

104TH CONGRESS
1ST SESSION

S. 687

To improve and strengthen child support enforcement, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 6 (legislative day, APRIL 5), 1995

Mr. PRYOR introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To improve and strengthen child support enforcement, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child Support Enforce-
5 ment Act of 1995”.

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

7 (a) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents; references.

TITLE I—ELIGIBILITY AND OTHER MATTERS CONCERNING
CHILD SUPPORT ENFORCEMENT PROGRAM CLIENTS

- Sec. 101. Cooperation requirement and good cause exception.
- Sec. 102. State obligation to provide paternity establishment and child support enforcement services.
- Sec. 103. Distribution of payments.
- Sec. 104. Due process rights.
- Sec. 105. Privacy safeguards.
- Sec. 106. Requirement to facilitate access to services.

TITLE II—PROGRAM ADMINISTRATION AND FUNDING

- Sec. 201. Federal matching payments.
- Sec. 202. Performance-based incentives and penalties.
- Sec. 203. Federal and State reviews and audits.
- Sec. 204. Automated data processing requirements.
- Sec. 205. Director of OSCE program; training and staffing.
- Sec. 206. Funding for secretarial assistance to State programs.
- Sec. 207. Data collection and reports by the Secretary.
- Sec. 208. Coordination with income and eligibility verification system.

TITLE III—LOCATE AND CASE TRACKING

- Sec. 301. Central State case registry.
- Sec. 302. Centralized collection and disbursement of support payments.
- Sec. 303. Amendments concerning income withholding.
- Sec. 304. Locator information from interstate networks and labor unions.
- Sec. 305. National child support information clearinghouse.
- Sec. 306. Expanded locate authority.
- Sec. 307. Studies and demonstrations concerning Federal parent locator service.
- Sec. 308. Use of Social Security numbers.

TITLE IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

- Sec. 401. Adoption of uniform State laws.
- Sec. 402. State laws providing expedited procedures.

TITLE V—PATERNITY ESTABLISHMENT

- Sec. 501. State laws concerning paternity establishment.
- Sec. 502. Outreach for voluntary paternity establishment.
- Sec. 503. Penalty for failure to establish paternity promptly.
- Sec. 504. Incentives to parents to establish paternity.

TITLE VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

- Sec. 601. National Commission on child support guidelines.
- Sec. 602. State laws concerning modification of child support orders.
- Sec. 603. Study on use of tax return information for modification of child support orders.
- Sec. 604. Cost-of-living adjustment of child support awards.

TITLE VII—ENFORCEMENT OF SUPPORT ORDERS

- Sec. 701. Revolving loan fund for program improvements to increase collections.
- Sec. 702. Federal income tax refund offset.
- Sec. 703. Internal Revenue Service collection of arrearages.

- Sec. 704. Authority to collect support from employment-related payments by United States.
- Sec. 705. Motor vehicle liens.
- Sec. 706. Voiding of fraudulent transfers.
- Sec. 707. State law authorizing suspension of licenses.
- Sec. 708. Reporting arrearages to credit bureaus.
- Sec. 709. Extended statute of limitation for collection of arrearages.
- Sec. 710. Charges for arrearages.
- Sec. 711. Visitation issue barred.
- Sec. 712. Denial of passports for nonpayment of child support.
- Sec. 713. Denial of Federal benefits, loans, and guarantees to certain persons with large child support arrearages.
- Sec. 714. Seizure of lottery winnings, settlements, payouts, awards, and bequests, and sale of forfeited property, to pay child support arrearages.

TITLE VIII—DEMONSTRATIONS

- Sec. 801. Child support enforcement and assurance demonstrations.
- Sec. 802. Social Security Act demonstrations.

TITLE IX—ACCESS AND VISITATION GRANTS

- Sec. 901. Grants to States for access and visitation programs.

TITLE X—EFFECT OF ENACTMENT

- Sec. 1001. Effective dates.
- Sec. 1002. Severability.

1 (b) REFERENCES.—Except as otherwise specifically
 2 provided, wherever in this Act an amendment is expressed
 3 in terms of an amendment to or repeal of a section or
 4 other provision, the reference shall be considered to be
 5 made to that section or other provision of the Social Secu-
 6 rity Act.

