paid to the
25 family for the month in which collected, the

1 *State shall distribute the amount so collected to*
2 *the family.*

3 “(B) *PAYMENTS OF ARREARAGES.—To the*
4 *extent that the amount so collected exceeds the*
5 *amount required to be paid to the family for the*
6 *month in which collected, the State shall distrib-*
7 *ute the amount so collected as follows:*

8 “(i) *DISTRIBUTION TO THE FAMILY TO*
9 *SATISFY ARREARAGES THAT ACCRUED BE-*
10 *FORE OR AFTER THE FAMILY RECEIVED*
11 *CASH ASSISTANCE.—The State shall distrib-*
12 *ute the amount so collected to the family to*
13 *the extent necessary to satisfy any support*
14 *arrearages with respect to the family that*
15 *accrued before or after the family received*
16 *cash assistance from the State.*

17 “(ii) *REIMBURSEMENT OF GOVERN-*
18 *MENTS FOR ASSISTANCE PROVIDED TO THE*
19 *FAMILY.—To the extent that clause (i) does*
20 *not apply to the amount, the State shall re-*
21 *tain the State share of the amount so col-*
22 *lected, and pay to the Federal Government*
23 *the Federal share of the amount so collected,*
24 *to the extent necessary to reimburse*

1 *amounts paid to the family as cash assist-*
2 *ance from the State.*

3 “(iii) *DISTRIBUTION OF THE REMAIN-*
4 *DER TO THE FAMILY.—To the extent that*
5 *neither clause (i) nor clause (ii) applies to*
6 *the amount so collected, the State shall dis-*
7 *tribute the amount to the family.*

8 “(3) *FAMILIES THAT NEVER RECEIVED CASH AS-*
9 *SISTANCE.—In the case of any other family, the State*
10 *shall distribute the amount so collected to the family.*

11 “(b) *DEFINITIONS.—As used in subsection (a):*

12 “(1) *CASH ASSISTANCE.—The term ‘cash assist-*
13 *ance from the State’ means—*

14 “(A) *cash assistance under the State pro-*
15 *gram funded under part A or under the State*
16 *plan approved under part A of this title (as in*
17 *effect before October 1, 1995); or*

18 “(B) *cash benefits under the State program*
19 *funded under part B or under the State plan ap-*
20 *proved under part B or E of this title (as in ef-*
21 *fect before October 1, 1995).*

22 “(2) *FEDERAL SHARE.—The term ‘Federal share’*
23 *means, with respect to an amount collected by the*
24 *State to satisfy a support obligation owed to a family*
25 *for a time period—*

1 “(A) the greatest Federal medical assistance
2 percentage in effect for the State for fiscal year
3 1995 or any succeeding fiscal year; or

4 “(B) if support is not owed to the family
5 for any month for which the family received aid
6 to families with dependent children under the
7 State plan approved under part A of this title
8 (as in effect before October 1, 1995), the Federal
9 reimbursement percentage for the fiscal year in
10 which the time period occurs.

11 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
12 AGE.—The term ‘Federal medical assistance percent-
13 age’ means—

14 “(A) the Federal medical assistance percent-
15 age (as defined in section 1905(b)) in the case of
16 any State for which subparagraph (B) does not
17 apply; or

18 “(B) the Federal medical assistance percent-
19 age (as defined in section 1118), in the case of
20 Puerto Rico, the Virgin Islands, Guam, and
21 American Samoa.

22 “(4) FEDERAL REIMBURSEMENT PERCENTAGE.—
23 The term ‘Federal reimbursement percentage’ means,
24 with respect to a fiscal year—

1 “(A) the total amount paid to the State
2 under section 403 for the fiscal year; divided by

3 “(B) the total amount expended by the
4 State to carry out the State program under part
5 A during the fiscal year.

6 “(5) STATE SHARE.—The term ‘State share’
7 means 100 percent minus the Federal share.

8 “(c) CONTINUATION OF SERVICES FOR FAMILIES
9 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
10 PROGRAM FUNDED UNDER PART A.—When a family with
11 respect to which services are provided under a State plan
12 approved under this part ceases to receive assistance under
13 the State program funded under part A, the State shall pro-
14 vide appropriate notice to the family and continue to pro-
15 vide such services, subject to the same conditions and on
16 the same basis as in the case of individuals to whom services
17 are furnished under section 454, except that an application
18 or other request to continue services shall not be required
19 of such a family and section 454(6)(B) shall not apply to
20 the family.”.

21 (b) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C.
22 654) is amended—

23 (1) in paragraph (11)—

24 (A) by striking “(11)” and inserting

25 “(11)(A)”; and

1 (B) by inserting after the semicolon “and”;

2 and

3 (2) by redesignating paragraph (12) as subpara-
4 graph (B) of paragraph (11).

5 (c) *EFFECTIVE DATE.*—

6 (1) *GENERAL RULE.*—Except as provided in
7 paragraphs (2) and (3), the amendment made by sub-
8 section (a) shall become effective on October 1, 1999.

9 (2) *EARLIER EFFECTIVE DATE FOR RULES RE-*
10 *LATING TO DISTRIBUTION OF SUPPORT COLLECTED*
11 *FOR FAMILIES RECEIVING CASH ASSISTANCE.*—Sec-
12 tion 457(a)(1) of the Social Security Act, as added by
13 the amendment made by subsection (a), shall become
14 effective on October 1, 1995.

15 (3) *CLERICAL AMENDMENTS.*—The amendments
16 made by subsection (b) shall become effective on Octo-
17 ber 1, 1995.

18 **SEC. 403. RIGHTS TO NOTIFICATION AND HEARINGS.**

19 (a) *IN GENERAL.*—Section 454 (42 U.S.C. 654), as
20 amended by section 402(b), is amended by inserting after
21 paragraph (11) the following new paragraph:

22 “(12) establish procedures to provide that—

23 “(A) individuals who are applying for or
24 receiving services under this part, or are parties

1 to cases in which services are being provided
2 under this part—

3 “(i) receive notice of all proceedings in
4 which support obligations might be estab-
5 lished or modified; and

6 “(ii) receive a copy of any order estab-
7 lishing or modifying a child support obliga-
8 tion, or (in the case of a petition for modi-
9 fication) a notice of determination that
10 there should be no change in the amount of
11 the child support award, within 14 days
12 after issuance of such order or determina-
13 tion; and

14 “(B) individuals applying for or receiving
15 services under this part have access to a fair
16 hearing or other formal complaint procedure that
17 meets standards established by the Secretary and
18 ensures prompt consideration and resolution of
19 complaints (but the resort to such procedure shall
20 not stay the enforcement of any support order);”.

21 (b) *EFFECTIVE DATE.*—The amendment made by sub-
22 section (a) shall become effective on October 1, 1997.

23 **SEC. 404. PRIVACY SAFEGUARDS.**

24 (a) *STATE PLAN REQUIREMENT.*—Section 454 (42
25 U.S.C. 654) is amended—

1 (1) by striking “and” at the end of paragraph
2 (23);

3 (2) by striking the period at the end of para-
4 graph (24) and inserting “; and”; and

5 (3) by adding after paragraph (24) the following
6 new paragraph:

7 “(25) will have in effect safeguards, applicable to
8 all confidential information handled by the State
9 agency, that are designed to protect the privacy rights
10 of the parties, including—

11 “(A) safeguards against unauthorized use or
12 disclosure of information relating to proceedings
13 or actions to establish paternity, or to establish
14 or enforce support;

15 “(B) prohibitions against the release of in-
16 formation on the whereabouts of 1 party to an-
17 other party against whom a protective order
18 with respect to the former party has been en-
19 tered; and

20 “(C) prohibitions against the release of in-
21 formation on the whereabouts of 1 party to an-
22 other party if the State has reason to believe that
23 the release of the information may result in
24 physical or emotional harm to the former
25 party.”.

1 (b) *EFFECTIVE DATE.*—The amendment made by sub-
2 section (a) shall become effective on October 1, 1997.

3 ***Subtitle B—Locate and Case***
4 ***Tracking***

5 ***SEC. 411. STATE CASE REGISTRY.***

6 Section 454A, as added by section 445(a)(2) of this
7 Act, is amended by adding at the end the following new
8 subsections:

9 “(e) *STATE CASE REGISTRY.*—

10 “(1) *CONTENTS.*—The automated system re-
11 quired by this section shall include a registry (which
12 shall be known as the ‘State case registry’) that con-
13 tains records with respect to—

14 “(A) each case in which services are being
15 provided by the State agency under the State
16 plan approved under this part; and

17 “(B) each support order established or
18 modified in the State on or after October 1,
19 1998.

20 “(2) *LINKING OF LOCAL REGISTRIES.*—The State
21 case registry may be established by linking local case
22 registries of support orders through an automated in-
23 formation network, subject to this section.

24 “(3) *USE OF STANDARDIZED DATA ELEMENTS.*—
25 Such records shall use standardized data elements for

1 *both parents (such as names, social security numbers*
2 *and other uniform identification numbers, dates of*
3 *birth, and case identification numbers), and contain*
4 *such other information (such as on-case status) as the*
5 *Secretary may require.*

6 “(4) *PAYMENT RECORDS.*—*Each case record in*
7 *the State case registry with respect to which services*
8 *are being provided under the State plan approved*
9 *under this part and with respect to which a support*
10 *order has been established shall include a record of—*

11 “(A) *the amount of monthly (or other peri-*
12 *odic) support owed under the order, and other*
13 *amounts (including arrearages, interest or late*
14 *payment penalties, and fees) due or overdue*
15 *under the order;*

16 “(B) *any amount described in subpara-*
17 *graph (A) that has been collected;*

18 “(C) *the distribution of such collected*
19 *amounts;*

20 “(D) *the birth date of any child for whom*
21 *the order requires the provision of support; and*

22 “(E) *the amount of any lien imposed with*
23 *respect to the order pursuant to section*
24 *466(a)(4).*

1 “(5) *UPDATING AND MONITORING.*—*The State*
2 *agency operating the automated system required by*
3 *this section shall promptly establish and maintain,*
4 *and regularly monitor, case records in the State case*
5 *registry with respect to which services are being pro-*
6 *vided under the State plan approved under this part,*
7 *on the basis of—*

8 “(A) *information on administrative actions*
9 *and administrative and judicial proceedings and*
10 *orders relating to paternity and support;*

11 “(B) *information obtained from comparison*
12 *with Federal, State, or local sources of informa-*
13 *tion;*

14 “(C) *information on support collections and*
15 *distributions; and*

16 “(D) *any other relevant information.*

17 “(f) *INFORMATION COMPARISONS AND OTHER DISCLO-*
18 *SURES OF INFORMATION.*—*The State shall use the auto-*
19 *mated system required by this section to extract informa-*
20 *tion from (at such times, and in such standardized format*
21 *or formats, as may be required by the Secretary), to share*
22 *and compare information with, and to receive information*
23 *from, other data bases and information comparison serv-*
24 *ices, in order to obtain (or provide) information necessary*
25 *to enable the State agency (or the Secretary or other State*

1 *or Federal agencies) to carry out this part, subject to section*
2 *6103 of the Internal Revenue Code of 1986. Such informa-*
3 *tion comparison activities shall include the following:*

4 “(1) *FEDERAL CASE REGISTRY OF CHILD SUP-*
5 *PORT ORDERS.—Furnishing to the Federal Case Reg-*
6 *istry of Child Support Orders established under sec-*
7 *tion 453(h) (and update as necessary, with informa-*
8 *tion including notice of expiration of orders) the min-*
9 *imum amount of information on child support cases*
10 *recorded in the State case registry that is necessary*
11 *to operate the registry (as specified by the Secretary*
12 *in regulations).*

13 “(2) *FEDERAL PARENT LOCATOR SERVICE.—Ex-*
14 *changing information with the Federal Parent Loca-*
15 *tor Service for the purposes specified in section 453.*

16 “(3) *TEMPORARY FAMILY ASSISTANCE AND MED-*
17 *ICAID AGENCIES.—Exchanging information with*
18 *State agencies (of the State and of other States) ad-*
19 *ministering programs funded under part A, programs*
20 *operated under State plans under title XIX, and other*
21 *programs designated by the Secretary, as necessary to*
22 *perform State agency responsibilities under this part*
23 *and under such programs.*

24 “(4) *INTRASTATE AND INTERSTATE INFORMATION*
25 *COMPARISONS.—Exchanging information with other*

1 ing out the automated data processing re-
2 sponsibilities described in section 454A(g));
3 and

4 “(ii) take the actions described in sec-
5 tion 466(c)(1) in appropriate cases.”.

6 (b) *ESTABLISHMENT OF STATE DISBURSEMENT*
7 *UNIT.*—Part D of title IV (42 U.S.C. 651–669), as amended
8 by section 445(a)(2) of this Act, is amended by inserting
9 after section 454A the following new section:

10 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT**
11 **PAYMENTS.**

12 “(a) *STATE DISBURSEMENT UNIT.*—

13 “(1) *IN GENERAL.*—In order for a State to meet
14 the requirements of this section, the State agency
15 must establish and operate a unit (which shall be
16 known as the ‘State disbursement unit’) for the collec-
17 tion and disbursement of payments under support or-
18 ders in all cases being enforced by the State pursuant
19 to section 454(4).

20 “(2) *OPERATION.*—The State disbursement unit
21 shall be operated—

22 “(A) directly by the State agency (or 2 or
23 more State agencies under a regional cooperative
24 agreement), or (to the extent appropriate) by a

1 contractor responsible directly to the State agen-
2 cy; and

3 “(B) in coordination with the automated
4 system established by the State pursuant to sec-
5 tion 454A.

6 “(3) *LINKING OF LOCAL DISBURSEMENT*
7 *UNITS.—The State disbursement unit may be estab-*
8 *lished by linking local disbursement units through an*
9 *automated information network, subject to this sec-*
10 *tion. The Secretary must agree that the system will*
11 *not cost more nor take more time to establish or oper-*
12 *ate than a centralized system. In addition, employers*
13 *shall be given 1 location to which income withholding*
14 *is sent.*

15 “(b) *REQUIRED PROCEDURES.—The State disburse-*
16 *ment unit shall use automated procedures, electronic proc-*
17 *esses, and computer-driven technology to the maximum ex-*
18 *tent feasible, efficient, and economical, for the collection and*
19 *disbursement of support payments, including procedures—*

20 “(1) *for receipt of payments from parents, em-*
21 *ployers, and other States, and for disbursements to*
22 *custodial parents and other obligees, the State agency,*
23 *and the agencies of other States;*

24 “(2) *for accurate identification of payments;*

1 “(3) to ensure prompt disbursement of the custo-
2 dial parent’s share of any payment; and

3 “(4) to furnish to any parent, upon request,
4 timely information on the current status of support
5 payments under an order requiring payments to be
6 made by or to the parent.

7 “(c) *TIMING OF DISBURSEMENTS.*—

8 “(1) *IN GENERAL.*—Except as provided in para-
9 graph (2), the State disbursement unit shall distribute
10 all amounts payable under section 457(a) within 2
11 business days after receipt from the employer or other
12 source of periodic income, if sufficient information
13 identifying the payee is provided.

14 “(2) *PERMISSIVE RETENTION OF ARREARAGES.*—
15 The State disbursement unit may delay the distribu-
16 tion of collections toward arrearages until the resolu-
17 tion of any timely appeal with respect to such arrear-
18 ages.

19 “(d) *BUSINESS DAY DEFINED.*—As used in this sec-
20 tion, the term ‘business day’ means a day on which State
21 offices are open for regular business.”.

22 (c) *USE OF AUTOMATED SYSTEM.*—Section 454A, as
23 added by section 445(a)(2) of this Act and as amended by
24 section 411 of this Act, is amended by adding at the end
25 the following new subsection:

1 “(g) *COLLECTION AND DISTRIBUTION OF SUPPORT*
2 *PAYMENTS.*—

3 “(1) *IN GENERAL.*—*The State shall use the auto-*
4 *mated system required by this section, to the maxi-*
5 *mum extent feasible, to assist and facilitate the collec-*
6 *tion and disbursement of support payments through*
7 *the State disbursement unit operated under section*
8 *454B, through the performance of functions, includ-*
9 *ing, at a minimum—*

10 “(A) *transmission of orders and notices to*
11 *employers (and other debtors) for the withholding*
12 *of wages and other income—*

13 “(i) *within 2 business days after re-*
14 *ceipt from a court, another State, an em-*
15 *ployer, the Federal Parent Locator Service,*
16 *or another source recognized by the State of*
17 *notice of, and the income source subject to,*
18 *such withholding; and*

19 “(ii) *using uniform formats prescribed*
20 *by the Secretary;*

21 “(B) *ongoing monitoring to promptly iden-*
22 *tify failures to make timely payment of support;*
23 *and*

24 “(C) *automatic use of enforcement proce-*
25 *dures (including procedures authorized pursuant*

1 to section 466(c)) where payments are not timely
2 made.

3 “(2) *BUSINESS DAY DEFINED.*—As used in para-
4 graph (1), the term ‘business day’ means a day on
5 which State offices are open for regular business.”.

6 (d) *EFFECTIVE DATE.*—The amendments made by this
7 section shall become effective on October 1, 1998.

8 **SEC. 413. STATE DIRECTORY OF NEW HIRES.**

9 (a) *STATE PLAN REQUIREMENT.*—Section 454 (42
10 U.S.C. 654), as amended by sections 404(a) and 412(a) of
11 this Act, is amended—

12 (1) by striking “and” at the end of paragraph
13 (25);

14 (2) by striking the period at the end of para-
15 graph (26) and inserting “; and”; and

16 (3) by adding after paragraph (26) the following
17 new paragraph:

18 “(27) provide that, on and after October 1, 1997,
19 the State will operate a State Directory of New Hires
20 in accordance with section 453A.”.

21 (b) *STATE DIRECTORY OF NEW HIRES.*—Part D of
22 title IV (42 U.S.C. 651–669) is amended by inserting after
23 section 453 the following new section:

24 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

25 “(a) *ESTABLISHMENT.*—

1 “(1) *IN GENERAL.*—Not later than October 1,
2 1997, each State shall establish an automated direc-
3 tory (to be known as the ‘State Directory of New
4 Hires’) which shall contain information supplied in
5 accordance with subsection (b) by employers on each
6 newly hired employee.

7 “(2) *DEFINITIONS.*—As used in this section:

8 “(A) *EMPLOYEE.*—The term ‘employee’—

9 “(i) means an individual who is an
10 employee within the meaning of chapter 24
11 of the Internal Revenue Code of 1986; and

12 “(ii) does not include an employee of a
13 Federal or State agency performing intel-
14 ligence or counterintelligence functions, if
15 the head of such agency has determined that
16 reporting pursuant to paragraph (1) with
17 respect to the employee could endanger the
18 safety of the employee or compromise an on-
19 going investigation or intelligence mission.

20 “(B) *EMPLOYER.*—The term ‘employer’ in-
21 cludes—

22 “(i) any governmental entity, and

23 “(ii) any labor organization.

24 “(C) *LABOR ORGANIZATION.*—The term
25 ‘labor organization’ shall have the meaning given

1 *such term in section 2(5) of the National Labor*
2 *Relations Act, and includes any entity (also*
3 *known as a 'hiring hall') which is used by the*
4 *organization and an employer to carry out re-*
5 *quirements described in section 8(f)(3) of such*
6 *Act of an agreement between the organization*
7 *and the employer.*

8 “(b) *EMPLOYER INFORMATION.*—

9 “(1) *REPORTING REQUIREMENT.*—*Each em-*
10 *ployer shall furnish to the Directory of New Hires of*
11 *the State in which a newly hired employee works, a*
12 *report that contains the name, address, and social se-*
13 *curity number of the employee, and the name of, and*
14 *identifying number assigned under section 6109 of the*
15 *Internal Revenue Code of 1986 to, the employer.*

16 “(2) *TIMING OF REPORT.*—*The report required*
17 *by paragraph (1) with respect to an employee shall*
18 *be made not later than the later of—*

19 “(A) *15 days after the date the employer*
20 *hires the employee; or*

21 “(B) *in the case of an employer that reports*
22 *by magnetic or electronic means, the 1st business*
23 *day of the week following the date on which the*
24 *employee 1st receives wages or other compensa-*
25 *tion from the employer.*

1 “(c) *REPORTING FORMAT AND METHOD.*—Each report
2 required by subsection (b) shall be made on a W-4 form
3 or the equivalent, and may be transmitted by 1st class mail,
4 magnetically, or electronically.

5 “(d) *CIVIL MONEY PENALTIES ON NONCOMPLYING EM-*
6 *PLOYERS.*—

7 “(1) *IN GENERAL.*—An employer that fails to
8 comply with subsection (b) with respect to an em-
9 ployee shall be subject to a civil money penalty of—

10 “(A) \$25; or

11 “(B) \$500 if, under State law, the failure is
12 the result of a conspiracy between the employer
13 and the employee to not supply the required re-
14 port or to supply a false or incomplete report.

15 “(2) *APPLICABILITY OF SECTION 1128.*—Section
16 1128 (other than subsections (a) and (b) of such sec-
17 tion) shall apply to a civil money penalty under
18 paragraph (1) of this subsection in the same manner
19 as such section applies to a civil money penalty or
20 proceeding under section 1128A(a).

21 “(e) *ENTRY OF EMPLOYER INFORMATION.*—Informa-
22 tion shall be entered into the data base maintained by the
23 State Directory of New Hires within 5 business days of re-
24 ceipt from an employer pursuant to subsection (b).

25 “(f) *INFORMATION COMPARISONS.*—

1 “(1) *IN GENERAL.*—Not later than October 1,
2 1998, an agency designated by the State shall, di-
3 rectly or by contract, conduct automated comparisons
4 of the social security numbers reported by employers
5 pursuant to subsection (b) and the social security
6 numbers appearing in the records of the State case
7 registry for cases being enforced under the State plan.

8 “(2) *NOTICE OF MATCH.*—When an information
9 comparison conducted under paragraph (1) reveals a
10 match with respect to the social security number of an
11 individual required to provide support under a sup-
12 port order, the State Directory of New Hires shall
13 provide the agency administering the State plan ap-
14 proved under this part of the appropriate State with
15 the name, address, and social security number of the
16 employee to whom the social security number is as-
17 signed, and the name of, and identifying number as-
18 signed under section 6109 of the Internal Revenue
19 Code of 1986 to, the employer.

20 “(g) *TRANSMISSION OF INFORMATION.*—

21 “(1) *TRANSMISSION OF WAGE WITHHOLDING NO-*
22 *TICES TO EMPLOYERS.*—Within 2 business days after
23 the date information regarding a newly hired em-
24 ployee is entered into the State Directory of New
25 Hires, the State agency enforcing the employee’s child

1 *support obligation shall transmit a notice to the em-*
2 *ployer of the employee directing the employer to with-*
3 *hold from the wages of the employee an amount equal*
4 *to the monthly (or other periodic) child support obli-*
5 *gation of the employee, unless the employee's wages*
6 *are not subject to withholding pursuant to section*
7 *466(b)(3).*

8 *“(2) TRANSMISSIONS TO THE NATIONAL DIREC-*
9 *TORY OF NEW HIRES.—*

10 *“(A) NEW HIRE INFORMATION.—Within 2*
11 *business days after the date information regard-*
12 *ing a newly hired employee is entered into the*
13 *State Directory of New Hires, the State Direc-*
14 *tory of New Hires shall furnish the information*
15 *to the National Directory of New Hires.*

16 *“(B) WAGE AND UNEMPLOYMENT COM-*
17 *PENSATION INFORMATION.—The State Directory*
18 *of New Hires shall, on a quarterly basis, furnish*
19 *to the National Directory of New Hires extracts*
20 *of the reports required under section 303(a)(6) to*
21 *be made to the Secretary of Labor concerning the*
22 *wages and unemployment compensation paid to*
23 *individuals, by such dates, in such format, and*
24 *containing such information as the Secretary of*

1 *Health and Human Services shall specify in reg-*
2 *ulations.*

3 “(3) *BUSINESS DAY DEFINED.*—As used in this
4 *subsection, the term ‘business day’ means a day on*
5 *which State offices are open for regular business.*

6 “(h) *OTHER USES OF NEW HIRE INFORMATION.*—

7 “(1) *LOCATION OF CHILD SUPPORT OBLIGORS.*—
8 *The agency administering the State plan approved*
9 *under this part shall use information received pursu-*
10 *ant to subsection (f)(2) to locate individuals for pur-*
11 *poses of establishing paternity and establishing, modi-*
12 *fying, and enforcing child support obligations.*

13 “(2) *VERIFICATION OF ELIGIBILITY FOR CERTAIN*
14 *PROGRAMS.*—A State agency responsible for admin-
15 *istering a program specified in section 1137(b) shall*
16 *have access to information reported by employers pur-*
17 *suant to subsection (b) of this section for purposes of*
18 *verifying eligibility for the program.*

19 “(3) *ADMINISTRATION OF EMPLOYMENT SECU-*
20 *RITY AND WORKERS’ COMPENSATION.*—State agencies
21 *operating employment security and workers’ com-*
22 *ensation programs shall have access to information*
23 *reported by employers pursuant to subsection (b) for*
24 *the purposes of administering such programs.”.*

1 **SEC. 414. AMENDMENTS CONCERNING INCOME WITHHOLD-**
2 **ING.**

3 (a) *MANDATORY INCOME WITHHOLDING.*—

4 (1) *IN GENERAL.*—Section 466(a)(1) (42 U.S.C.
5 666(a)(1)) is amended to read as follows:

6 “(1)(A) Procedures described in subsection (b)
7 for the withholding from income of amounts payable
8 as support in cases subject to enforcement under the
9 State plan.

10 “(B) Procedures under which the wages of a per-
11 son with a support obligation imposed by a support
12 order issued (or modified) in the State before October
13 1, 1996, if not otherwise subject to withholding under
14 subsection (b), shall become subject to withholding as
15 provided in subsection (b) if arrearages occur, without
16 the need for a judicial or administrative hearing.”

17 (2) *CONFORMING AMENDMENTS.*—

18 (A) Section 466(a)(8)(B)(iii) (42 U.S.C.
19 666(a)(8)(B)(iii)) is amended—

20 (i) by striking “(5),”; and

21 (ii) by inserting “, and, at the option
22 of the State, the requirements of subsection
23 (b)(5)” before the period.

24 (B) Section 466(b) (42 U.S.C. 666(b)) is
25 amended in the matter preceding paragraph (1),

1 by striking “subsection (a)(1)” and inserting
2 “subsection (a)(1)(A)”.

3 (C) Section 466(b)(4) (42 U.S.C. 666(b)(4))
4 is amended to read as follows:

5 “(4)(A) Such withholding must be carried out in
6 full compliance with all procedural due process re-
7 quirements of the State, and the State must send no-
8 tice to each absent parent to whom paragraph (1) ap-
9 plies—

10 “(i) that the withholding has commenced;
11 and

12 “(ii) of the procedures to follow if the absent
13 parent desires to contest such withholding on the
14 grounds that the withholding or the amount
15 withheld is improper due to a mistake of fact.

16 “(B) The notice under subparagraph (A) shall
17 include the information provided to the employer
18 under paragraph (6)(A).”.

19 (D) Section 466(b)(5) (42 U.S.C. 666(b)(5))
20 is amended by striking all that follows “adminis-
21 tered by” and inserting “the State through the
22 State disbursement unit established pursuant to
23 section 454B, in accordance with the require-
24 ments of section 454B.”.

1 (E) Section 466(b)(6)(A) (42 U.S.C.
2 666(b)(6)(A)) is amended—

3 (i) in clause (i), by striking “to the ap-
4 propriate agency” and all that follows and
5 inserting “to the State disbursement unit
6 within 2 business days after the date the
7 amount would (but for this subsection) have
8 been paid or credited to the employee, for
9 distribution in accordance with this part.”;

10 (ii) in clause (ii), by inserting “be in
11 a standard format prescribed by the Sec-
12 retary, and” after “shall”; and

13 (iii) by adding at the end the following
14 new clause:

15 “(iii) As used in this subparagraph, the term
16 ‘business day’ means a day on which State offices are
17 open for regular business.”.

18 (F) Section 466(b)(6)(D) (42 U.S.C.
19 666(b)(6)(D)) is amended by striking “any em-
20 ployer” and all that follows and inserting “any
21 employer who—

22 “(i) discharges from employment, refuses to
23 employ, or takes disciplinary action against any
24 absent parent subject to wage withholding re-
25 quired by this subsection because of the existence

1 *of such withholding and the obligations or addi-*
2 *tional obligations which it imposes upon the em-*
3 *ployer; or*

4 *“(ii) fails to withhold support from wages,*
5 *or to pay such amounts to the State disburse-*
6 *ment unit in accordance with this subsection.”.*

7 *(G) Section 466(b) (42 U.S.C. 666(b)) is*
8 *amended by adding at the end the following new*
9 *paragraph:*

10 *“(11) Procedures under which the agency admin-*
11 *istering the State plan approved under this part may*
12 *execute a withholding order through electronic means*
13 *and without advance notice to the obligor.”.*

14 *(b) CONFORMING AMENDMENT.—Section 466(c) (42*
15 *U.S.C. 666(c)) is repealed.*

16 **SEC. 415. LOCATOR INFORMATION FROM INTERSTATE NET-**
17 **WORKS.**

18 *Section 466(a) (42 U.S.C. 666(a)) is amended by add-*
19 *ing at the end the following new paragraph:*

20 *“(12) Procedures to ensure that all Federal and*
21 *State agencies conducting activities under this part*
22 *have access to any system used by the State to locate*
23 *an individual for purposes relating to motor vehicles*
24 *or law enforcement.”.*

1 **SEC. 416. EXPANSION OF THE FEDERAL PARENT LOCATOR**
2 **SERVICE.**

3 (a) *EXPANDED AUTHORITY TO LOCATE INDIVIDUALS*
4 *AND ASSETS.*—Section 453 (42 U.S.C. 653) is amended—

5 (1) in subsection (a), by striking all that follows
6 “subsection (c)” and inserting “, for the purpose of
7 establishing parentage, establishing, setting the
8 amount of, modifying, or enforcing child support obli-
9 gations, or enforcing child visitation orders—

10 “(1) information on, or facilitating the discovery
11 of, the location of any individual—

12 “(A) who is under an obligation to pay
13 child support or provide child visitation rights;

14 “(B) against whom such an obligation is
15 sought;

16 “(C) to whom such an obligation is owed,
17 including the individual’s social security number (or
18 numbers), most recent address, and the name, address,
19 and employer identification number of the individ-
20 ual’s employer;

21 “(2) information on the individual’s wages (or
22 other income) from, and benefits of, employment (in-
23 cluding rights to or enrollment in group health care
24 coverage); and

1 “(3) information on the type, status, location,
2 and amount of any assets of, or debts owed by or to,
3 any such individual.”; and

4 (2) in subsection (b), in the matter preceding
5 paragraph (1), by striking “social security” and all
6 that follows through “absent parent” and inserting
7 “information described in subsection (a)”.

8 (b) AUTHORIZED PERSON FOR INFORMATION REGARD-
9 ING VISITATION RIGHTS.—Section 453(c) (42 U.S.C.
10 653(c)) is amended—

11 (1) in paragraph (1), by striking “support” and
12 inserting “support or to seek to enforce orders provid-
13 ing child visitation rights”;

14 (2) in paragraph (2), by striking “; or any agent
15 of such court; and” and inserting “or to issue an
16 order against a resident parent for visitation rights,
17 or any agent of such court;”;

18 (3) by striking the period at the end of para-
19 graph (3) and inserting “; and”; and

20 (4) by adding at the end the following new para-
21 graph:

22 “(4) the absent parent, only with regard to a
23 court order against a resident parent for child visita-
24 tion rights.”.

1 (c) *REIMBURSEMENT FOR INFORMATION FROM FED-*
2 *ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2))*
3 *is amended in the 4th sentence by inserting “in an amount*
4 *which the Secretary determines to be reasonable payment*
5 *for the information exchange (which amount shall not in-*
6 *clude payment for the costs of obtaining, compiling, or*
7 *maintaining the information)” before the period.*

8 (d) *REIMBURSEMENT FOR REPORTS BY STATE AGEN-*
9 *CIES.—Section 453 (42 U.S.C. 653) is amended by adding*
10 *at the end the following new subsection:*

11 “(g) *The Secretary may reimburse Federal and State*
12 *agencies for the costs incurred by such entities in furnishing*
13 *information requested by the Secretary under this section*
14 *in an amount which the Secretary determines to be reason-*
15 *able payment for the information exchange (which amount*
16 *shall not include payment for the costs of obtaining, compil-*
17 *ing, or maintaining the information).”.*

18 (e) *TECHNICAL AMENDMENTS.—*

19 (1) *Sections 452(a)(9), 453(a), 453(b), 463(a),*
20 *463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),*
21 *653(b), 663(a), 663(e), and 663(f)) are each amended*
22 *by inserting “Federal” before “Parent” each place*
23 *such term appears.*

24 (2) *Section 453 (42 U.S.C. 653) is amended in*
25 *the heading by adding “FEDERAL” before “PARENT”.*

1 (f) *NEW COMPONENTS.*—Section 453 (42 U.S.C. 653),
2 *as amended by subsection (d) of this section, is amended*
3 *by adding at the end the following new subsection:*

4 “(h)(1) *Not later than October 1, 1998, in order to as-*
5 *sist States in administering programs under State plans*
6 *approved under this part and programs funded under part*
7 *A, and for the other purposes specified in this section, the*
8 *Secretary shall establish and maintain in the Federal Par-*
9 *ent Locator Service an automated registry (which shall be*
10 *known as the ‘Federal Case Registry of Child Support Or-*
11 *ders’), which shall contain abstracts of support orders and*
12 *other information described in paragraph (2) with respect*
13 *to each case in each State case registry maintained pursu-*
14 *ant to section 454A(e), as furnished (and regularly up-*
15 *dated), pursuant to section 454A(f), by State agencies ad-*
16 *ministering programs under this part.*

17 “(2) *The information referred to in paragraph (1)*
18 *with respect to a case shall be such information as the Sec-*
19 *retary may specify in regulations (including the names, so-*
20 *cial security numbers or other uniform identification num-*
21 *bers, and State case identification numbers) to identify the*
22 *individuals who owe or are owed support (or with respect*
23 *to or on behalf of whom support obligations are sought to*
24 *be established), and the State or States which have the case.*

1 “(i)(1) In order to assist States in administering pro-
2 grams under State plans approved under this part and pro-
3 grams funded under part A, and for the other purposes spec-
4 ified in this section, the Secretary shall, not later than Octo-
5 ber 1, 1996, establish and maintain in the Federal Parent
6 Locator Service an automated directory to be known as the
7 National Directory of New Hires, which shall contain the
8 information supplied pursuant to section 453A(g)(2).

9 “(2) Information shall be entered into the data base
10 maintained by the National Directory of New Hires within
11 2 business days of receipt pursuant to section 453A(g)(2).

12 “(3) The Secretary of the Treasury shall have access
13 to the information in the National Directory of New Hires
14 for purposes of administering section 32 of the Internal
15 Revenue Code of 1986, or the advance payment of the
16 earned income tax credit under section 3507 of such Code,
17 and verifying a claim with respect to employment in a tax
18 return.

19 “(j)(1)(A) The Secretary shall transmit information
20 on individuals and employers maintained under this sec-
21 tion to the Social Security Administration to the extent nec-
22 essary for verification in accordance with subparagraph
23 (B).