1 **TITLE I—ELIGIBILITY AND**
2 **OTHER MATTERS CONCERN-**
3 **ING CHILD SUPPORT EN-**
4 **FORCEMENT PROGRAM CLI-**
5 **ENTS**

6 **SEC. 101. COOPERATION REQUIREMENT AND GOOD CAUSE**
7 **EXCEPTION.**

8 (a) CHILD SUPPORT ENFORCEMENT REQUIRE-
9 MENTS.—Section 454 (42 U.S.C. 654) is amended—

10 (1) by striking “and” at the end of paragraph
11 (23);

12 (2) by striking the period at the end of para-
13 graph (24) and inserting “; and”; and

14 (3) by inserting after paragraph (24) the fol-
15 lowing new paragraph:

16 “(25) provide that the State agency administer-
17 ing the plan—

18 “(A) will make the determination specified
19 under paragraph (4), as to whether an individ-
20 ual is cooperating with efforts to establish pa-
21 ternity and secure support (or has good cause
22 not to cooperate with such efforts) for purposes
23 of the requirements of sections 402(a)(26) and
24 1912;

1 “(B) will advise individuals, both orally
2 and in writing, of the grounds for good cause
3 exceptions to the requirement to cooperate with
4 such efforts;

5 “(C) will take the best interests of the
6 child into consideration in making the deter-
7 mination whether such individual has good
8 cause not to cooperate with such efforts;

9 “(D)(i) will make the initial determination
10 as to whether an individual is cooperating (or
11 has good cause not to cooperate) with such ef-
12 forts within 10 days after such individual is re-
13 ferred to such State agency by the State agency
14 administering the program under part A of title
15 XIX;

16 “(ii) will make redeterminations whenever
17 changes in circumstances could reasonably be
18 expected to justify a different determination;
19 and

20 “(iii) will promptly notify the individual,
21 and the State agencies administering such pro-
22 grams, of each such determination and redeter-
23 mination;

24 “(E) with respect to any child born on or
25 after the date 10 months after the date of the

1 enactment of this paragraph, will not determine
2 or redetermine the mother (or other custodial
3 relative) of such child to be cooperating with ef-
4 forts to establish paternity unless such individ-
5 ual furnishes—

6 “(i) the name of the putative father
7 (or fathers); and

8 “(ii) sufficient additional information
9 to enable the State agency, if reasonable
10 efforts were made, to verify the identity of
11 any person so named, including such infor-
12 mation as the putative father’s present ad-
13 dress, telephone number, date of birth,
14 past or present place of employment,
15 school previously or currently attended,
16 and names and addresses of parents,
17 friends, or relatives able to provide location
18 information, or other information that
19 could assist in the identification of or en-
20 able service of process on such person; and

21 “(F)(i) in the case of a custodial parent
22 who was initially determined not to be cooperat-
23 ing with efforts to establish paternity and se-
24 cure support (without having good cause not to
25 cooperate) and who is later determined to be

1 cooperating or to have good cause not to co-
2 operate, will immediately notify the State agen-
3 cies administering the programs under part A
4 and title XIX that this eligibility condition has
5 been met; and

6 “(ii) in the case of a custodial parent was
7 initially determined to be cooperating (or to
8 have good cause not to cooperate), will not later
9 determine such individual not to be cooperating
10 with such efforts (or not to have good cause not
11 to cooperate) until such individual has been af-
12 farded an opportunity for a hearing.”.

13 (b) AFDC AMENDMENTS.—

14 (1) Section 402(a)(11) (42 U.S.C. 602(a)(11))
15 is amended by striking “furnishing of” and inserting
16 “application for”.