24 “(B) The Social Security Administration shall verify
25 the accuracy of, correct, or supply to the extent possible,

1 *and report to the Secretary, the following information sup-*
2 *plied by the Secretary pursuant to subparagraph (A):*

3 “(i) *The name, social security number, and birth*
4 *date of each such individual.*

5 “(ii) *The employer identification number of each*
6 *such employer.*

7 “(2) *For the purpose of locating individuals in a pa-*
8 *ternity establishment case or a case involving the establish-*
9 *ment, modification, or enforcement of a support order, the*
10 *Secretary shall—*

11 “(A) *compare information in the National Di-*
12 *rectory of New Hires against information in the sup-*
13 *port case abstracts in the Federal Case Registry of*
14 *Child Support Orders not less often than every 2*
15 *business days; and*

16 “(B) *within 2 such days after such a comparison*
17 *reveals a match with respect to an individual, report*
18 *the information to the State agency responsible for the*
19 *case.*

20 “(3) *To the extent and with the frequency that the Sec-*
21 *retary determines to be effective in assisting States to carry*
22 *out their responsibilities under programs operated under*
23 *this part and programs funded under part A, the Secretary*
24 *shall—*

1 “(A) compare the information in each compo-
2 nent of the Federal Parent Locator Service main-
3 tained under this section against the information in
4 each other such component (other than the compari-
5 son required by paragraph (2)), and report instances
6 in which such a comparison reveals a match with re-
7 spect to an individual to State agencies operating
8 such programs; and

9 “(B) disclose information in such registries to
10 such State agencies.

11 “(4) The National Directory of New Hires shall pro-
12 vide the Commissioner of Social Security with all informa-
13 tion in the National Directory, which shall be used to deter-
14 mine the accuracy of payments under the supplemental se-
15 curity income program under title XVI and in connection
16 with benefits under title II.

17 “(5) The Secretary may provide access to information
18 reported by employers pursuant to section 453A(b) for re-
19 search purposes found by the Secretary to be likely to con-
20 tribute to achieving the purposes of part A or this part,
21 but without personal identifiers.

22 “(k)(1) The Secretary shall reimburse the Commis-
23 sioner of Social Security, at a rate negotiated between the
24 Secretary and the Commissioner, for the costs incurred by

1 *the Commissioner in performing the verification services de-*
2 *scribed in subsection (j).*

3 “(2) *The Secretary shall reimburse costs incurred by*
4 *State directories of new hires in furnishing information as*
5 *required by subsection (j)(3), at rates which the Secretary*
6 *determines to be reasonable (which rates shall not include*
7 *payment for the costs of obtaining, compiling, or maintain-*
8 *ing such information).*

9 “(3) *A State or Federal agency that receives informa-*
10 *tion from the Secretary pursuant to this section shall reim-*
11 *burse the Secretary for costs incurred by the Secretary in*
12 *furnishing the information, at rates which the Secretary de-*
13 *termines to be reasonable (which rates shall include pay-*
14 *ment for the costs of obtaining, verifying, maintaining, and*
15 *comparing the information).*

16 “(l) *Information in the Federal Parent Locator Serv-*
17 *ice, and information resulting from comparisons using such*
18 *information, shall not be used or disclosed except as ex-*
19 *pressly provided in this section, subject to section 6103 of*
20 *the Internal Revenue Code of 1986.*

21 “(m) *The Secretary shall establish and implement safe-*
22 *guards with respect to the entities established under this*
23 *section designed to—*

24 “(1) *ensure the accuracy and completeness of in-*
25 *formation in the Federal Parent Locator Service; and*

1 “(2) restrict access to confidential information in
2 the Federal Parent Locator Service to authorized per-
3 sons, and restrict use of such information to author-
4 ized purposes.”.

5 (f) QUARTERLY WAGE REPORTING.—Section
6 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

7 (1) by inserting “(including governmental enti-
8 ties)” after “employers”; and

9 (2) by inserting “, and except that no report
10 shall be filed with respect to an employee of a Federal
11 or State agency performing intelligence or counter-
12 intelligence functions, if the head of such agency has
13 determined that filing such a report could endanger
14 the safety of the employee or compromise an ongoing
15 investigation or intelligence mission” after “para-
16 graph (2)”.

17 (g) CONFORMING AMENDMENTS.—

18 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
19 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
20 654(8)(B)) is amended to read as follows:

21 “(B) the Federal Parent Locator Service es-
22 tablished under section 453;”.

23 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
24 Section 3304(a)(16) of the Internal Revenue Code of
25 1986 is amended—

1 (A) by striking “Secretary of Health, Edu-
2 cation, and Welfare” each place such term ap-
3 pears and inserting “Secretary of Health and
4 Human Services”;

5 (B) in subparagraph (B), by striking “such
6 information” and all that follows and inserting
7 “information furnished under subparagraph (A)
8 or (B) is used only for the purposes authorized
9 under such subparagraph;”;

10 (C) by striking “and” at the end of sub-
11 paragraph (A);

12 (D) by redesignating subparagraph (B) as
13 subparagraph (C); and

14 (E) by inserting after subparagraph (A) the
15 following new subparagraph:

16 “(B) wage and unemployment compensa-
17 tion information contained in the records of such
18 agency shall be furnished to the Secretary of
19 Health and Human Services (in accordance with
20 regulations promulgated by such Secretary) as
21 necessary for the purposes of the National Direc-
22 tory of New Hires established under section
23 453(i) of the Social Security Act, and”.

1 (3) *TO STATE GRANT PROGRAM UNDER TITLE III*
2 *OF THE SOCIAL SECURITY ACT.—Section 303(a) (42*
3 *U.S.C. 503(a)) is amended—*

4 (A) *by striking “and” at the end of para-*
5 *graph (8);*

6 (B) *by striking “and” at the end of para-*
7 *graph (9);*

8 (C) *by striking the period at the end of*
9 *paragraph (10) and inserting “; and”; and*

10 (D) *by adding after paragraph (10) the fol-*
11 *lowing new paragraph:*

12 “(11) *The making of quarterly electronic reports,*
13 *at such dates, in such format, and containing such*
14 *information, as required by the Secretary of Health*
15 *and Human Services under section 453(i)(3), and*
16 *compliance with such provisions as such Secretary*
17 *may find necessary to ensure the correctness and ver-*
18 *ification of such reports.”.*

19 **SEC. 417. COLLECTION AND USE OF SOCIAL SECURITY NUM-**
20 **BERS FOR USE IN CHILD SUPPORT ENFORCE-**
21 **MENT.**

22 (a) *STATE LAW REQUIREMENT.—Section 466(a) (42*
23 *U.S.C. 666(a)), as amended by section 415 of this Act, is*
24 *amended by adding at the end the following new paragraph:*

1 “(13) Procedures requiring that the social secu-
2 rity number of—

3 “(A) any applicant for a professional li-
4 cense, commercial driver’s license, occupational
5 license, or marriage license be recorded on the
6 application;

7 “(B) any individual who is subject to a di-
8 vorce decree, support order, or paternity deter-
9 mination or acknowledgment be placed in the
10 records relating to the matter; and

11 “(C) any individual who has died be placed
12 in the records relating to the death and be re-
13 corded on the death certificate.”.

14 (b) CONFORMING AMENDMENTS.—Section
15 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by sec-
16 tion 321(a)(9) of the Social Security Independence and
17 Program Improvements Act of 1994, is amended—

18 (1) in clause (i), by striking “may require” and
19 inserting “shall require”;

20 (2) in clause (ii), by inserting after the 1st sen-
21 tence the following: “In the administration of any
22 law involving the issuance of a marriage certificate or
23 license, each State shall require each party named in
24 the certificate or license to furnish to the State (or po-
25 litical subdivision thereof), or any State agency hav-

1 *ing administrative responsibility for the law involved,*
2 *the social security number of the party.”;*

3 *(3) in clause (vi), by striking “may” and insert-*
4 *ing “shall”; and*

5 *(4) by adding at the end the following new*
6 *clauses:*

7 *“(x) An agency of a State (or a politi-*
8 *cal subdivision thereof) charged with the ad-*
9 *ministration of any law concerning the is-*
10 *suance or renewal of a license, certificate,*
11 *permit, or other authorization to engage in*
12 *a profession, an occupation, or a commer-*
13 *cial activity shall require all applicants for*
14 *issuance or renewal of the license, certifi-*
15 *cate, permit, or other authorization to pro-*
16 *vide the applicant’s social security number*
17 *to the agency for the purpose of administer-*
18 *ing such laws, and for the purpose of re-*
19 *sponding to requests for information from*
20 *an agency operating pursuant to part D of*
21 *title IV.*

22 *“(xi) All divorce decrees, support or-*
23 *ders, and paternity determinations issued,*
24 *and all paternity acknowledgments made,*
25 *in each State shall include the social secu-*

1 *rity number of each party to the decree,*
2 *order, determination, or acknowledgement*
3 *in the records relating to the matter.”.*

4 ***Subtitle C—Streamlining and***
5 ***Uniformity of Procedures***

6 ***SEC. 421. ADOPTION OF UNIFORM STATE LAWS.***

7 *Section 466 (42 U.S.C. 666) is amended by adding*
8 *at the end the following new subsection:*

9 *“(f)(1) In order to satisfy section 454(20)(A) on or*
10 *after January 1, 1997, each State must have in effect the*
11 *Uniform Interstate Family Support Act, as approved by*
12 *the National Conference of Commissioners on Uniform*
13 *State Laws in August 1992 (with the modifications and*
14 *additions specified in this subsection), and the procedures*
15 *required to implement such Act.*

16 *“(2) The State law enacted pursuant to paragraph (1)*
17 *may be applied to any case involving an order which is*
18 *established or modified in a State and which is sought to*
19 *be modified or enforced in another State.*

20 *“(3) The State law enacted pursuant to paragraph (1)*
21 *of this subsection shall contain the following provision in*
22 *lieu of section 611(a)(1) of the Uniform Interstate Family*
23 *Support Act:*

24 *“(1) the following requirements are met:*

1 “(i) the child, the individual obligee, and
2 the obligor—

3 “(I) do not reside in the issuing State;
4 and

5 “(II) either reside in this State or are
6 subject to the jurisdiction of this State pur-
7 suant to section 201; and

8 “(ii) in any case where another State is
9 exercising or seeks to exercise jurisdiction to
10 modify the order, the conditions of section 204
11 are met to the same extent as required for pro-
12 ceedings to establish orders; or’.

13 “(4) The State law enacted pursuant to paragraph (1)
14 shall provide that, in any proceeding subject to the law,
15 process may be served (and proved) upon persons in the
16 State by any means acceptable in any State which is the
17 initiating or responding State in the proceeding.”.

18 **SEC. 422. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR**

19 **CHILD SUPPORT ORDERS.**

20 Section 1738B of title 28, United States Code, is
21 amended—

22 (1) in subsection (a)(2), by striking “subsection
23 (e)” and inserting “subsections (e), (f), and (i)”;

24 (2) in subsection (b), by inserting after the 2nd
25 undesignated paragraph the following:

1 “‘child’s home State’ means the State in which
2 a child lived with a parent or a person acting as par-
3 ent for at least 6 consecutive months immediately pre-
4 ceding the time of filing of a petition or comparable
5 pleading for support and, if a child is less than 6
6 months old, the State in which the child lived from
7 birth with any of them. A period of temporary ab-
8 sence of any of them is counted as part of the 6-month
9 period.”;

10 (3) in subsection (c), by inserting “by a court of
11 a State” before “is made”;

12 (4) in subsection (c)(1), by inserting “and sub-
13 sections (e), (f), and (g)” after “located”;

14 (5) in subsection (d)—

15 (A) by inserting “individual” before “con-
16 testant”; and

17 (B) by striking “subsection (e)” and insert-
18 ing “subsections (e) and (f)”;

19 (6) in subsection (e), by striking “make a modi-
20 fication of a child support order with respect to a
21 child that is made” and inserting “modify a child
22 support order issued”;

23 (7) in subsection (e)(1), by inserting “pursuant
24 to subsection (i)” before the semicolon;

25 (8) in subsection (e)(2)—

1 (A) by inserting “individual” before “con-
2 testant” each place such term appears; and

3 (B) by striking “to that court’s making the
4 modification and assuming” and inserting “with
5 the State of continuing, exclusive jurisdiction for
6 a court of another State to modify the order and
7 assume”;

8 (9) by redesignating subsections (f) and (g) as
9 subsection (g) and (h), respectively;

10 (10) by inserting after subsection (e) the follow-
11 ing new subsection:

12 “(f) *RECOGNITION OF CHILD SUPPORT ORDERS.*—If
13 1 or more child support orders have been issued in this or
14 another State with regard to an obligor and a child, a court
15 shall apply the following rules in determining which order
16 to recognize for purposes of continuing, exclusive jurisdic-
17 tion and enforcement:

18 “(1) If only 1 court has issued a child support
19 order, the order of that court must be recognized.

20 “(2) If 2 or more courts have issued child sup-
21 port orders for the same obligor and child, and only
22 1 of the courts would have continuing, exclusive juris-
23 diction under this section, the order of that court
24 must be recognized.

1 “(3) If 2 or more courts have issued child sup-
2 port orders for the same obligor and child, and more
3 than 1 of the courts would have continuing, exclusive
4 jurisdiction under this section, an order issued by a
5 court in the current home State of the child must be
6 recognized, but if an order has not been issued in the
7 current home State of the child, the order most re-
8 cently issued must be recognized.

9 “(4) If 2 or more courts have issued child sup-
10 port orders for the same obligor and child, and none
11 of the courts would have continuing, exclusive juris-
12 diction under this section, a court may issue a child
13 support order, which must be recognized.

14 “(5) The court that has issued an order recog-
15 nized under this subsection is the court having con-
16 tinuing, exclusive jurisdiction.”;

17 (11) in subsection (g) (as so redesignated)—

18 (A) by striking “PRIOR” and inserting
19 “MODIFIED”; and

20 (B) by striking “subsection (e)” and insert-
21 ing “subsections (e) and (f)”;

22 (12) in subsection (h) (as so redesignated)—

23 (A) in paragraph (2), by inserting “includ-
24 ing the duration of current payments and other
25 obligations of support” before the comma; and

1 (B) in paragraph (3), by inserting “arrear
2 under” after “enforce”; and

3 (13) by adding at the end the following new sub-
4 section:

5 “(i) *REGISTRATION FOR MODIFICATION.*—If there is
6 no individual contestant or child residing in the issuing
7 State, the party or support enforcement agency seeking to
8 modify, or to modify and enforce, a child support order is-
9 sued in another State shall register that order in a State
10 with jurisdiction over the nonmovant for the purpose of
11 modification.”.

12 **SEC. 423. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
13 **CASES.**

14 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-
15 tions 415 and 417(a) of this Act, is amended by adding
16 at the end the following new paragraph:

17 “(14) Procedures under which—

18 “(A)(i) the State shall respond within 5
19 business days to a request made by another State
20 to enforce a support order; and

21 “(ii) the term ‘business day’ means a day
22 on which State offices are open for regular busi-
23 ness;

24 “(B) the State may, by electronic or other
25 means, transmit to another State a request for

1 *assistance in a case involving the enforcement of*
2 *a support order, which request—*

3 “(i) *shall include such information as*
4 *will enable the State to which the request is*
5 *transmitted to compare the information*
6 *about the case to the information in the*
7 *data bases of the State; and*

8 “(ii) *shall constitute a certification by*
9 *the requesting State—*

10 “(I) *of the amount of support*
11 *under the order the payment of which*
12 *is in arrears; and*

13 “(II) *that the requesting State has*
14 *complied with all procedural due proc-*
15 *ess requirements applicable to the case;*

16 “(C) *if the State provides assistance to an-*
17 *other State pursuant to this paragraph with re-*
18 *spect to a case, neither State shall consider the*
19 *case to be transferred to the caseload of such*
20 *other State; and*

21 “(D) *the State shall maintain records of—*

22 “(i) *the number of such requests for as-*
23 *istance received by the State;*

1 “(ii) the number of cases for which the
2 State collected support in response to such
3 a request; and

4 “(iii) the amount of such collected sup-
5 port.”.

6 **SEC. 424. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

7 (a) *PROMULGATION.*—Section 452(a) (42 U.S.C.
8 652(a)) is amended—

9 (1) by striking “and” at the end of paragraph
10 (9);

11 (2) by striking the period at the end of para-
12 graph (10) and inserting “; and”; and

13 (3) by adding at the end the following new para-
14 graph:

15 “(11) not later than June 30, 1996, promulgate
16 forms to be used by States in interstate cases for—

17 “(A) collection of child support through in-
18 come withholding;

19 “(B) imposition of liens; and

20 “(C) administrative subpoenas.”.

21 (b) *USE BY STATES.*—Section 454(9) (42 U.S.C.
22 654(9)) is amended—

23 (1) by striking “and” at the end of subpara-
24 graph (C);

1 (2) by inserting “and” at the end of subpara-
2 graph (D); and

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

5 “(E) no later than October 1, 1996, in
6 using the forms promulgated pursuant to section
7 452(a)(11) for income withholding, imposition of
8 liens, and issuance of administrative subpoenas
9 in interstate child support cases;”.

10 **SEC. 425. STATE LAWS PROVIDING EXPEDITED PROCE-**
11 **DURES.**

12 (a) *STATE LAW REQUIREMENTS.*—Section 466 (42
13 *U.S.C. 666*), as amended by section 414 of this Act, is
14 amended—

15 (1) in subsection (a)(2), by striking the 1st sen-
16 tence and inserting the following: “Expedited admin-
17 istrative and judicial procedures (including the proce-
18 dures specified in subsection (c)) for establishing pa-
19 ternity and for establishing, modifying, and enforcing
20 support obligations.”; and

21 (2) by inserting after subsection (b) the following
22 new subsection:

23 “(c) The procedures specified in this subsection are the
24 following:

1 “(1) Procedures which give the State agency the
2 authority to take the following actions relating to es-
3 tablishment or enforcement of support orders, without
4 the necessity of obtaining an order from any other ju-
5 dicial or administrative tribunal, and to recognize
6 and enforce the authority of State agencies of other
7 States) to take the following actions:

8 “(A) To order genetic testing for the pur-
9 pose of paternity establishment as provided in
10 section 466(a)(5).

11 “(B) To enter a default order, upon a show-
12 ing of service of process and any additional
13 showing required by State law—

14 “(i) establishing paternity, in the case
15 of a putative father who refuses to submit to
16 genetic testing; and

17 “(ii) establishing or modifying a sup-
18 port obligation, in the case of a parent (or
19 other obligor or obligee) who fails to respond
20 to notice to appear at a proceeding for such
21 purpose.

22 “(C) To subpoena any financial or other in-
23 formation needed to establish, modify, or enforce
24 a support order, and to impose penalties for fail-
25 ure to respond to such a subpoena.

1 “(D) To require all entities in the State (in-
2 cluding for-profit, nonprofit, and governmental
3 employers) to provide promptly, in response to a
4 request by the State agency of that or any other
5 State administering a program under this part,
6 information on the employment, compensation,
7 and benefits of any individual employed by such
8 entity as an employee or contractor, and to sanc-
9 tion failure to respond to any such request.

10 “(E) To obtain access, subject to safeguards
11 on privacy and information security, to the fol-
12 lowing records (including automated access, in
13 the case of records maintained in automated
14 data bases):

15 “(i) Records of other State and local
16 government agencies, including—

17 “(I) vital statistics (including
18 records of marriage, birth, and di-
19 vorce);

20 “(II) State and local tax and rev-
21 enue records (including information on
22 residence address, employer, income
23 and assets);

24 “(III) records concerning real and
25 titled personal property;

1 “(IV) records of occupational and
2 professional licenses, and records con-
3 cerning the ownership and control of
4 corporations, partnerships, and other
5 business entities;

6 “(V) employment security records;

7 “(VI) records of agencies admin-
8 istering public assistance programs;

9 “(VII) records of the motor vehicle
10 department; and

11 “(VIII) corrections records.

12 “(ii) Certain records held by private
13 entities, including—

14 “(I) customer records of public
15 utilities and cable television compa-
16 nies; and

17 “(II) information (including in-
18 formation on assets and liabilities) on
19 individuals who owe or are owed sup-
20 port (or against or with respect to
21 whom a support obligation is sought)
22 held by financial institutions (subject
23 to limitations on liability of such enti-
24 ties arising from affording such ac-
25 cess).

1 “(F) In cases where support is subject to an
2 assignment in order to comply with a require-
3 ment imposed pursuant to part A or section
4 1912, or to a requirement to pay through the
5 State disbursement unit established pursuant to
6 section 454B, upon providing notice to obligor
7 and obligee, to direct the obligor or other payor
8 to change the payee to the appropriate govern-
9 ment entity.

10 “(G) To order income withholding in ac-
11 cordance with subsections (a)(1) and (b) of sec-
12 tion 466.

13 “(H) In cases in which there is a support
14 arrearage, to secure assets to satisfy the arrear-
15 age by—

16 “(i) intercepting or seizing periodic or
17 lump-sum payments from—

18 “(I) a State or local agency, in-
19 cluding unemployment compensation,
20 workers’ compensation, and other bene-
21 fits; and

22 “(II) judgments, settlements, and
23 lotteries;

24 “(ii) attaching and seizing assets of the
25 obligor held in financial institutions;

1 “(iii) attaching public and private re-
2 tirement funds; and

3 “(iv) imposing liens in accordance
4 with subsection (a)(4) and, in appropriate
5 cases, to force sale of property and distribu-
6 tion of proceeds.

7 “(I) For the purpose of securing overdue
8 support, to increase the amount of monthly sup-
9 port payments to include amounts for arrear-
10 ages, subject to such conditions or limitations as
11 the State may provide.

12 Such procedures shall be subject to due process safe-
13 guards, including (as appropriate) requirements for
14 notice, opportunity to contest the action, and oppor-
15 tunity for an appeal on the record to an independent
16 administrative or judicial tribunal.

17 “(2) The expedited procedures required under
18 subsection (a)(2) shall include the following rules and
19 authority, applicable with respect to all proceedings
20 to establish paternity or to establish, modify, or en-
21 force support orders:

22 “(A) Procedures under which—

23 “(i) each party to any paternity or
24 child support proceeding is required (subject
25 to privacy safeguards) to file with the tribu-

1 *nal and the State case registry upon entry*
2 *of an order, and to update as appropriate,*
3 *information on location and identity of the*
4 *party, including social security number,*
5 *residential and mailing addresses, telephone*
6 *number, driver's license number, and name,*
7 *address, and name and telephone number of*
8 *employer; and*

9 *“(ii) in any subsequent child support*
10 *enforcement action between the parties,*
11 *upon sufficient showing that diligent effort*
12 *has been made to ascertain the location of*
13 *such a party, the tribunal may deem State*
14 *due process requirements for notice and*
15 *service of process to be met with respect to*
16 *the party, upon delivery of written notice to*
17 *the most recent residential or employer ad-*
18 *dress filed with the tribunal pursuant to*
19 *clause (i).*

20 *“(B) Procedures under which—*

21 *“(i) the State agency and any admin-*
22 *istrative or judicial tribunal with authority*
23 *to hear child support and paternity cases*
24 *exerts statewide jurisdiction over the par-*
25 *ties; and*

1 “(ii) As of August 16, 1984, clause (i) shall also
2 apply to a child for whom paternity has not been es-
3 tablished or for whom a paternity action was brought
4 but dismissed because a statute of limitations of less
5 than 21 years was then in effect in the State.

6 “(B)(i) Procedures under which the State is re-
7 quired, in a contested paternity case, unless otherwise
8 barred by State law, to require the child and all other
9 parties (other than individuals found under section
10 454(28) to have good cause for refusing to cooperate)
11 to submit to genetic tests upon the request of any such
12 party if the request is supported by a sworn statement
13 by the party—

14 “(I) alleging paternity, and setting forth
15 facts establishing a reasonable possibility of the
16 requisite sexual contact between the parties; or

17 “(II) denying paternity, and setting forth
18 facts establishing a reasonable possibility of the
19 nonexistence of sexual contact between the par-
20 ties.

21 “(ii) Procedures which require the State agency
22 in any case in which the agency orders genetic test-
23 ing—

1 “(I) to pay costs of such tests, subject to
2 recoupment (where the State so elects) from the
3 alleged father if paternity is established; and

4 “(II) to obtain additional testing in any
5 case where an original test result is contested,
6 upon request and advance payment by the con-
7 testant.

8 “(C)(i) Procedures for a simple civil process for
9 voluntarily acknowledging paternity under which the
10 State must provide that, before a mother and a puta-
11 tive father can sign an acknowledgment of paternity,
12 the mother and the putative father must be given no-
13 tice, orally and in writing, of the alternatives to, the
14 legal consequences of, and the rights (including, if 1
15 parent is a minor, any rights afforded due to minor-
16 ity status) and responsibilities that arise from, sign-
17 ing the acknowledgment.

18 “(ii) Such procedures must include a hospital-
19 based program for the voluntary acknowledgment of
20 paternity focusing on the period immediately before
21 or after the birth of a child.

22 “(iii)(I) Such procedures must require the State
23 agency responsible for maintaining birth records to
24 offer voluntary paternity establishment services.

1 “(II)(aa) The Secretary shall prescribe regula-
2 tions governing voluntary paternity establishment
3 services offered by hospitals and birth record agencies.

4 “(bb) The Secretary shall prescribe regulations
5 specifying the types of other entities that may offer
6 voluntary paternity establishment services, and gov-
7 erning the provision of such services, which shall in-
8 clude a requirement that such an entity must use the
9 same notice provisions used by, use the same mate-
10 rials used by, provide the personnel providing such
11 services with the same training provided by, and
12 evaluate the provision of such services in the same
13 manner as the provision of such services is evaluated
14 by, voluntary paternity establishment programs of
15 hospitals and birth record agencies.

16 “(iv) Such procedures must require the State to
17 develop and use an affidavit for the voluntary ac-
18 knowledgment of paternity which includes the mini-
19 mum requirements of the affidavit developed by the
20 Secretary under section 452(a)(7) for the voluntary
21 acknowledgment of paternity, and to give full faith
22 and credit to such an affidavit signed in any other
23 State according to its procedures.

24 “(D)(i) Procedures under which the name of the
25 father shall be included on the record of birth of the

1 *child only if the father and mother have signed an ac-*
2 *knowledgment of paternity and under which a signed*
3 *acknowledgment of paternity is considered a legal*
4 *finding of paternity, subject to the right of any signa-*
5 *tory to rescind the acknowledgment within 60 days.*

6 *“(ii) Procedures under which, after the 60-day*
7 *period referred to in clause (i), a signed acknowledg-*
8 *ment of paternity may be challenged in court only on*
9 *the basis of fraud, duress, or material mistake of fact,*
10 *with the burden of proof upon the challenger, and*
11 *under which the legal responsibilities (including child*
12 *support obligations) of any signatory arising from the*
13 *acknowledgment may not be suspended during the*
14 *challenge, except for good cause shown.*

15 *“(E) Procedures under which judicial or admin-*
16 *istrative proceedings are not required or permitted to*
17 *ratify an unchallenged acknowledgment of paternity.*

18 *“(F) Procedures—*

19 *“(i) requiring the admission into evidence,*
20 *for purposes of establishing paternity, of the re-*
21 *sults of any genetic test that is—*

22 *“(I) of a type generally acknowledged*
23 *as reliable by accreditation bodies des-*
24 *ignated by the Secretary; and*

1 “(II) performed by a laboratory ap-
2 proved by such an accreditation body;

3 “(ii) requiring an objection to genetic test-
4 ing results to be made in writing not later than
5 a specified number of days before any hearing at
6 which the results may be introduced into evi-
7 dence (or, at State option, not later than a speci-
8 fied number of days after receipt of the results);
9 and

10 “(iii) making the test results admissible as
11 evidence of paternity without the need for foun-
12 dation testimony or other proof of authenticity
13 or accuracy, unless objection is made.

14 “(G) Procedures which create a rebuttable or, at
15 the option of the State, conclusive presumption of pa-
16 ternity upon genetic testing results indicating a
17 threshold probability that the alleged father is the fa-
18 ther of the child.

19 “(H) Procedures requiring a default order to be
20 entered in a paternity case upon a showing of service
21 of process on the defendant and any additional show-
22 ing required by State law.

23 “(I) Procedures providing that the parties to an
24 action to establish paternity are not entitled to a trial
25 by jury.

1 “(J) Procedures which require that a temporary
2 order be issued, upon motion by a party, requiring
3 the provision of child support pending an adminis-
4 trative or judicial determination of parentage, where
5 there is clear and convincing evidence of paternity
6 (on the basis of genetic tests or other evidence).

7 “(K) Procedures under which bills for preg-
8 nancy, childbirth, and genetic testing are admissible
9 as evidence without requiring third-party foundation
10 testimony, and shall constitute prima facie evidence
11 of amounts incurred for such services or for testing on
12 behalf of the child.

13 “(L) Procedures ensuring that the putative fa-
14 ther has a reasonable opportunity to initiate a pater-
15 nity action.

16 “(M) Procedures under which voluntary ac-
17 knowledgments and adjudications of paternity by ju-
18 dicial or administrative processes are filed with the
19 State registry of birth records for comparison with in-
20 formation in the State case registry.”.

21 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDA-
22 VIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended
23 by inserting “; and develop an affidavit to be used for the
24 voluntary acknowledgment of paternity which shall include

1 *the social security number of each parent” before the semi-*
2 *colon.*

3 (c) *TECHNICAL AMENDMENT.—Section 468 (42 U.S.C.*
4 *668) is amended by striking “a simple civil process for vol-*
5 *untarily acknowledging paternity and”.*

6 **SEC. 432. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
7 **LISHMENT.**

8 *Section 454(23) (42 U.S.C. 654(23)) is amended by*
9 *inserting “and will publicize the availability and encourage*
10 *the use of procedures for voluntary establishment of pater-*
11 *nity and child support by means the State deems appro-*
12 *priate” before the semicolon.*

13 **SEC. 433. COOPERATION BY APPLICANTS FOR AND RECIPI-**
14 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

15 *Section 454 (42 U.S.C. 654), as amended by sections*
16 *404(a), 412(a), and 413(a) of this Act, is amended—*

17 (1) *by striking “and” at the end of paragraph*
18 *(26);*

19 (2) *by striking the period at the end of para-*
20 *graph (27) and inserting “; and”; and*

21 (3) *by inserting after paragraph (27) the follow-*
22 *ing new paragraph:*

23 “(28) *provide that the State agency responsible*
24 *for administering the State plan—*

1 “(A) shall make the determination (and re-
2 determination at appropriate intervals) as to
3 whether an individual who has applied for or is
4 receiving assistance under the State program
5 funded under part A is cooperating in good faith
6 with the State in establishing the paternity of, or
7 in establishing, modifying, or enforcing a sup-
8 port order for, any child of the individual by
9 providing the State agency with the name of,
10 and such other information as the State agency
11 may require with respect to, the father of the
12 child, subject to such good cause and other excep-
13 tions as the State may establish and taking into
14 account the best interests of the child;

15 “(B) shall require the individual to supply
16 additional necessary information and appear at
17 interviews, hearings, and legal proceedings;

18 “(C) shall require the individual and the
19 child to submit to genetic tests pursuant to judi-
20 cial or administrative order; and

21 “(D) shall promptly notify the individual
22 and the State agency administering the State
23 program funded under part A of each such deter-
24 mination, and if noncooperation is determined,
25 the basis therefore.”.

1 **Subtitle E—Program**
2 **Administration and Funding**

3 **SEC. 441. FEDERAL MATCHING PAYMENTS.**

4 (a) *INCREASED BASE MATCHING RATE.*—Section
5 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as fol-
6 lows:

7 “(2) The percent specified in this paragraph for any
8 quarter is 66 percent.”.

9 (b) *MAINTENANCE OF EFFORT.*—Section 455 (42
10 U.S.C. 655) is amended—

11 (1) in subsection (a)(1), in the matter preceding
12 subparagraph (A), by striking “From” and inserting
13 “Subject to subsection (c), from”; and

14 (2) by inserting after subsection (b) the following
15 new subsection:

16 “(c) Notwithstanding subsection (a), the total expendi-
17 tures under the State plan approved under this part for
18 fiscal year 1997 and each succeeding fiscal year, reduced
19 by the percentage specified in paragraph (2) for the fiscal
20 year shall not be less than such total expenditures for fiscal
21 year 1996, reduced by 66 percent.”.

1 **SEC. 442. PERFORMANCE-BASED INCENTIVES AND PEN-**
2 **ALTIES.**

3 (a) *INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING*
4 *RATE.*—Section 458 (42 U.S.C. 658) is amended to read
5 as follows:

6 **“SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.**

7 “(a) *INCENTIVE ADJUSTMENTS.*—

8 “(1) *IN GENERAL.*—Beginning with fiscal year
9 1999, the Secretary shall increase the percent speci-
10 fied in section 455(a)(2) that applies to payments to
11 a State under section 455(a)(1)(A) for each quarter
12 in a fiscal year by a factor reflecting the sum of the
13 applicable incentive adjustments (if any) determined
14 in accordance with regulations under this section
15 with respect to the paternity establishment percentage
16 of the State for the immediately preceding fiscal year
17 and with respect to overall performance of the State
18 in child support enforcement during such preceding
19 fiscal year.

20 “(2) *STANDARDS.*—

21 “(A) *IN GENERAL.*—The Secretary shall
22 specify in regulations—

23 “(i) the levels of accomplishment, and
24 rates of improvement as alternatives to such
25 levels, which a State must attain to qualify

1 for an incentive adjustment under this sec-
2 tion; and

3 “(ii) the amounts of incentive adjust-
4 ment that shall be awarded to a State that
5 achieves specified accomplishment or im-
6 provement levels, which amounts shall be
7 graduated, ranging up to—

8 “(I) 12 percentage points, in con-
9 nection with paternity establishment;
10 and

11 “(II) 12 percentage points, in
12 connection with overall performance in
13 child support enforcement.

14 “(B) LIMITATION.—In setting performance
15 standards pursuant to subparagraph (A)(i) and
16 adjustment amounts pursuant to subparagraph
17 (A)(ii), the Secretary shall ensure that the aggre-
18 gate number of percentage point increases as in-
19 centive adjustments to all States do not exceed
20 such aggregate increases as assumed by the Sec-
21 retary in estimates of the cost of this section as
22 of June 1994, unless the aggregate performance
23 of all States exceeds the projected aggregate per-
24 formance of all States in such cost estimates.

1 “(3) *DETERMINATION OF INCENTIVE ADJUST-*
2 *MENT.*—The Secretary shall determine the amount (if
3 any) of the incentive adjustment due each State on
4 the basis of the data submitted by the State pursuant
5 to section 454(15)(B) concerning the levels of accom-
6 plishment (and rates of improvement) with respect to
7 performance indicators specified by the Secretary
8 pursuant to this section.

9 “(4) *RECYCLING OF INCENTIVE ADJUSTMENT.*—A
10 State to which funds are paid by the Federal Govern-
11 ment as a result of an incentive adjustment under
12 this section shall expend the funds in the State pro-
13 gram under this part within 2 years after the date
14 of the payment.

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

16 “(1) *PATERNITY ESTABLISHMENT PERCENT-*
17 *AGE.*—The term ‘paternity establishment percentage’
18 means, with respect to a State and a fiscal year—

19 “(A) the total number of children in the
20 State who were born out of wedlock, who have
21 not attained 1 year of age and for whom pater-
22 nity is established or acknowledged during the
23 fiscal year; divided by

24 “(B) the total number of children born out
25 of wedlock in the State during the fiscal year.