17 (2) Section 402(a)(26) (42 U.S.C. 602(a)(26))
18 is amended to read as follows:

19 “(26) provide—

20 “(A) except as provided in subparagraph
21 (C), that each individual who is an applicant or
22 recipient will, as a condition of eligibility for
23 aid, be required—

24 “(i) to assign the State any rights to
25 support from any other person such indi-

1 vidual may have (I) in his own behalf or in
2 behalf of any other family member for
3 whom the individual is applying for or re-
4 ceiving aid, and (II) which have accrued at
5 the time such assignment is executed;

6 “(ii) to cooperate with the State (I) in
7 establishing the paternity of a child born
8 out of wedlock with respect to whom aid is
9 claimed, and (II) in obtaining support pay-
10 ments for such individual and for a child
11 with respect to whom such aid is claimed;

12 “(iii) to cooperate with the State in
13 obtaining any other payments or property
14 due such individual or such child; and

15 “(iv) to cooperate with the State in
16 identifying, and providing information to
17 assist the State in pursuing, any third
18 party who may be liable to pay for care
19 and services available under the State’s
20 plan for medical assistance under title
21 XIX, but the State shall not be subject to
22 any financial penalty in the administration
23 or enforcement of this clause as a result of
24 any monitoring, quality control, or auditing
25 requirements;

1 “(B) that the State agency will imme-
2 diately refer each individual requiring paternity
3 establishment services to the State agency ad-
4 ministering the program under part D;

5 “(C) that an individual will not be required
6 to cooperate with the State, as provided under
7 subparagraph (A), if the individual is found to
8 have good cause for refusing to cooperate, as
9 determined in accordance with standards pre-
10 scribed by the Secretary, which standards shall
11 take into consideration the best interests of the
12 child on whose behalf aid is claimed—

13 “(i) to the satisfaction of the State
14 agency administering the program under
15 part D, as determined in accordance with
16 section 454(25), with respect to the re-
17 quirements under clauses (i) and (ii) of
18 subparagraph (A); and

19 “(ii) to the satisfaction of the State
20 agency administering the program under
21 this part, with respect to the requirements
22 under clauses (iii) and (iv) of subpara-
23 graph (A);

24 “(D) except as provided in subparagraph
25 (E), that an individual requiring paternity es-

1 establishment services (other than an individual
2 eligible for emergency assistance as defined in
3 section 406(e)) shall not be eligible for any aid
4 under this part until such individual—

5 “(i) has furnished to the agency ad-
6 ministering the State plan under part D
7 the information specified in section
8 454(25)(E); or

9 “(ii) has been determined by such
10 agency to have good cause not to cooper-
11 ate;

12 “(E) that the provisions of subparagraph
13 (D) shall not apply—

14 “(i) if the State agency specified in
15 such subparagraph has not, within 10 days
16 after such individual was referred to such
17 agency, provided the notification required
18 by section 454(25)(D)(iii), until such noti-
19 fication is received; and

20 “(ii) if such individual appeals a de-
21 termination that the individual lacks good
22 cause for noncooperation, until after such
23 determination is affirmed after notice and
24 opportunity for a hearing;

1 “(F) that the processing of such individ-
2 ual’s application shall not otherwise be delayed
3 or suspended pending a determination as to co-
4 operation pursuant to section 454(4); and

5 “(G) that, if the relative with whom a child
6 is living is found to be ineligible because of fail-
7 ure to comply with the requirements of clauses
8 (i) and (ii) of subparagraph (A) of this para-
9 graph, any aid for which such child is eligible
10 will be provided in the form of protective pay-
11 ments as described in section 406(b)(2) (with-
12 out regard to subparagraphs (A) through (D)
13 of such section) unless the State agency, after
14 making reasonable efforts, is unable to locate
15 an appropriate individual to whom such pay-
16 ments can be made.”.

17 (c) MEDICAID AMENDMENTS.—Section 1912(a) (42
18 U.S.C. 1396k(a)) is amended—

19 (1) in paragraph (1)—

20 (A) in subparagraph (B)—

21 (i) by inserting “(except as provided
22 in paragraph (3))” after “to cooperate
23 with the State”; and

24 (ii) by striking “, unless” and all that
25 follows through “involved”; and

1 (B) in subparagraph (C), by striking “un-
2 less” and all that follows and inserting a semi-
3 colon; and

4 (2) by redesignating paragraph (2) as para-
5 graph (6), and inserting after paragraph (1) the fol-
6 lowing new paragraphs:

7 “(2) provide that the State agency will imme-
8 diately refer each individual who is an applicant or
9 recipient requiring paternity establishment services
10 to the State agency administering the program
11 under part D of title IV;

12 “(3) provide that an individual will not be re-
13 quired to cooperate with the State, as provided
14 under paragraph (1), if the individual is found to
15 have good cause for refusing to cooperate, as deter-
16 mined in accordance with standards prescribed by
17 the Secretary, which standards shall take into con-
18 sideration the best interests of the individuals in-
19 volved—

20 “(A) to the satisfaction of the State agency
21 administering the program under part D, as de-
22 termined in accordance with section 454(25),
23 with respect to the requirements to cooperate
24 with efforts to establish paternity and to obtain

1 support (including medical support) from a par-
2 ent; and

3 “(B) to the satisfaction of the State agen-
4 cy administering the program under this title,
5 with respect to other requirements to cooperate
6 under paragraph (1);

7 “(4) except as provided in paragraph (5), pro-
8 vide that an individual requiring paternity establish-
9 ment services (other than an individual eligible for
10 emergency assistance as defined in section 406(e), or
11 presumptively eligible pursuant to section 1920)
12 shall not be eligible for medical assistance under this
13 title until such individual—

14 “(i) has furnished to the agency admin-
15 istering the State plan under part D of title IV
16 the information specified in section 454(25)(E);
17 or

18 “(ii) has been determined by such agency
19 to have good cause not to cooperate; and

20 “(5) provide that the provisions of paragraph
21 (4) shall not apply with respect to an applicant—

22 “(i) if such agency has not, within 10 days
23 after such individual was referred to such agen-
24 cy, provided the notification required by section

1 454(25)(D)(iii), until such notification is re-
2 ceived); and

3 “(ii) if such individual appeals a deter-
4 mination that the individual lacks good cause
5 for noncooperation, until after such determina-
6 tion is affirmed after notice and opportunity for
7 a hearing.”.

8 (d) CONFORMING AMENDMENT.—Section
9 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended by
10 striking “section 402(a)(26)(B)(ii)” and inserting “sec-
11 tion 402(a)(26)(C)”.

12 (e) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to applications for aid under part
14 A of title IV of the Social Security Act and for medical
15 assistance under title XIX of such Act filed in calendar
16 quarters beginning at least 10 months after the date of
17 the enactment of this Act (or such earlier quarters as the
18 State may select).

19 **SEC. 102. STATE OBLIGATION TO PROVIDE PATERNITY ES-**
20 **TABLISHMENT AND CHILD SUPPORT EN-**
21 **FORCEMENT SERVICES.**

22 (a) STATE LAW REQUIREMENTS.—Section 466(a)
23 (42 U.S.C. 666(a)) is amended by inserting after para-
24 graph (11) the following new paragraph:

25 “(12) Procedures under which—

1 “(A) every child support order established
2 or modified in the State on or after October 1,
3 1998, is recorded in the central case registry
4 established in accordance with section 454A(e);

5 “(B) child support payments are collected
6 through the centralized collections unit estab-
7 lished in accordance with section 454B—

8 “(i) on and after October 1, 1998,
9 under each order subject to income with-
10 holding under section 466(b); and

11 “(ii) on and after October 1, 1999,
12 except as provided in subparagraph (C),
13 under each other order required to be re-
14 corded in such central case registry under
15 this paragraph or section 454A(e); and

16 “(C)(i) parties subject to a child support
17 order described in subparagraph (B)(ii) may
18 opt out of the procedure for payment of support
19 through the centralized collections unit (but not
20 the procedure for inclusion in the central case
21 registry) by filing with the State agency a writ-
22 ten agreement, signed by both parties, to an al-
23 ternative payment procedure; and

24 “(ii) an agreement described in clause (i)
25 becomes void, and may not be renewed, if—

1 “(I) the party owing support fails to
2 make a timely payment; or

3 “(II) either party advises the State
4 agency of an intent to vacate the agree-
5 ment.”.