1 “(2) *OVERALL PERFORMANCE IN CHILD SUPPORT*
2 *ENFORCEMENT.*—The term ‘overall performance in
3 *child support enforcement*’ means a measure or meas-
4 *ures of the effectiveness of the State agency in a fiscal*
5 *year which takes into account factors including—*

6 “(A) *the percentage of cases requiring a*
7 *support order in which such an order was estab-*
8 *lished;*

9 “(B) *the percentage of cases in which child*
10 *support is being paid;*

11 “(C) *the ratio of child support collected to*
12 *child support due; and*

13 “(D) *the cost-effectiveness of the State pro-*
14 *gram, as determined in accordance with stand-*
15 *ards established by the Secretary in regulations*
16 *(after consultation with the States).*

17 “(3) *STATE DEFINED.*—The term ‘State’ does not
18 *include any area within the jurisdiction of an Indian*
19 *tribal government.”.*

20 (b) *CONFORMING AMENDMENTS.*—Section 454(22) (42
21 *U.S.C. 654(22)) is amended—*

22 (1) *by striking “incentive payments” the 1st*
23 *place such term appears and inserting “incentive ad-*
24 *justments”;* and

1 (2) by striking “any such incentive payments
2 made to the State for such period” and inserting
3 “any increases in Federal payments to the State re-
4 sulting from such incentive adjustments”.

5 (c) *CALCULATION OF IV-D PATERNITY ESTABLISH-*
6 *MENT PERCENTAGE.—*

7 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
8 amended—

9 (A) in the matter preceding subparagraph
10 (A) by inserting “its overall performance in
11 child support enforcement is satisfactory (as de-
12 fined in section 458(b) and regulations of the
13 Secretary), and” after “1994,”; and

14 (B) in each of subparagraphs (A) and (B),
15 by striking “75” and inserting “90”.

16 (2) Section 452(g)(2)(A) (42 U.S.C.
17 652(g)(2)(A)) is amended in the matter preceding
18 clause (i)—

19 (A) by striking “paternity establishment
20 percentage” and inserting “IV-D paternity es-
21 tablishment percentage”; and

22 (B) by striking “(or all States, as the case
23 may be)”.

24 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
25 amended—

1 (A) by striking subparagraph (A) and re-
2 designating subparagraphs (B) and (C) as sub-
3 paragraphs (A) and (B), respectively;

4 (B) in subparagraph (A) (as so redesign-
5 ated), by striking “the percentage of children
6 born out-of-wedlock in a State” and inserting
7 “the percentage of children in a State who are
8 born out of wedlock or for whom support has not
9 been established”; and

10 (C) in subparagraph (B) (as so redesign-
11 ated)—

12 (i) by inserting “and overall perform-
13 ance in child support enforcement” after
14 “paternity establishment percentages”; and

15 (ii) by inserting “and securing sup-
16 port” before the period.

17 (d) *EFFECTIVE DATES.*—

18 (1) *INCENTIVE ADJUSTMENTS.*—

19 (A) *IN GENERAL.*—The amendments made
20 by subsections (a) and (b) shall become effective
21 on October 1, 1997, except to the extent provided
22 in subparagraph (B).

23 (B) *EXCEPTION.*—Section 458 of the Social
24 Security Act, as in effect before the date of the
25 enactment of this section, shall be effective for

1 *purposes of incentive payments to States for fis-*
2 *cal years before fiscal year 1999.*

3 (2) *PENALTY REDUCTIONS.*—*The amendments*
4 *made by subsection (c) shall become effective with re-*
5 *spect to calendar quarters beginning on and after the*
6 *date of the enactment of this Act.*

7 **SEC. 443. FEDERAL AND STATE REVIEWS AND AUDITS.**

8 (a) *STATE AGENCY ACTIVITIES.*—*Section 454 (42*
9 *U.S.C. 654) is amended—*

10 (1) *in paragraph (14), by striking “(14)” and*
11 *inserting “(14)(A)”;*

12 (2) *by redesignating paragraph (15) as subpara-*
13 *graph (B) of paragraph (14); and*

14 (3) *by inserting after paragraph (14) the follow-*
15 *ing new paragraph:*

16 “*(15) provide for—*

17 “*(A) a process for annual reviews of and re-*
18 *ports to the Secretary on the State program op-*
19 *erated under the State plan approved under this*
20 *part, which shall include such information as*
21 *may be necessary to measure State compliance*
22 *with Federal requirements for expedited proce-*
23 *dures, using such standards and procedures as*
24 *are required by the Secretary, under which the*
25 *State agency will determine the extent to which*

1 *the program is operated in compliance with this*
2 *part; and*

3 “(B) a process of extracting from the auto-
4 mated data processing system required by para-
5 graph (16) and transmitting to the Secretary
6 data and calculations concerning the levels of ac-
7 complishment (and rates of improvement) with
8 respect to applicable performance indicators (in-
9 cluding IV-D paternity establishment percent-
10 ages and overall performance in child support
11 enforcement) to the extent necessary for purposes
12 of sections 452(g) and 458.”.

13 (b) *FEDERAL ACTIVITIES.*—Section 452(a)(4) (42
14 *U.S.C. 652(a)(4)) is amended to read as follows:*

15 “(4)(A) review data and calculations transmitted
16 by State agencies pursuant to section 454(15)(B) on
17 State program accomplishments with respect to per-
18 formance indicators for purposes of subsection (g) of
19 this section and section 458;

20 “(B) review annual reports submitted pursuant
21 to section 454(15)(A) and, as appropriate, provide to
22 the State comments, recommendations for additional
23 or alternative corrective actions, and technical assist-
24 ance; and

1 “(C) conduct audits, in accordance with the Gov-
2 ernment auditing standards of the Comptroller Gen-
3 eral of the United States—

4 “(i) at least once every 3 years (or more fre-
5 quently, in the case of a State which fails to
6 meet the requirements of this part, concerning
7 performance standards and reliability of pro-
8 gram data) to assess the completeness, reliability,
9 and security of the data, and the accuracy of the
10 reporting systems, used in calculating perform-
11 ance indicators under subsection (g) of this sec-
12 tion and section 458;

13 “(ii) of the adequacy of financial manage-
14 ment of the State program operated under the
15 State plan approved under this part, including
16 assessments of—

17 “(I) whether Federal and other funds
18 made available to carry out the State pro-
19 gram are being appropriately expended,
20 and are properly and fully accounted for;
21 and

22 “(II) whether collections and disburse-
23 ments of support payments are carried out
24 correctly and are fully accounted for; and

1 “(iii) for such other purposes as the Sec-
2 retary may find necessary;”.

3 (c) *EFFECTIVE DATE.*—The amendments made by this
4 section shall be effective with respect to calendar quarters
5 beginning 12 months or more after the date of the enactment
6 of this section.

7 **SEC. 444. REQUIRED REPORTING PROCEDURES.**

8 (a) *ESTABLISHMENT.*—Section 452(a)(5) (42 U.S.C.
9 652(a)(5)) is amended by inserting “; and establish proce-
10 dures to be followed by States for collecting and reporting
11 information required to be provided under this part, and
12 establish uniform definitions (including those necessary to
13 enable the measurement of State compliance with the re-
14 quirements of this part relating to expedited processes) to
15 be applied in following such procedures” before the semi-
16 colon.

17 (b) *STATE PLAN REQUIREMENT.*—Section 454 (42
18 U.S.C. 654), as amended by sections 404(a), 412(a), 413(a),
19 and 433 of this Act, is amended—

20 (1) by striking “and” at the end of paragraph
21 (27);

22 (2) by striking the period at the end of para-
23 graph (28) and inserting “; and”; and

24 (3) by adding after paragraph (28) the following
25 new paragraph:

1 “(29) provide that the State shall use the defini-
2 tions established under section 452(a)(5) in collecting
3 and reporting information as required under this
4 part.”.

5 **SEC. 445. AUTOMATED DATA PROCESSING REQUIREMENTS.**

6 (a) *REVISED REQUIREMENTS.*—

7 (1) *IN GENERAL.*—Section 454(16) (42 U.S.C.
8 654(16)) is amended—

9 (A) by striking “; at the option of the
10 State,”;

11 (B) by inserting “and operation by the
12 State agency” after “for the establishment”;

13 (C) by inserting “meeting the requirements
14 of section 454A” after “information retrieval sys-
15 tem”;

16 (D) by striking “in the State and localities
17 thereof, so as (A)” and inserting “so as”;

18 (E) by striking “(i)”; and

19 (F) by striking “(including” and all that
20 follows and inserting a semicolon.

21 (2) *AUTOMATED DATA PROCESSING.*—Part D of
22 title IV (42 U.S.C. 651–669) is amended by inserting
23 after section 454 the following new section:

1 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

2 “(a) *IN GENERAL.*—In order for a State to meet the
3 requirements of this section, the State agency administering
4 the State program under this part shall have in operation
5 a single statewide automated data processing and informa-
6 tion retrieval system which has the capability to perform
7 the tasks specified in this section with the frequency and
8 in the manner required by or under this part.

9 “(b) *PROGRAM MANAGEMENT.*—The automated system
10 required by this section shall perform such functions as the
11 Secretary may specify relating to management of the State
12 program under this part, including—

13 “(1) controlling and accounting for use of Fed-
14 eral, State, and local funds in carrying out the pro-
15 gram; and

16 “(2) maintaining the data necessary to meet
17 Federal reporting requirements under this part on a
18 timely basis.

19 “(c) *CALCULATION OF PERFORMANCE INDICATORS.*—
20 In order to enable the Secretary to determine the incentive
21 and penalty adjustments required by sections 452(g) and
22 458, the State agency shall—

23 “(1) use the automated system—

24 “(A) to maintain the requisite data on
25 State performance with respect to paternity es-

1 *tablishment and child support enforcement in the*
2 *State; and*

3 “(B) to calculate the IV-D paternity estab-
4 *lishment percentage and overall performance in*
5 *child support enforcement for the State for each*
6 *fiscal year; and*

7 “(2) have in place systems controls to ensure the
8 *completeness, and reliability of, and ready access to,*
9 *the data described in paragraph (1)(A), and the accu-*
10 *racy of the calculations described in paragraph*
11 *(1)(B).*

12 “(d) *INFORMATION INTEGRITY AND SECURITY.*—The
13 *State agency shall have in effect safeguards on the integrity,*
14 *accuracy, and completeness of, access to, and use of data*
15 *in the automated system required by this section, which*
16 *shall include the following (in addition to such other safe-*
17 *guards as the Secretary may specify in regulations):*

18 “(1) *POLICIES RESTRICTING ACCESS.*—Written
19 *policies concerning access to data by State agency*
20 *personnel, and sharing of data with other persons,*
21 *which—*

22 “(A) permit access to and use of data only
23 *to the extent necessary to carry out the State*
24 *program under this part; and*

1 “(B) specify the data which may be used for
2 particular program purposes, and the personnel
3 permitted access to such data.

4 “(2) *SYSTEMS CONTROLS.*—Systems controls
5 (such as passwords or blocking of fields) to ensure
6 strict adherence to the policies described in paragraph
7 (1).

8 “(3) *MONITORING OF ACCESS.*—Routine mon-
9 itoring of access to and use of the automated system,
10 through methods such as audit trails and feedback
11 mechanisms, to guard against and promptly identify
12 unauthorized access or use.

13 “(4) *TRAINING AND INFORMATION.*—Procedures
14 to ensure that all personnel (including State and local
15 agency staff and contractors) who may have access to
16 or be required to use confidential program data are
17 informed of applicable requirements and penalties
18 (including those in section 6103 of the Internal Reve-
19 nue Code of 1986), and are adequately trained in se-
20 curity procedures.

21 “(5) *PENALTIES.*—Administrative penalties (up
22 to and including dismissal from employment) for un-
23 authorized access to, or disclosure or use of, confiden-
24 tial data.”.

1 (3) *REGULATIONS.*—*The Secretary of Health and*
2 *Human Services shall prescribe final regulations for*
3 *implementation of section 454A of the Social Security*
4 *Act not later than 2 years after the date of the enact-*
5 *ment of this Act.*

6 (4) *IMPLEMENTATION TIMETABLE.*—*Section*
7 *454(24) (42 U.S.C. 654(24)), as amended by sections*
8 *404(a)(2) and 412(a)(1) of this Act, is amended to*
9 *read as follows:*

10 “(24) *provide that the State will have in effect*
11 *an automated data processing and information re-*
12 *trieval system—*

13 “(A) *by October 1, 1997, which meets all re-*
14 *quirements of this part which were enacted on or*
15 *before the date of enactment of the Family Sup-*
16 *port Act of 1988; and*

17 “(B) *by October 1, 1999, which meets all re-*
18 *quirements of this part enacted on or before the*
19 *date of the enactment of the Family Self-Suffi-*
20 *ciency Act of 1995, except that such deadline*
21 *shall be extended by 1 day for each day (if any)*
22 *by which the Secretary fails to meet the deadline*
23 *imposed by section 445(a)(3) of the Family Self-*
24 *Sufficiency Act of 1995.”.*

1 (b) *SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.*—

2
3 (1) *IN GENERAL.*—Section 455(a) (42 U.S.C. 655(a)) is amended—

4
5 (A) in paragraph (1)(B)—

6 (i) by striking “90 percent” and inserting “the percent specified in paragraph (3)”;

7
8 (ii) by striking “so much of”; and

9 (iii) by striking “which the Secretary” and all that follows and inserting “, and”;

10 and
11 (B) by adding at the end the following new paragraph:

12
13 “(3)(A) The Secretary shall pay to each State, for each
14 quarter in fiscal years 1996 and 1997, 90 percent of so
15 much of the State expenditures described in paragraph
16 (1)(B) as the Secretary finds are for a system meeting the
17 requirements specified in section 454(16), but limited to the
18 amount approved for States in the advance planning docu-
19 ments of such States submitted before May 1, 1995.

20
21 “(B)(i) The Secretary shall pay to each State, for each
22 quarter in fiscal years 1998 through 2001, the percentage
23 specified in clause (ii) of so much of the State expenditures
24 described in paragraph (1)(B) as the Secretary finds are
25

1 *for a system meeting the requirements of sections 454(16)*
2 *and 454A.*

3 *“(ii) The percentage specified in this clause is the*
4 *greater of—*

5 *“(I) 80 percent; or*

6 *“(II) the percentage otherwise applicable to Fed-*
7 *eral payments to the State under subparagraph (A)*
8 *(as adjusted pursuant to section 458).”.*

9 *(2) TEMPORARY LIMITATION ON PAYMENTS*
10 *UNDER SPECIAL FEDERAL MATCHING RATE.—*

11 *(A) IN GENERAL.—The Secretary of Health*
12 *and Human Services may not pay more than*
13 *\$260,000,000 in the aggregate under section*
14 *455(a)(3) of the Social Security Act for fiscal*
15 *years 1996, 1997, 1998, 1999, and 2000.*

16 *(B) ALLOCATION OF LIMITATION AMONG*
17 *STATES.—The total amount payable to a State*
18 *under section 455(a)(3) of such Act for fiscal*
19 *years 1996, 1997, 1998, 1999, and 2000 shall*
20 *not exceed the limitation determined for the*
21 *State by the Secretary of Health and Human*
22 *Services in regulations.*

23 *(C) ALLOCATION FORMULA.—The regula-*
24 *tions referred to in subparagraph (B) shall pre-*
25 *scribe a formula for allocating the amount speci-*

1 *fied in subparagraph (A) among States with*
2 *plans approved under part D of title IV of the*
3 *Social Security Act, which shall take into ac-*
4 *count—*

5 *(i) the relative size of State caseloads*
6 *under such part; and*

7 *(ii) the level of automation needed to*
8 *meet the automated data processing require-*
9 *ments of such part.*

10 *(c) CONFORMING AMENDMENT.—Section 123(c) of the*
11 *Family Support Act of 1988 (102 Stat. 2352; Public Law*
12 *100–485) is repealed.*

13 ***SEC. 446. TECHNICAL ASSISTANCE.***

14 *(a) FOR TRAINING OF FEDERAL AND STATE STAFF,*
15 *RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL*
16 *PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—*
17 *Section 452 (42 U.S.C. 652) is amended by adding at the*
18 *end the following new subsection:*

19 *“(j) Out of any money in the Treasury of the United*
20 *States not otherwise appropriated, there is hereby appro-*
21 *priated to the Secretary for each fiscal year an amount*
22 *equal to 1 percent of the total amount paid to the Federal*
23 *Government pursuant to section 457(a) during the imme-*
24 *diately preceding fiscal year (as determined on the basis*
25 *of the most recent reliable data available to the Secretary*

1 *as of the end of the 3rd calendar quarter following the end*
2 *of such preceding fiscal year), to cover costs incurred by*
3 *the Secretary for—*

4 “(1) *information dissemination and technical as-*
5 *istance to States, training of State and Federal staff,*
6 *staffing studies, and related activities needed to im-*
7 *prove programs under this part (including technical*
8 *assistance concerning State automated systems re-*
9 *quired by this part); and*

10 “(2) *research, demonstration, and special*
11 *projects of regional or national significance relating*
12 *to the operation of State programs under this part.”.*

13 **(b) OPERATION OF FEDERAL PARENT LOCATOR SERV-**
14 *ICE.—Section 453 (42 U.S.C. 653), as amended by section*
15 *416(f) of this Act, is amended by adding at the end the*
16 *following new subsection:*

17 “(n) *Out of any money in the Treasury of the United*
18 *States not otherwise appropriated, there is hereby appro-*
19 *priated to the Secretary for each fiscal year an amount*
20 *equal to 2 percent of the total amount paid to the Federal*
21 *Government pursuant to section 457(a) during the imme-*
22 *diately preceding fiscal year (as determined on the basis*
23 *of the most recent reliable data available to the Secretary*
24 *as of the end of the 3rd calendar quarter following the end*
25 *of such preceding fiscal year), to cover costs incurred by*

1 *the Secretary for operation of the Federal Parent Locator*
2 *Service under this section, to the extent such costs are not*
3 *recovered through user fees.”.*

4 **SEC. 447. REPORTS AND DATA COLLECTION BY THE SEC-**
5 **RETARY.**

6 (a) *ANNUAL REPORT TO CONGRESS.*—

7 (1) *Section 452(a)(10)(A) (42 U.S.C.*
8 *652(a)(10)(A)) is amended—*

9 (A) *by striking “this part;” and inserting*
10 *“this part, including—”; and*

11 (B) *by adding at the end the following new*
12 *clauses:*

13 “(i) *the total amount of child support*
14 *payments collected as a result of services*
15 *furnished during the fiscal year to individ-*
16 *uals receiving services under this part;*

17 “(ii) *the cost to the States and to the*
18 *Federal Government of so furnishing the*
19 *services; and*

20 “(iii) *the number of cases involving*
21 *families—*

22 “(I) *who became ineligible for as-*
23 *sistance under State programs funded*
24 *under part A during a month in the*
25 *fiscal year; and*

1 “(II) with respect to whom a child
2 support payment was received in the
3 month;”.