6 (b) STATE PLAN REQUIREMENTS.—Section 454 (42
7 U.S.C. 654) is amended—

8 (1) by striking paragraph (4) and inserting the
9 following new paragraph:

10 “(4) provide that such State will undertake—

11 “(A) to provide appropriate services under
12 this part to—

13 “(i) each child with respect to whom
14 an assignment is effective under section
15 402(a)(26), 471(a)(17), or 1912 (except in
16 cases in which the State agency deter-
17 mines, in accordance with paragraph (25),
18 that it is against the best interests of the
19 child to do so); and

20 “(ii) each child not described in clause
21 (i)—

22 “(I) with respect to whom an in-
23 dividual applies for such services; or

24 “(II) on and after October 1,
25 1998, with respect to whom a support

1 order is recorded in the central State
2 case registry established under section
3 454A, regardless of whether applica-
4 tion is made for services under this
5 part; and

6 “(B) to enforce the support obligation es-
7 tablished with respect to the custodial parent of
8 a child described in subparagraph (A).”; and
9 (2) in paragraph (6)—

10 (A) by striking “(6) provide that” and all
11 that follows through subparagraph (B) and in-
12 serting the following:

13 “(6) provide that—

14 “(A) services under the State plan shall be
15 made available to nonresidents on the same
16 terms as to residents;

17 “(B) no fees or costs shall be imposed on
18 any absent or custodial parent or other individ-
19 ual—

20 “(i) on or after October 1, 1998, for
21 application for child support enforcement
22 services under this part; or

23 “(ii) for inclusion in the central State
24 registry maintained pursuant to section
25 454A(e).”;

1 (B) in each of subparagraphs (C) and
2 (D)—

3 (i) by indenting such subparagraph
4 and aligning its left margin with the left
5 margin of paragraph (B); and

6 (ii) by striking the final comma and
7 inserting a semicolon; and

8 (C) by striking subparagraph (E) and in-
9 serting the following subparagraphs:

10 “(E) no other fees or costs may be im-
11 posed on the custodial parent; and

12 “(F) any other fees or costs may be im-
13 posed on the noncustodial parent (but fees for
14 child support collection services provided
15 through the central collections unit operated
16 pursuant to section 454B, or for related auto-
17 mated procedures pursuant to section 454A(g),
18 may be imposed only if such fees or costs are
19 added to, and not deducted from, amounts col-
20 lected as child support);”.

21 (c) CONFORMING AMENDMENTS.—

22 (1) PATERNITY ESTABLISHMENT PERCENT-
23 AGE.—Section 452(g)(2)(A) (42 U.S.C.
24 652(g)(2)(A)) is amended by striking “454(6)” each
25 place it appears and inserting “454(4)(A)(ii)”.

1 (2) STATE PLAN.—Section 454(23) (42 U.S.C.
2 654(23)) is amended, effective October 1, 1998, by
3 striking “information as to any application fees for
4 such services and”.

5 (3) PROCEDURES TO IMPROVE ENFORCE-
6 MENT.—Section 466(a)(3)(B) (42 U.S.C.
7 666(a)(3)(B)) is amended by striking “in the case of
8 overdue support which a State has agreed to collect
9 under section 454(6)” and inserting “in any other
10 case”.

11 (4) DEFINITION OF OVERDUE SUPPORT.—Sec-
12 tion 466(e) (42 U.S.C. 666(e)) is amended by strik-
13 ing “or (6)”.

14 **SEC. 103. DISTRIBUTION OF PAYMENTS.**

15 (a) DISTRIBUTIONS THROUGH STATE CHILD SUP-
16 PORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE
17 RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is
18 amended—

19 (1) in subparagraph (A)—

20 (A) by inserting “except as otherwise spe-
21 cifically provided in section 464 or 466(a)(3),”
22 after “is effective,”; and

23 (B) by striking “except that” and all that
24 follows through the semicolon; and

1 (2) in subparagraph (B), by striking “, except”
2 and all that follows through “medical assistance”.

3 (b) DISTRIBUTION TO A FAMILY CURRENTLY RE-
4 RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amend-
5 ed—

6 (1) by striking subsection (a) and redesignating
7 subsection (b) as subsection (a);

8 (2) in subsection (a), as redesignated—

9 (A) by striking the matter preceding para-
10 graph (2) and inserting the following:

11 “(a) DISTRIBUTION IN CASE OF A FAMILY RECEIV-
12 ING AFDC.—Amounts collected under this part during
13 any month as support of a child who is receiving aid to
14 families with dependent children under part A (or a parent
15 or caretaker relative of such a child) shall (except as other-
16 wise specified under subsection (b) in the case of a State
17 exercising the option under such subsection) be distributed
18 as follows:

19 “(1) an amount equal to the amount that will
20 be disregarded pursuant to section 402(a)(8)(A)(vi)
21 shall be taken from each of—

22 “(A) the amounts received in a month
23 which represent payments for that month; and

24 “(B) the amounts received in a month
25 which represent payments for a prior month

1 which were made by the absent parent in that
2 prior month;
3 and shall be paid to the family without affecting its
4 eligibility for assistance or decreasing any amount
5 otherwise payable as assistance to such family dur-
6 ing such month;”;

7 (B) by striking “and” at the end of para-
8 graph (3); and

9 (C) by striking paragraph (4) and insert-
10 ing the following:

11 “(4) from any remainder, amounts which have
12 been assigned pursuant to section 402(a)(26) and
13 are not in excess of unreimbursed past assistance
14 payments made to the family shall be—

15 “(A) retained by the State; or

16 “(B) if no such payments by the State are
17 unreimbursed, paid to any other State or States
18 that may have such unreimbursed payments
19 (with appropriate reimbursement of the Federal
20 Government to the extent of its participation in
21 the financing); and

22 “(5) any remainder shall be paid to the fam-
23 ily.”; and

24 (3) by inserting after subsection (a), as redesign-
25 nated, the following new subsection:

1 “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-
2 ILY RECEIVING AFDC.—In distributing amounts collected
3 as described in subsection (a), a State may elect to make
4 the distribution to the family specified in subsection (a)(3)
5 before the distribution to the State specified in subsection
6 (a)(2).”.

7 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING
8 AFDC.—Section 457(c) (42 U.S.C. 657(c)) is amended
9 to read as follows:

10 “(c) DISTRIBUTIONS IN CASE OF FAMILY NOT RE-
11 CEIVING AFDC.—Amounts collected by a State agency
12 under this part during any month as support of a child
13 who is not receiving aid to families with dependent chil-
14 dren under part A (or of a parent or caretaker relative
15 of such a child) shall (subject to the remaining provisions
16 of this section) be distributed as follows:

17 “(1) first, amounts equal to the total of such
18 support owed for such month shall be paid to the
19 family;

20 “(2) second, from any remainder, amounts
21 equal to arrearages of such support obligations
22 which have not been assigned pursuant to section
23 402(a)(26) (and, at State option, amounts equal to
24 such arrearages which have been so assigned, but
25 which represent support for months during which

1 such child did not receive assistance under part A)
2 shall be paid to the family;

3 “(3) third, from any remainder, amounts equal
4 to arrearages of such support obligations assigned to
5 the State making the collection pursuant to part A
6 shall be retained and used by such State to pay any
7 such arrearages (with appropriate reimbursement of
8 the Federal Government to the extent of its partici-
9 pation in the financing); and

10 “(4) fourth, from any remainder, amounts
11 equal to arrearages of such support obligations as-
12 signed to any other State or States pursuant to part
13 A shall be paid to such other State or States, and
14 used to pay such arrearages, in the order in which
15 such arrearages accrued (with appropriate reim-
16 bursement of the Federal Government to the extent
17 of its participation in the financing).”.

18 (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-
19 ANCE UNDER PART E OF TITLE IV.—Section 457(d) (42
20 U.S.C. 657(d)) is amended, in the matter preceding para-
21 graph (1), by striking “Notwithstanding the preceding
22 provisions of this section, amounts” and inserting the fol-
23 lowing:

1 “(d) DISTRIBUTIONS IN CASE OF A CHILD RECEIV-
2 ING ASSISTANCE UNDER PART E OF TITLE IV.—
3 Amounts”.