4 (2) Section 452(a)(10)(C) (42 U.S.C.
5 652(a)(10)(C)) is amended—

6 (A) in the matter preceding clause (i)—

7 (i) by striking “with the data required
8 under each clause being separately stated
9 for cases” and inserting “separately stated
10 for (1) cases”;

11 (ii) by striking “cases where the child
12 was formerly receiving” and inserting “or
13 formerly received”;

14 (iii) by inserting “or 1912” after
15 “471(a)(17)”; and

16 (iv) by inserting “(2)” before “all
17 other”;

18 (B) in each of clauses (i) and (ii), by strik-
19 ing “, and the total amount of such obligations”;

20 (C) in clause (iii), by striking “described
21 in” and all that follows and inserting “in which
22 support was collected during the fiscal year;”;

23 (D) by striking clause (iv); and

1 (E) by redesignating clause (v) as clause
2 (vii), and inserting after clause (iii) the follow-
3 ing new clauses:

4 “(iv) the total amount of support col-
5 lected during such fiscal year and distrib-
6 uted as current support;

7 “(v) the total amount of support col-
8 lected during such fiscal year and distrib-
9 uted as arrearages;

10 “(vi) the total amount of support due
11 and unpaid for all fiscal years; and”.

12 (3) Section 452(a)(10)(G) (42 U.S.C.
13 652(a)(10)(G)) is amended by striking “on the use of
14 Federal courts and”.

15 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is
16 amended—

17 (A) in subparagraph (H), by striking
18 “and”;

19 (B) in subparagraph (I), by striking the pe-
20 riod and inserting “; and”; and

21 (C) by inserting after subparagraph (I) the
22 following new subparagraph:

23 “(J) compliance, by State, with the stand-
24 ards established pursuant to subsections (h) and
25 (i).”.

1 (5) *Section 452(a)(10) (42 U.S.C. 652(a)(10)) is*
2 *amended by striking all that follows subparagraph*
3 *(J), as added by paragraph (4).*

4 (b) *EFFECTIVE DATE.*—*The amendments made by sub-*
5 *section (a) shall be effective with respect to fiscal year 1996*
6 *and succeeding fiscal years.*

7 ***Subtitle F—Establishment and***
8 ***Modification of Support Orders***

9 ***SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-***
10 ***SION.***

11 (a) *ESTABLISHMENT.*—*There is hereby established a*
12 *commission to be known as the National Child Support*
13 *Guidelines Commission (in this section referred to as the*
14 *“Commission”).*

15 (b) *GENERAL DUTIES.*—

16 (1) *IN GENERAL.*—*The Commission shall deter-*
17 *mine—*

18 (A) *whether it is appropriate to develop a*
19 *national child support guideline for consider-*
20 *ation by the Congress or for adoption by individ-*
21 *ual States; or*

22 (B) *based on a study of various guideline*
23 *models, the benefits and deficiencies of such mod-*
24 *els, and any needed improvements.*

1 (2) *DEVELOPMENT OF MODELS.*—If the Commis-
2 sion determines under paragraph (1)(A) that a na-
3 tional child support guideline is needed or under
4 paragraph (1)(B) that improvements to guideline
5 models are needed, the Commission shall develop such
6 national guideline or improvements.

7 (c) *MATTERS FOR CONSIDERATION BY THE COMMIS-*
8 *SION.*—In making the recommendations concerning guide-
9 lines required under subsection (b), the Commission shall
10 consider—

11 (1) *the adequacy of State child support guide-*
12 *lines established pursuant to section 467;*

13 (2) *matters generally applicable to all support*
14 *orders, including—*

15 (A) *the feasibility of adopting uniform*
16 *terms in all child support orders;*

17 (B) *how to define income and under what*
18 *circumstances income should be imputed; and*

19 (C) *tax treatment of child support pay-*
20 *ments;*

21 (3) *the appropriate treatment of cases in which*
22 *either or both parents have financial obligations to*
23 *more than 1 family, including the effect (if any) to*
24 *be given to—*

1 (A) *the income of either parent's spouse;*
2 *and*

3 (B) *the financial responsibilities of either*
4 *parent for other children or stepchildren;*

5 (4) *the appropriate treatment of expenses for*
6 *child care (including care of the children of either*
7 *parent, and work-related or job-training-related child*
8 *care);*

9 (5) *the appropriate treatment of expenses for*
10 *health care (including uninsured health care) and*
11 *other extraordinary expenses for children with special*
12 *needs;*

13 (6) *the appropriate duration of support by 1 or*
14 *both parents, including—*

15 (A) *support (including shared support) for*
16 *postsecondary or vocational education; and*

17 (B) *support for disabled adult children;*

18 (7) *procedures to automatically adjust child sup-*
19 *port orders periodically to address changed economic*
20 *circumstances, including changes in the Consumer*
21 *Price Index or either parent's income and expenses in*
22 *particular cases;*

23 (8) *procedures to help noncustodial parents ad-*
24 *dress grievances regarding visitation and custody or-*
25 *ders to prevent such parents from withholding child*

1 *support payments until such grievances are resolved;*
2 *and*

3 *(9) whether, or to what extent, support levels*
4 *should be adjusted in cases in which custody is shared*
5 *or in which the noncustodial parent has extended vis-*
6 *itation rights.*

7 *(d) MEMBERSHIP.—*

8 *(1) NUMBER; APPOINTMENT.—*

9 *(A) IN GENERAL.—The Commission shall be*
10 *composed of 12 individuals appointed jointly by*
11 *the Secretary of Health and Human Services*
12 *and the Congress, not later than January 15,*
13 *1997, of which—*

14 *(i) 2 shall be appointed by the Chair-*
15 *man of the Committee on Finance of the*
16 *Senate, and 1 shall be appointed by the*
17 *ranking minority member of the Committee;*

18 *(ii) 2 shall be appointed by the Chair-*
19 *man of the Committee on Ways and Means*
20 *of the House of Representatives, and 1 shall*
21 *be appointed by the ranking minority mem-*
22 *ber of the Committee; and*

23 *(iii) 6 shall be appointed by the Sec-*
24 *retary of Health and Human Services.*

1 (B) *QUALIFICATIONS OF MEMBERS.*—Mem-
2 bers of the Commission shall have expertise and
3 experience in the evaluation and development of
4 child support guidelines. At least 1 member shall
5 represent advocacy groups for custodial parents,
6 at least 1 member shall represent advocacy
7 groups for noncustodial parents, and at least 1
8 member shall be the director of a State program
9 under part D of title IV of the Social Security
10 Act.

11 (2) *TERMS OF OFFICE.*—Each member shall be
12 appointed for a term of 2 years. A vacancy in the
13 Commission shall be filled in the manner in which
14 the original appointment was made.

15 (e) *COMMISSION POWERS, COMPENSATION, ACCESS TO*
16 *INFORMATION, AND SUPERVISION.*—The 1st sentence of sub-
17 paragraph (C), the 1st and 3rd sentences of subparagraph
18 (D), subparagraph (F) (except with respect to the conduct
19 of medical studies), clauses (ii) and (iii) of subparagraph
20 (G), and subparagraph (H) of section 1886(e)(6) of the So-
21 cial Security Act shall apply to the Commission in the same
22 manner in which such provisions apply to the Prospective
23 Payment Assessment Commission.

24 (f) *REPORT.*—Not later than 2 years after the appoint-
25 ment of members, the Commission shall submit to the Presi-

1 *dent, the Committee on Ways and Means of the House of*
2 *Representatives, and the Committee on Finance of the Sen-*
3 *ate, a recommended national child support guideline and*
4 *a final assessment of issues relating to such a proposed na-*
5 *tional child support guideline.*

6 (g) *TERMINATION.—The Commission shall terminate*
7 *6 months after the submission of the report described in sub-*
8 *section (e).*

9 **SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
10 **MENT OF CHILD SUPPORT ORDERS.**

11 *Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended*
12 *to read as follows:*

13 *“(10) Procedures under which the State shall re-*
14 *view and adjust each support order being enforced*
15 *under this part upon the request of either parent or*
16 *the State if there is an assignment. Such procedures*
17 *shall provide the following:*

18 *“(A) The State shall review and, as appro-*
19 *priate, adjust the support order every 3 years,*
20 *taking into account the best interests of the child*
21 *involved.*

22 *“(B)(i) The State may elect to review and,*
23 *if appropriate, adjust an order pursuant to sub-*
24 *paragraph (A) by—*

1 “(I) reviewing and, if appropriate, ad-
2 justing the order in accordance with the
3 guidelines established pursuant to section
4 467(a) if the amount of the child support
5 award under the order differs from the
6 amount that would be awarded in accord-
7 ance with the guidelines; or

8 “(II) applying a cost-of-living adjust-
9 ment to the order in accordance with a for-
10 mula developed by the State and permit ei-
11 ther party to contest the adjustment, within
12 30 days after the date of the notice of the
13 adjustment, by making a request for review
14 and, if appropriate, adjustment of the order
15 in accordance with the child support guide-
16 lines established pursuant to section 467(a).

17 “(ii) Any adjustment under clause (i) shall
18 be made without a requirement for proof or
19 showing of a change in circumstances.

20 “(C) The State may use automated methods
21 (including automated comparisons with wage or
22 State income tax data) to identify orders eligible
23 for review, conduct the review, identify orders el-
24 igible for adjustment, apply the appropriate ad-

1 *justment to the orders eligible for adjustment*
2 *under the threshold established by the State.*

3 “(D) *The State shall, at the request of either*
4 *parent subject to such an order or of any State*
5 *child support enforcement agency, review and, if*
6 *appropriate, adjust the order in accordance with*
7 *the guidelines established pursuant to section*
8 *467(a) based upon a substantial change in the*
9 *circumstances of either parent.*

10 “(E) *The State shall provide notice to the*
11 *parents subject to such an order informing them*
12 *of their right to request the State to review and,*
13 *if appropriate, adjust the order pursuant to sub-*
14 *paragraph (D). The notice may be included in*
15 *the order.”.*

16 **SEC. 453. FURNISHING CONSUMER REPORTS FOR CERTAIN**
17 **PURPOSES RELATING TO CHILD SUPPORT.**

18 *Section 604 of the Fair Credit Reporting Act (15*
19 *U.S.C. 1681b) is amended by adding at the end the follow-*
20 *ing new paragraphs:*

21 “(4) *In response to a request by the head of a*
22 *State or local child support enforcement agency (or a*
23 *State or local government official authorized by the*
24 *head of such an agency), if the person making the re-*

1 *quest certifies to the consumer reporting agency*
2 *that—*

3 *“(A) the consumer report is needed for the*
4 *purpose of establishing an individual’s capacity*
5 *to make child support payments or determining*
6 *the appropriate level of such payments;*

7 *“(B) the paternity of the consumer for the*
8 *child to which the obligation relates has been es-*
9 *tablished or acknowledged by the consumer in ac-*
10 *cordance with State laws under which the obliga-*
11 *tion arises (if required by those laws);*

12 *“(C) the person has provided at least 10*
13 *days’ prior notice to the consumer whose report*
14 *is requested, by certified or registered mail to the*
15 *last known address of the consumer, that the re-*
16 *port will be requested, and*

17 *“(D) the consumer report will be kept con-*
18 *fidential, will be used solely for a purpose de-*
19 *scribed in subparagraph (A), and will not be*
20 *used in connection with any other civil, admin-*
21 *istrative, or criminal proceeding, or for any*
22 *other purpose.*

23 *“(5) To an agency administering a State plan*
24 *under section 454 of the Social Security Act (42*

1 *negligence, discloses a financial record of an individ-*
2 *ual in violation of subsection (b), such individual*
3 *may bring a civil action for damages against such*
4 *person in a district court of the United States.*

5 (2) *NO LIABILITY FOR GOOD FAITH BUT ERRO-*
6 *NEOUS INTERPRETATION.—No liability shall arise*
7 *under this subsection with respect to any disclosure*
8 *which results from a good faith, but erroneous, inter-*
9 *pretation of subsection (b).*

10 (3) *DAMAGES.—In any action brought under*
11 *paragraph (1), upon a finding of liability on the part*
12 *of the defendant, the defendant shall be liable to the*
13 *plaintiff in an amount equal to the sum of—*

14 (A) *the greater of—*

15 (i) *\$1,000 for each act of unauthorized*
16 *disclosure of a financial record with respect*
17 *to which such defendant is found liable; or*

18 (ii) *the sum of—*

19 (I) *the actual damages sustained*
20 *by the plaintiff as a result of such un-*
21 *authorized disclosure; plus*

22 (II) *in the case of a willful disclo-*
23 *sure or a disclosure which is the result*
24 *of gross negligence, punitive damages;*
25 *plus*

1 (B) the costs (including attorney's fees) of
2 the action.

3 (d) *DEFINITIONS.*—For purposes of this section:

4 (1) The term “depository institution” means—

5 (A) a depository institution, as defined in
6 section 3(c) of the Federal Deposit Insurance Act
7 (12 U.S.C. 1813(c));

8 (B) an institution-affiliated party, as de-
9 fined in section 3(u) of such Act (12 U.S.C.
10 1813(v)); and

11 (C) any Federal credit union or State credit
12 union, as defined in section 101 of the Federal
13 Credit Union Act (12 U.S.C. 1752), including
14 an institution-affiliated party of such a credit
15 union, as defined in section 206(r) of such Act
16 (12 U.S.C. 1786(r)).

17 (2) The term “financial record” has the meaning
18 given such term in section 1101 of the Right to Fi-
19 nancial Privacy Act of 1978 (12 U.S.C. 3401).

20 (3) The term “State child support enforcement
21 agency” means a State agency which administers a
22 State program for establishing and enforcing child
23 support obligations.

1 **Subtitle G—Enforcement of Support**
2 **Orders**

3 **SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.**

4 (a) *CHANGED ORDER OF REFUND DISTRIBUTION*
5 *UNDER INTERNAL REVENUE CODE.—*

6 (1) *IN GENERAL.—*Subsection (c) of section 6402
7 *of the Internal Revenue Code of 1986 (relating to au-*
8 *thority to make credits or refunds) is amended by*
9 *striking the 3rd and 4th sentences and inserting the*
10 *following new sentences: “A reduction under this sub-*
11 *section shall be applied 1st to satisfy past-due sup-*
12 *port, before any other reductions allowed by law (in-*
13 *cluding a credit against future liability for an inter-*
14 *nal revenue tax) have been made. A reduction under*
15 *this subsection shall be assigned to the State with re-*
16 *spect to past-due support owed to individuals for pe-*
17 *riods such individuals were receiving assistance under*
18 *part A or B of title IV of the Social Security Act only*
19 *after satisfying all other past-due support.”.*

20 (2) *CONFORMING AMENDMENT.—*Paragraph (2)
21 *of section 6402(d) of such Code is amended by strik-*
22 *ing “with respect to past-due support collected pursu-*
23 *ant to an assignment under section 402(a)(26) of the*
24 *Social Security Act”.*

1 (b) *ELIMINATION OF DISPARITIES IN TREATMENT OF*
2 *ASSIGNED AND NONASSIGNED ARREARAGES.*—

3 (1) *Section 464(a) (42 U.S.C. 664(a)) is amend-*
4 *ed—*

5 (A) *by striking “(a)” and inserting “(a)*
6 *OFFSET AUTHORIZED.—”;*

7 (B) *in paragraph (1)—*

8 (i) *in the 1st sentence, by striking*
9 *“which has been assigned to such State pur-*
10 *suant to section 402(a)(26) or section*
11 *471(a)(17)”;* and

12 (ii) *in the 2nd sentence, by striking*
13 *“in accordance with section 457(b)(4) or*
14 *(d)(3)” and inserting “as provided in para-*
15 *graph (2)”;*

16 (C) *by striking paragraph (2) and inserting*
17 *the following new paragraph:*

18 “(2) *The State agency shall distribute amounts paid*
19 *by the Secretary of the Treasury pursuant to paragraph*
20 *(1)—*

21 (A) *in accordance with section 457(a), in the*
22 *case of past-due support assigned to a State; and*

23 (B) *to or on behalf of the child to whom the*
24 *support was owed, in the case of past-due support not*
25 *so assigned.”;* and

1 (D) in paragraph (3)—

2 (i) by striking “or (2)” each place such
3 term appears; and

4 (ii) in subparagraph (B), by striking
5 “under paragraph (2)” and inserting “on
6 account of past-due support described in
7 paragraph (2)(B)”.

8 (2) Section 464(b) (42 U.S.C. 664(b)) is amend-
9 ed—

10 (A) by striking “(b)(1)” and inserting the
11 following:

12 “(b) REGULATIONS.—”; and

13 (B) by striking paragraph (2).