4 (e) SUSPENSION OR CANCELLATION OF DEBTS UPON
5 MARRIAGE OF PARENTS.—Section 457 (42 U.S.C. 657)
6 is further amended by adding at the end the following new
7 subsection:

8 “(e) SUSPENSION OR CANCELLATION OF DEBTS TO
9 STATE UPON MARRIAGE OF PARENTS.—

10 “(1) CIRCUMSTANCES REQUIRING SUSPENSION
11 OR CANCELLATION.—In any case in which a State
12 has been assigned rights to support owed with re-
13 spect to a child who is receiving or has received aid
14 to families with dependent children under part A
15 and—

16 “(A) the parent owing such support mar-
17 ries (or remarries) the parent with whom such
18 child is living and to whom such support is
19 owed and applies to the State for relief under
20 this subsection;

21 “(B) the State determines (in accordance
22 with procedures and criteria established by the
23 Secretary) that the marriage is not a sham
24 marriage entered into solely to satisfy this sub-
25 section; and

1 “(C) the combined income of such parents
2 is less than twice the Federal poverty line,
3 the State shall afford relief to the parent owing such
4 support in accordance with paragraph (2).

5 “(2) SUSPENSION OR CANCELLATION.—In the
6 case of a marriage or remarriage described in para-
7 graph (1), the State shall either—

8 “(A) cancel all debts owed to the State
9 pursuant to such assignment, or

10 “(B) suspend collection of such debts for
11 the duration of such marriage, and cancel such
12 debts if such duration extends beyond the end
13 of the period with respect to which support is
14 owed.

15 “(3) NOTICE REQUIRED.—The State shall no-
16 tify custodial parents of children who are receiving
17 aid to families with dependent children under part A
18 of the relief available under this subsection to indi-
19 viduals who marry (or remarry).”.

20 (f) REGULATIONS.—The Secretary of Health and
21 Human Services shall promulgate regulations—

22 (1) under part D of title IV of the Social Secu-
23 rity Act, establishing a uniform nationwide standard
24 for allocation of child support collections from an ob-
25 ligor owing support to more than 1 family; and

1 (2) under part A of such title, establishing
2 standards applicable to States electing the alter-
3 native formula under section 457(b) of such Act for
4 distribution of collections on behalf of families re-
5 ceiving aid to families with dependent children, de-
6 signed to minimize irregular monthly payments to
7 such families.

8 (g) CONFORMING AMENDMENTS.—Section
9 402(a)(26)(A)(i), as redesignated by section 101(b)(2)(A),
10 is amended—

11 (1) by striking “(I)”; and

12 (2) by striking “, and (II)” and all that follows
13 before the semicolon and inserting “for periods dur-
14 ing which the individual is receiving aid under this
15 part”.

16 (h) CLERICAL AMENDMENTS.—Section 454 (42
17 U.S.C. 654) is amended—

18 (1) in paragraph (11)—

19 (A) by striking “(11)” and inserting
20 “(11)(A)”; and

21 (B) by inserting after the semicolon “and”;
22 and

23 (2) by redesignating paragraph (12) as sub-
24 paragraph (B) of paragraph (11).

1 (i) EFFECTIVE DATE.—The amendments made by
2 this section shall be effective with respect to calendar
3 quarters beginning on or after October 1, 1998.

4 **SEC. 104. DUE PROCESS RIGHTS.**

5 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
6 amended by section 103(h), is amended by inserting after
7 paragraph (11) the following new paragraph:

8 “(12) provide for procedures to ensure that—

9 “(A) individuals who are parties to cases
10 in which services are being provided under this
11 part—

12 “(i) receive notice of all proceedings in
13 which support obligations might be estab-
14 lished or modified; and

15 “(ii) receive a copy of any order estab-
16 lishing or modifying a child support obliga-
17 tion within 14 days after issuance of such
18 order; and

19 “(B) individuals receiving services under
20 this part have access to a fair hearing or other
21 formal complaint procedure, meeting standards
22 established by the Secretary, that ensures
23 prompt consideration and resolution of com-
24 plaints (but the resort to the procedure shall

1 not stay the enforcement of any support
2 order);”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall become effective on October 1, 1997.