14 (3) Section 464(c) (42 U.S.C. 664(c)) is amend-
15 ed—

16 (A) by striking “(c)(1) Except as provided
17 in paragraph (2), as” and inserting the follow-
18 ing:

19 “(c) DEFINITION.—As”; and

20 (B) by striking paragraphs (2) and (3).

21 **SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF**
22 **ARREARAGES.**

23 (a) AMENDMENT TO INTERNAL REVENUE CODE.—Sec-
24 tion 6305(a) of the Internal Revenue Code of 1986 (relating
25 to collection of certain liability) is amended—

1 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
2 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
3 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
4 **SUPPORT AND ALIMONY OBLIGATIONS.**

5 “(a) *CONSENT TO SUPPORT ENFORCEMENT.*—Not-
6 *withstanding any other provision of law (including section*
7 *207 of this Act and section 5301 of title 38, United States*
8 *Code), effective January 1, 1975, moneys (the entitlement*
9 *to which is based upon remuneration for employment) due*
10 *from, or payable by, the United States or the District of*
11 *Columbia (including any agency, subdivision, or instru-*
12 *mentality thereof) to any individual, including members of*
13 *the Armed Forces of the United States, shall be subject, in*
14 *like manner and to the same extent as if the United States*
15 *or the District of Columbia were a private person, to with-*
16 *holding in accordance with State law enacted pursuant to*
17 *subsections (a)(1) and (b) of section 466 and regulations*
18 *of the Secretary under such subsections, and to any other*
19 *legal process brought, by a State agency administering a*
20 *program under a State plan approved under this part or*
21 *by an individual obligee, to enforce the legal obligation of*
22 *the individual to provide child support or alimony.*

23 “(b) *CONSENT TO REQUIREMENTS APPLICABLE TO*
24 *PRIVATE PERSON.*—*With respect to notice to withhold in-*
25 *come pursuant to subsection (a)(1) or (b) of section 466,*
26 *or any other order or process to enforce support obligations*

1 *against an individual (if the order or process contains or*
2 *is accompanied by sufficient data to permit prompt identi-*
3 *fication of the individual and the moneys involved), each*
4 *governmental entity specified in subsection (a) shall be sub-*
5 *ject to the same requirements as would apply if the entity*
6 *were a private person, except as otherwise provided in this*
7 *section.*

8 “(c) *DESIGNATION OF AGENT; RESPONSE TO NOTICE*
9 *OR PROCESS—*

10 “(1) *DESIGNATION OF AGENT.—The head of each*
11 *agency subject to this section shall—*

12 “(A) *designate an agent or agents to receive*
13 *orders and accept service of process in matters*
14 *relating to child support or alimony; and*

15 “(B) *annually publish in the Federal Reg-*
16 *ister the designation of the agent or agents, iden-*
17 *tified by title or position, mailing address, and*
18 *telephone number.*

19 “(2) *RESPONSE TO NOTICE OR PROCESS.—If an*
20 *agent designated pursuant to paragraph (1) of this*
21 *subsection receives notice pursuant to State proce-*
22 *dures in effect pursuant to subsection (a)(1) or (b) of*
23 *section 466, or is effectively served with any order,*
24 *process, or interrogatory, with respect to an individ-*

1 *ual's child support or alimony payment obligations,*
2 *the agent shall—*

3 *“(A) as soon as possible (but not later than*
4 *15 days) thereafter, send written notice of the no-*
5 *tice or service (together with a copy of the notice*
6 *or service) to the individual at the duty station*
7 *or last-known home address of the individual;*

8 *“(B) within 30 days (or such longer period*
9 *as may be prescribed by applicable State law)*
10 *after receipt of a notice pursuant to such State*
11 *procedures, comply with all applicable provi-*
12 *sions of section 466; and*

13 *“(C) within 30 days (or such longer period*
14 *as may be prescribed by applicable State law)*
15 *after effective service of any other such order,*
16 *process, or interrogatory, respond to the order,*
17 *process, or interrogatory.*

18 *“(d) PRIORITY OF CLAIMS.—If a governmental entity*
19 *specified in subsection (a) receives notice or is served with*
20 *process, as provided in this section, concerning amounts*
21 *owed by an individual to more than 1 person—*

22 *“(1) support collection under section 466(b) must*
23 *be given priority over any other process, as provided*
24 *in section 466(b)(7);*

1 “(2) allocation of moneys due or payable to an
2 individual among claimants under section 466(b)
3 shall be governed by section 466(b) and the regula-
4 tions prescribed under such section; and

5 “(3) such moneys as remain after compliance
6 with paragraphs (1) and (2) shall be available to sat-
7 isfy any other such processes on a 1st-come, 1st-served
8 basis, with any such process being satisfied out of
9 such moneys as remain after the satisfaction of all
10 such processes which have been previously served.

11 “(e) *NO REQUIREMENT TO VARY PAY CYCLES.*—A
12 governmental entity that is affected by legal process served
13 for the enforcement of an individual’s child support or ali-
14 mony payment obligations shall not be required to vary its
15 normal pay and disbursement cycle in order to comply with
16 the legal process.

17 “(f) *RELIEF FROM LIABILITY.*—

18 “(1) Neither the United States, nor the govern-
19 ment of the District of Columbia, nor any disbursing
20 officer shall be liable with respect to any payment
21 made from moneys due or payable from the United
22 States to any individual pursuant to legal process
23 regular on its face, if the payment is made in accord-
24 ance with this section and the regulations issued to
25 carry out this section.

1 “(2) No Federal employee whose duties include
2 taking actions necessary to comply with the require-
3 ments of subsection (a) with regard to any individual
4 shall be subject under any law to any disciplinary ac-
5 tion or civil or criminal liability or penalty for, or
6 on account of, any disclosure of information made by
7 the employee in connection with the carrying out of
8 such actions.

9 “(g) REGULATIONS.—Authority to promulgate regula-
10 tions for the implementation of this section shall, insofar
11 as this section applies to moneys due from (or payable
12 by)—

13 “(1) the United States (other than the legislative
14 or judicial branches of the Federal Government) or
15 the government of the District of Columbia, be vested
16 in the President (or the designee of the President);

17 “(2) the legislative branch of the Federal Govern-
18 ment, be vested jointly in the President pro tempore
19 of the Senate and the Speaker of the House of Rep-
20 resentatives (or their designees), and

21 “(3) the judicial branch of the Federal Govern-
22 ment, be vested in the Chief Justice of the United
23 States (or the designee of the Chief Justice).

24 “(h) MONEYS SUBJECT TO PROCESS.—

1 “(1) *IN GENERAL.*—Subject to paragraph (2),
2 *moneys paid or payable to an individual which are*
3 *considered to be based upon remuneration for employ-*
4 *ment, for purposes of this section—*

5 “(A) *consist of—*

6 “(i) *compensation paid or payable for*
7 *personal services of the individual, whether*
8 *the compensation is denominated as wages,*
9 *salary, commission, bonus, pay, allowances,*
10 *or otherwise (including severance pay, sick*
11 *pay, and incentive pay);*

12 “(ii) *periodic benefits (including a*
13 *periodic benefit as defined in section*
14 *228(h)(3)) or other payments—*

15 “(I) *under the insurance system*
16 *established by title II;*

17 “(II) *under any other system or*
18 *fund established by the United States*
19 *which provides for the payment of pen-*
20 *sions, retirement or retired pay, annu-*
21 *ities, dependents’ or survivors’ benefits,*
22 *or similar amounts payable on account*
23 *of personal services performed by the*
24 *individual or any other individual;*

1 “(III) as compensation for death
2 under any Federal program;

3 “(IV) under any Federal program
4 established to provide ‘black lung’ bene-
5 fits; or

6 “(V) by the Secretary of Veterans
7 Affairs as pension, or as compensation
8 for a service-connected disability or
9 death (except any compensation paid
10 by the Secretary to a member of the
11 Armed Forces who is in receipt of re-
12 tired or retainer pay if the member has
13 waived a portion of the retired pay of
14 the member in order to receive the com-
15 pensation); and

16 “(iii) workers’ compensation benefits
17 paid under Federal or State law; but

18 “(B) do not include any payment—

19 “(i) by way of reimbursement or other-
20 wise, to defray expenses incurred by the in-
21 dividual in carrying out duties associated
22 with the employment of the individual; or

23 “(ii) as allowances for members of the
24 uniformed services payable pursuant to
25 chapter 7 of title 37, United States Code, as

1 *prescribed by the Secretaries concerned (de-*
2 *finied by section 101(5) of such title) as nec-*
3 *essary for the efficient performance of duty.*

4 “(2) *CERTAIN AMOUNTS EXCLUDED.—In deter-*
5 *mining the amount of any moneys due from, or pay-*
6 *able by, the United States to any individual, there*
7 *shall be excluded amounts which—*

8 “(A) *are owed by the individual to the*
9 *United States;*

10 “(B) *are required by law to be, and are, de-*
11 *ducted from the remuneration or other payment*
12 *involved, including Federal employment taxes,*
13 *and fines and forfeitures ordered by court-mar-*
14 *tial;*

15 “(C) *are properly withheld for Federal,*
16 *State, or local income tax purposes, if the with-*
17 *holding of the amounts is authorized or required*
18 *by law and if amounts withheld are not greater*
19 *than would be the case if the individual claimed*
20 *all dependents to which he was entitled (the*
21 *withholding of additional amounts pursuant to*
22 *section 3402(i) of the Internal Revenue Code of*
23 *1986 may be permitted only when the individual*
24 *presents evidence of a tax obligation which sup-*
25 *ports the additional withholding);*

1 “(D) are deducted as health insurance pre-
2 miums;

3 “(E) are deducted as normal retirement
4 contributions (not including amounts deducted
5 for supplementary coverage); or

6 “(F) are deducted as normal life insurance
7 premiums from salary or other remuneration for
8 employment (not including amounts deducted for
9 supplementary coverage).

10 “(i) DEFINITIONS.—As used in this section:

11 “(1) UNITED STATES.—The term ‘United States’
12 includes any department, agency, or instrumentality
13 of the legislative, judicial, or executive branch of the
14 Federal Government, the United States Postal Serv-
15 ice, the Postal Rate Commission, any Federal cor-
16 poration created by an Act of Congress that is wholly
17 owned by the Federal Government, and the govern-
18 ments of the territories and possessions of the United
19 States.

20 “(2) CHILD SUPPORT.—The term ‘child support’,
21 when used in reference to the legal obligations of an
22 individual to provide such support, means periodic
23 payments of funds for the support and maintenance
24 of a child or children with respect to which the indi-
25 vidual has such an obligation, and (subject to and in

1 *accordance with State law) includes payments to pro-*
2 *vide for health care, education, recreation, clothing,*
3 *or to meet other specific needs of such a child or chil-*
4 *dren, and includes attorney's fees, interest, and court*
5 *costs, when and to the extent that the same are ex-*
6 *pressly made recoverable as such pursuant to a decree,*
7 *order, or judgment issued in accordance with applica-*
8 *ble State law by a court of competent jurisdiction.*

9 *“(3) ALIMONY.—The term ‘alimony’, when used*
10 *in reference to the legal obligations of an individual*
11 *to provide the same, means periodic payments of*
12 *funds for the support and maintenance of the spouse*
13 *(or former spouse) of the individual, and (subject to*
14 *and in accordance with State law) includes separate*
15 *maintenance, alimony pendente lite, maintenance,*
16 *and spousal support, and includes attorney's fees, in-*
17 *terest, and court costs when and to the extent that the*
18 *same are expressly made recoverable as such pursuant*
19 *to a decree, order, or judgment issued in accordance*
20 *with applicable State law by a court of competent ju-*
21 *risdiction. Such term does not include any payment*
22 *or transfer of property or its value by an individual*
23 *to the spouse or a former spouse of the individual in*
24 *compliance with any community property settlement,*

1 *equitable distribution of property, or other division of*
2 *property between spouses or former spouses.*

3 “(4) *PRIVATE PERSON.*—The term ‘private per-
4 *son’ means a person who does not have sovereign or*
5 *other special immunity or privilege which causes the*
6 *person not to be subject to legal process.*

7 “(5) *LEGAL PROCESS.*—The term ‘legal process’
8 *means any writ, order, summons, or other similar*
9 *process in the nature of garnishment—*

10 “(A) *which is issued by—*

11 “(i) *a court of competent jurisdiction*
12 *in any State, territory, or possession of the*
13 *United States;*

14 “(ii) *a court of competent jurisdiction*
15 *in any foreign country with which the*
16 *United States has entered into an agree-*
17 *ment which requires the United States to*
18 *honor the process; or*

19 “(iii) *an authorized official pursuant*
20 *to an order of such a court of competent ju-*
21 *risdiction or pursuant to State or local law;*
22 *and*

23 “(B) *which is directed to, and the purpose*
24 *of which is to compel, a governmental entity*
25 *which holds moneys which are otherwise payable*

1 to an individual to make a payment from the
2 moneys to another party in order to satisfy a
3 legal obligation of the individual to provide child
4 support or make alimony payments.”.

5 (b) *CONFORMING AMENDMENTS.*—

6 (1) *TO PART D OF TITLE IV.*—Sections 461 and
7 462 (42 U.S.C. 661 and 662) are repealed.

8 (2) *TO TITLE 5, UNITED STATES CODE.*—Section
9 5520a of title 5, United States Code, is amended, in
10 subsections (h)(2) and (i), by striking “sections 459,
11 461, and 462 of the Social Security Act (42 U.S.C.
12 659, 661, and 662)” and inserting “section 459 of the
13 Social Security Act (42 U.S.C. 659)”.

14 (c) *MILITARY RETIRED AND RETAINER PAY.*—

15 (1) *DEFINITION OF COURT.*—Section 1408(a)(1)
16 of title 10, United States Code, is amended—

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

19 (B) by striking the period at the end of sub-
20 paragraph (C) and inserting “; and”; and

21 (C) by adding after subparagraph (C) the
22 following new subparagraph:

23 “(D) any administrative or judicial tribu-
24 nal of a State competent to enter orders for sup-
25 port or maintenance (including a State agency

1 *administering a program under a State plan ap-*
2 *proved under part D of title IV of the Social Se-*
3 *curity Act), and, for purposes of this subpara-*
4 *graph, the term ‘State’ includes the District of*
5 *Columbia, the Commonwealth of Puerto Rico, the*
6 *Virgin Islands, Guam, and American Samoa.’’.*

7 (2) *DEFINITION OF COURT ORDER.*—Section
8 1408(a)(2) of such title is amended by inserting “or
9 a court order for the payment of child support not in-
10 cluded in or accompanied by such a decree or settle-
11 ment,” before “which—”.

12 (3) *PUBLIC PAYEE.*—Section 1408(d) of such
13 title is amended—

14 (A) *in the heading, by inserting “(OR FOR*
15 *BENEFIT OF)” before “SPOUSE OR”; and*

16 (B) *in paragraph (1), in the 1st sentence,*
17 *by inserting “(or for the benefit of such spouse*
18 *or former spouse to a State disbursement unit es-*
19 *tablished pursuant to section 454B of the Social*
20 *Security Act or other public payee designated by*
21 *a State, in accordance with part D of title IV of*
22 *the Social Security Act, as directed by court*
23 *order, or as otherwise directed in accordance*
24 *with such part D)” before “in an amount suffi-*
25 *cient’’.*

1 (A) *RESIDENTIAL ADDRESS.*—*Except as*
2 *provided in subparagraph (B), the address for a*
3 *member of the Armed Forces shown in the loca-*
4 *tor service shall be the residential address of that*
5 *member.*

6 (B) *DUTY ADDRESS.*—*The address for a*
7 *member of the Armed Forces shown in the loca-*
8 *tor service shall be the duty address of that mem-*
9 *ber in the case of a member—*

10 (i) *who is permanently assigned over-*
11 *seas, to a vessel, or to a routinely deployable*
12 *unit; or*

13 (ii) *with respect to whom the Secretary*
14 *concerned makes a determination that the*
15 *member's residential address should not be*
16 *disclosed due to national security or safety*
17 *concerns.*

18 (3) *UPDATING OF LOCATOR INFORMATION.*—
19 *Within 30 days after a member listed in the locator*
20 *service establishes a new residential address (or a new*
21 *duty address, in the case of a member covered by*
22 *paragraph (2)(B)), the Secretary concerned shall up-*
23 *date the locator service to indicate the new address of*
24 *the member.*

1 (4) *AVAILABILITY OF INFORMATION.*—*The Sec-*
2 *retary of Defense shall make information regarding*
3 *the address of a member of the Armed Forces listed*
4 *in the locator service available, on request, to the Fed-*
5 *eral Parent Locator Service established under section*
6 *453 of the Social Security Act.*

7 (b) *FACILITATING GRANTING OF LEAVE FOR ATTEND-*
8 *ANCE AT HEARINGS.*—

9 (1) *REGULATIONS.*—*The Secretary of each mili-*
10 *tary department, and the Secretary of Transportation*
11 *with respect to the Coast Guard when it is not operat-*
12 *ing as a service in the Navy, shall prescribe regula-*
13 *tions to facilitate the granting of leave to a member*
14 *of the Armed Forces under the jurisdiction of that*
15 *Secretary in a case in which—*

16 (A) *the leave is needed for the member to at-*
17 *tend a hearing described in paragraph (2);*

18 (B) *the member is not serving in or with a*
19 *unit deployed in a contingency operation (as de-*
20 *fined in section 101 of title 10, United States*
21 *Code); and*

22 (C) *the exigencies of military service (as de-*
23 *termined by the Secretary concerned) do not oth-*
24 *erwise require that such leave not be granted.*

1 (2) *COVERED HEARINGS.*—Paragraph (1) ap-
2 plies to a hearing that is conducted by a court or
3 pursuant to an administrative process established
4 under State law, in connection with a civil action—

5 (A) to determine whether a member of the
6 Armed Forces is a natural parent of a child; or

7 (B) to determine an obligation of a member
8 of the Armed Forces to provide child support.

9 (3) *DEFINITIONS.*—For purposes of this sub-
10 section:

11 (A) The term “court” has the meaning
12 given that term in section 1408(a) of title 10,
13 United States Code.

14 (B) The term “child support” has the mean-
15 ing given such term in section 459(i) of the So-
16 cial Security Act (42 U.S.C. 659(i)).

17 (c) *PAYMENT OF MILITARY RETIRED PAY IN COMPLI-*
18 *ANCE WITH CHILD SUPPORT ORDERS.*—

19 (1) *DATE OF CERTIFICATION OF COURT*
20 *ORDER.*—Section 1408 of title 10, United States Code,
21 as amended by section 463(c)(4) of this Act, is
22 amended—

23 (A) by redesignating subsections (i) and (j)
24 as subsections (j) and (k), respectively; and

1 (B) by inserting after subsection (h) the fol-
2 lowing new subsection:

3 “(i) *CERTIFICATION DATE.*—It is not necessary that
4 the date of a certification of the authenticity or completeness
5 of a copy of a court order for child support received by the
6 Secretary concerned for the purposes of this section be recent
7 in relation to the date of receipt by the Secretary.”.

8 (2) *PAYMENTS CONSISTENT WITH ASSIGNMENTS*
9 *OF RIGHTS TO STATES.*—Section 1408(d)(1) of such
10 title is amended by inserting after the 1st sentence the
11 following: “In the case of a spouse or former spouse
12 who assigns to a State the rights of the spouse or
13 former spouse to receive support, the Secretary con-
14 cerned may make the child support payments referred
15 to in the preceding sentence to that State in amounts
16 consistent with that assignment of rights.”.

17 (3) *ARREARAGES OWED BY MEMBERS OF THE*
18 *UNIFORMED SERVICES.*—Section 1408(d) of such title
19 is amended by adding at the end the following new
20 paragraph:

21 “(6) In the case of a court order for which effective
22 service is made on the Secretary concerned on or after the
23 date of the enactment of this paragraph and which provides
24 for payments from the disposable retired pay of a member
25 to satisfy the amount of child support set forth in the order,

1 *the authority provided in paragraph (1) to make payments*
2 *from the disposable retired pay of a member to satisfy the*
3 *amount of child support set forth in a court order shall*
4 *apply to payment of any amount of child support arrear-*
5 *ages set forth in that order as well as to amounts of child*
6 *support that currently become due.”.*

7 (4) *PAYROLL DEDUCTIONS.—The Secretary of*
8 *Defense shall begin payroll deductions within 30 days*
9 *after receiving notice of withholding, or for the 1st*
10 *pay period that begins after such 30-day period.*

11 **SEC. 465. VOIDING OF FRAUDULENT TRANSFERS.**

12 *Section 466 (42 U.S.C. 666), as amended by section*
13 *421 of this Act, is amended by adding at the end the follow-*
14 *ing new subsection:*

15 “(g) *In order to satisfy section 454(20)(A), each State*
16 *must have in effect—*

17 “(1)(A) *the Uniform Fraudulent Conveyance Act*
18 *of 1981;*

19 “(B) *the Uniform Fraudulent Transfer Act of*
20 *1984; or*

21 “(C) *another law, specifying indicia of fraud*
22 *which create a prima facie case that a debtor trans-*
23 *ferred income or property to avoid payment to a child*
24 *support creditor, which the Secretary finds affords*
25 *comparable rights to child support creditors; and*

1 “(2) procedures under which, in any case in
2 which the State knows of a transfer by a child sup-
3 port debtor with respect to which such a prima facie
4 case is established, the State must—

5 “(A) seek to void such transfer; or

6 “(B) obtain a settlement in the best inter-
7 ests of the child support creditor.”.

8 **SEC. 466. WORK REQUIREMENT FOR PERSONS OWING**
9 **CHILD SUPPORT.**

10 Section 466(a) of the Social Security Act (42 U.S.C.
11 666(a)), as amended by sections 401(a), 415, 417(a), and
12 423 of this Act, is amended by adding at the end the follow-
13 ing new paragraph:

14 “(16) Procedures requiring the State, in any
15 case in which an individual owes support with re-
16 spect to a child receiving services under this part, to
17 seek a court order or administrative order that re-
18 quires the individual to—

19 “(A) pay such support in accordance with
20 a plan approved by the court; or

21 “(B) if the individual is not working and
22 is not incapacitated, participate in work activi-
23 ties (including, at State option, work activities
24 as defined in section 482) as the court deems ap-
25 propriate.”.

1 **SEC. 467. DEFINITION OF SUPPORT ORDER.**

2 *Section 453 (42 U.S.C. 653) as amended by sections*
3 *416 and 446(b) of this Act, is amended by adding at the*
4 *end the following new subsection:*

5 *“(o) As used in this part, the term ‘support order’*
6 *means a judgment, decree, or order, whether temporary,*
7 *final, or subject to modification, issued by a court or an*
8 *administrative agency of competent jurisdiction, for the*
9 *support and maintenance of a child, including a child who*
10 *has attained the age of majority under the law of the issuing*
11 *State, or a child and the parent with whom the child is*
12 *living, which provides for monetary support, health care,*
13 *arrearages, or reimbursement, and which may include re-*
14 *lated costs and fees, interest and penalties, income withhold-*
15 *ing, attorneys’ fees, and other relief.”*

16 **SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.**

17 *Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended*
18 *to read as follows:*

19 *“(7)(A) Procedures (subject to safeguards pursu-*
20 *ant to subparagraph (B)) requiring the State to re-*
21 *port periodically to consumer reporting agencies (as*
22 *defined in section 603(f) of the Fair Credit Reporting*
23 *Act (15 U.S.C. 1681a(f)) the name of any absent par-*
24 *ent who is delinquent in the payment of support, and*
25 *the amount of overdue support owed by such parent.*

1 “(B) Procedures ensuring that, in carrying out
2 subparagraph (A), information with respect to an ab-
3 sent parent is reported—

4 “(i) only after such parent has been af-
5 forded all due process required under State law,
6 including notice and a reasonable opportunity to
7 contest the accuracy of such information; and

8 “(ii) only to an entity that has furnished
9 evidence satisfactory to the State that the entity
10 is a consumer reporting agency.”.

11 **SEC. 469. LIENS.**

12 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
13 to read as follows:

14 “(4) Procedures under which—

15 “(A) liens arise by operation of law against
16 real and personal property for amounts of over-
17 due support owed by an absent parent who re-
18 sides or owns property in the State; and

19 “(B) the State accords full faith and credit
20 to liens described in subparagraph (A) arising in
21 another State, without registration of the under-
22 lying order.”.

1 **SEC. 470. STATE LAW AUTHORIZING SUSPENSION OF LI-**
2 **CENSES.**

3 *Section 466(a) (42 U.S.C. 666(a)), as amended by sec-*
4 *tions 415, 417(a), and 423 of this Act, is amended by add-*
5 *ing at the end the following new paragraph:*

6 *“(15) Procedures under which the State has (and*
7 *uses in appropriate cases) authority to withhold or*
8 *suspend, or to restrict the use of driver’s licenses, pro-*
9 *fessional and occupational licenses, and recreational*
10 *licenses of individuals owing overdue support or fail-*
11 *ing, after receiving appropriate notice, to comply*
12 *with subpoenas or warrants relating to paternity or*
13 *child support proceedings.”.*

14 **SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
15 **CHILD SUPPORT.**

16 *(a) HHS CERTIFICATION PROCEDURE.—*

17 *(1) SECRETARIAL RESPONSIBILITY.—Section 452*
18 *(42 U.S.C. 652), as amended by section 446, is*
19 *amended by adding at the end the following new sub-*
20 *section:*

21 *“(k)(1) If the Secretary receives a certification by a*
22 *State agency in accordance with the requirements of section*
23 *454(30) that an individual owes arrearages of child support*
24 *in an amount exceeding \$5,000 or in an amount exceeding*
25 *24 months’ worth of child support, the Secretary shall*
26 *transmit such certification to the Secretary of State for ac-*

1 *tion (with respect to denial, revocation, or limitation of*
2 *passports) pursuant to section 471(b) of the Family Self-*
3 *Sufficiency Act of 1995.*

4 *“(2) The Secretary shall not be liable to an individual*
5 *for any action with respect to a certification by a State*
6 *agency under this section.”.*

7 *(2) STATE CSE AGENCY RESPONSIBILITY.—Sec-*
8 *tion 454 (42 U.S.C. 654), as amended by sections*
9 *404(a), 412(b), 413(a), 433, and 444(a), is amend-*
10 *ed—*

11 *(A) by striking “and” at the end of para-*
12 *graph (28);*

13 *(B) by striking the period at the end of*
14 *paragraph (29) and inserting “; and”; and*

15 *(C) by adding after paragraph (29) the fol-*
16 *lowing new paragraph:*

17 *“(30) provide that the State agency will have in*
18 *effect a procedure (which may be combined with the*
19 *procedure for tax refund offset under section 464) for*
20 *certifying to the Secretary, for purposes of the proce-*
21 *cedure under section 452(k) (concerning denial of pass-*
22 *ports) determinations that individuals owe arrearages*
23 *of child support in an amount exceeding \$5,000 or in*
24 *an amount exceeding 24 months’ worth of child sup-*
25 *port, under which procedure—*

1 “(A) each individual concerned is afforded
2 notice of such determination and the con-
3 sequences thereof, and an opportunity to contest
4 the determination; and

5 “(B) the certification by the State agency is
6 furnished to the Secretary in such format, and
7 accompanied by such supporting documentation,
8 as the Secretary may require.”.

9 (b) *STATE DEPARTMENT PROCEDURE FOR DENIAL OF*
10 *PASSPORTS.*—

11 (1) *IN GENERAL.*—*The Secretary of State, upon*
12 *certification by the Secretary of Health and Human*
13 *Services, in accordance with section 452(k) of the So-*
14 *cial Security Act, that an individual owes arrearages*
15 *of child support in excess of \$5,000 or in an amount*
16 *exceeding 24 months’ worth of child support, shall*
17 *refuse to issue a passport to such individual, and*
18 *may revoke, restrict, or limit a passport issued pre-*
19 *viously to such individual.*

20 (2) *LIMIT ON LIABILITY.*—*The Secretary of State*
21 *shall not be liable to an individual for any action*
22 *with respect to a certification by a State agency*
23 *under this section.*

1 (c) *EFFECTIVE DATE.*—*This section and the amend-*
2 *ments made by this section shall become effective October*
3 *1, 1996.*

4 ***Subtitle H—Medical Support***

5 ***SEC. 475. TECHNICAL CORRECTION TO ERISA DEFINITION***
6 ***OF MEDICAL CHILD SUPPORT ORDER.***

7 (a) *IN GENERAL.*—*Section 609(a)(2)(B) of the Em-*
8 *ployee Retirement Income Security Act of 1974 (29 U.S.C.*
9 *1169(a)(2)(B)) is amended—*

10 (1) *by striking “issued by a court of competent*
11 *jurisdiction”;*

12 (2) *by striking the period at the end of clause*
13 *(ii) and inserting a comma; and*

14 (3) *by adding, after and below clause (ii), the*
15 *following:*

16 *“if such judgment, decree, or order (I) is issued*
17 *by a court of competent jurisdiction or (II) is is-*
18 *sued through an administrative process estab-*
19 *lished under State law and has the force and ef-*
20 *fect of law under applicable State law.”.*

21 (b) *EFFECTIVE DATE.*—

22 (1) *IN GENERAL.*—*The amendments made by*
23 *this section shall take effect on the date of the enact-*
24 *ment of this Act.*

1 (2) *PLAN AMENDMENTS NOT REQUIRED UNTIL*
2 *JANUARY 1, 1996.*—Any amendment to a plan required
3 to be made by an amendment made by this section
4 shall not be required to be made before the 1st plan
5 year beginning on or after January 1, 1996, if—

6 (A) during the period after the date before
7 the date of the enactment of this Act and before
8 such 1st plan year, the plan is operated in ac-
9 cordance with the requirements of the amend-
10 ments made by this section; and

11 (B) such plan amendment applies retro-
12 actively to the period after the date before the
13 date of the enactment of this Act and before such
14 1st plan year.

15 A plan shall not be treated as failing to be operated
16 in accordance with the provisions of the plan merely
17 because it operates in accordance with this para-
18 graph.

19 **SEC. 476. ENFORCEMENT OF ORDERS FOR HEALTH CARE**
20 **COVERAGE.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-
22 tions 415, 417(a), 423, and 469 of this Act, is amended
23 by adding at the end the following new paragraph:

24 “(16) Procedures under which all child support
25 orders enforced under this part shall include a provi-

1 *sion for the health care coverage of the child, and in*
2 *the case in which an absent parent provides such cov-*
3 *erage and changes employment, and the new employer*
4 *provides health care coverage, the State agency shall*
5 *transfer notice of the provision to the employer, which*
6 *notice shall operate to enroll the child in the absent*
7 *parent’s health plan, unless the absent parent contests*
8 *the notice.”.*

9 ***Subtitle I—Enhancing Responsibility and Opportunity for***
10 ***Nonresidential Parents***

12 ***SEC. 481. GRANTS TO STATES FOR ACCESS AND VISITATION***
13 ***PROGRAMS.***

14 *Part D of title IV (42 U.S.C. 651–669) is amended*
15 *by adding at the end the following new section:*

16 ***“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-***
17 ***TION PROGRAMS.***

18 *“(a) IN GENERAL.—The Administration for Children*
19 *and Families shall make grants under this section to enable*
20 *States to establish and administer programs to support and*
21 *facilitate absent parents’ access to and visitation of their*
22 *children, by means of activities including mediation (both*
23 *voluntary and mandatory), counseling, education, develop-*
24 *ment of parenting plans, visitation enforcement (including*
25 *monitoring, supervision and neutral drop-off and pickup),*

1 *and development of guidelines for visitation and alternative*
2 *custody arrangements.*

3 “(b) *AMOUNT OF GRANT.*—*The amount of the grant*
4 *to be made to a State under this section for a fiscal year*
5 *shall be an amount equal to the lesser of—*

6 “(1) *90 percent of State expenditures during the*
7 *fiscal year for activities described in subsection (a); or*

8 “(2) *the allotment of the State under subsection*
9 *(c) for the fiscal year.*

10 “(c) *ALLOTMENTS TO STATES.*—

11 “(1) *IN GENERAL.*—*The allotment of a State for*
12 *a fiscal year is the amount that bears the same ratio*
13 *to the amount appropriated for grants under this sec-*
14 *tion for the fiscal year as the number of children in*
15 *the State living with only 1 biological parent bears*
16 *to the total number of such children in all States.*

17 “(2) *MINIMUM ALLOTMENT.*—*The Administra-*
18 *tion for Children and Families shall adjust allotments*
19 *to States under paragraph (1) as necessary to ensure*
20 *that no State is allotted less than—*

21 “(A) *\$50,000 for fiscal year 1996 or 1997;*

22 *or*

23 “(B) *\$100,000 for any succeeding fiscal*
24 *year.*

1 “(d) *NO SUPPLANTATION OF STATE EXPENDITURES*
2 *FOR SIMILAR ACTIVITIES.*—A State to which a grant is
3 made under this section may not use the grant to supplant
4 expenditures by the State for activities specified in sub-
5 section (a), but shall use the grant to supplement such ex-
6 penditures at a level at least equal to the level of such ex-
7 penditures for fiscal year 1995.

8 “(e) *STATE ADMINISTRATION.*—Each State to which a
9 grant is made under this section—

10 “(1) may administer State programs funded
11 with the grant, directly or through grants to or con-
12 tracts with courts, local public agencies, or nonprofit
13 private entities;

14 “(2) shall not be required to operate such pro-
15 grams on a statewide basis; and

16 “(3) shall monitor, evaluate, and report on such
17 programs in accordance with regulations prescribed
18 by the Secretary.”.

19 ***Subtitle J—Effect of Enactment***

20 ***SEC. 491. EFFECTIVE DATES.***

21 (a) *IN GENERAL.*—Except as otherwise specifically
22 provided (but subject to subsections (b) and (c))—

23 (1) the provisions of this title requiring the en-
24 actment or amendment of State laws under section
25 466 of the Social Security Act, or revision of State

1 *plans under section 454 of such Act, shall be effective*
2 *with respect to periods beginning on and after Octo-*
3 *ber 1, 1996; and*

4 *(2) all other provisions of this title shall become*
5 *effective upon the date of the enactment of this Act.*

6 *(b) GRACE PERIOD FOR STATE LAW CHANGES.—The*
7 *provisions of this title shall become effective with respect*
8 *to a State on the later of—*

9 *(1) the date specified in this title, or*

10 *(2) the effective date of laws enacted by the legis-*
11 *lature of such State implementing such provisions,*

12 *but in no event later than the 1st day of the 1st calendar*
13 *quarter beginning after the close of the 1st regular session*
14 *of the State legislature that begins after the date of the en-*
15 *actment of this Act. For purposes of the previous sentence,*
16 *in the case of a State that has a 2-year legislative session,*
17 *each year of such session shall be deemed to be a separate*
18 *regular session of the State legislature.*

19 *(c) GRACE PERIOD FOR STATE CONSTITUTIONAL*
20 *AMENDMENT.—A State shall not be found out of compliance*
21 *with any requirement enacted by this title if the State is*
22 *unable to so comply without amending the State constitu-*
23 *tion until the earlier of—*

24 *(1) 1 year after the effective date of the necessary*
25 *State constitutional amendment; or*

1 (2) 5 years after the date of the enactment of this
2 *title.*

Amend the title so as to read: “An Act to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.”.

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HR 4 RS—3

HR 4 RS—4

HR 4 RS—5

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