5 **SEC. 105. PRIVACY SAFEGUARDS.**

6 (a) STATE PLAN REQUIREMENT.—Section 454 (42
7 U.S.C. 654), as amended by section 101, is amended—

8 (1) by striking “and” at the end of paragraph
9 (24);

10 (2) by striking the period at the end of para-
11 graph (25) and inserting “; and”; and

12 (3) by inserting after paragraph (25) the fol-
13 lowing new paragraph:

14 “(26) provide that the State will have in effect
15 safeguards applicable to all sensitive and confidential
16 information handled by the State agency designed to
17 protect the privacy rights of the individuals, includ-
18 ing—

19 “(A) safeguards against unauthorized use
20 or disclosure of information relating to proceed-
21 ings or actions to establish paternity, or to es-
22 tablish or enforce support; and

23 “(B) prohibitions on the release of infor-
24 mation on the whereabouts of 1 individual to
25 another person if—

1 “(i) such person is subject to a pro-
2 tective order with respect to such individ-
3 ual, or has been convicted of criminal as-
4 sault or abuse against such individual; or
5 “(ii) a proceeding is pending seeking
6 such an order or conviction.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall become effective on October 1, 1997.

9 **SEC. 106. REQUIREMENT TO FACILITATE ACCESS TO**
10 **SERVICES.**

11 (a) STATE PLAN REQUIREMENT.—Section 454(23)
12 (42 U.S.C. 654(23)) is amended—

13 (1) by striking “the State will regularly” and
14 inserting “the State will—

15 “(A) regularly”;

16 (2) by incorporating the remainder of the text
17 within subparagraph (A); and

18 (3) by adding at the end the following new sub-
19 paragraph:

20 “(B) have a plan for outreach to parents
21 designed to disseminate information about and
22 increase access to child support enforcement
23 services, including plans responding to needs—

24 “(i) of working parents to obtain such
25 services without taking time off work; and

1 “(ii) of parents with limited pro-
2 ficiency in English for elimination of lan-
3 guage barriers to use of such services;
4 and”.

5 (b) EFFECTIVE DATE.—The amendments made by
6 this section shall become effective on October 1, 1997.

7 **TITLE II—PROGRAM**
8 **ADMINISTRATION AND FUNDING**

9 **SEC. 201. FEDERAL MATCHING PAYMENTS.**

10 (a) INCREASED BASE MATCHING RATE.—Section
11 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
12 follows:

13 “(2) The applicable percent for a quarter for
14 purposes of paragraph (1)(A) is—

15 “(A) in the case of a State meeting the re-
16 quirements of subsection (c)—

17 “(i) for fiscal year 1997, 69 percent,

18 “(ii) for fiscal year 1998, 72 percent,

19 and

20 “(iii) for fiscal year 1999 and suc-
21 ceeding fiscal years, 75 percent; and

22 “(B) in the case of any other State, for fis-
23 cal year 1997 and succeeding fiscal years, 66
24 percent.”.

1 (b) MAINTENANCE OF EFFORT.—Section 455 (42
2 U.S.C. 655) is amended by inserting after subsection (b)
3 the following new subsection:

4 “(c) For purposes of subsection (a)(2), in order for
5 a State to meet the requirements of this subsection—

6 “(1) with respect to a fiscal year after fiscal
7 year 1996, total expenditures for the State program
8 under this part for such fiscal year shall not be less
9 than such total expenditures for fiscal year 1996;
10 and

11 “(2) with respect to each of fiscal years 1997
12 and 1998, such total expenditures (reduced by the
13 Federal payments to such State under this section
14 and section 458) shall not be less than such total ex-
15 penditures, so reduced, for fiscal year 1996.”.

16 **SEC. 202. PERFORMANCE-BASED INCENTIVES AND PEN-**
17 **ALTIES.**

18 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
19 ING RATE.—Section 458 is amended to read as follows:

20 “INCENTIVE ADJUSTMENTS TO MATCHING RATE

21 “SEC. 458. (a) INCENTIVE ADJUSTMENT.—

22 “(1) IN GENERAL.—In order to encourage and
23 reward State child support enforcement programs
24 which perform in an effective manner, the Federal
25 matching rate for payments to a State under section
26 455(a)(1)(A), for each fiscal year beginning on or

1 after October 1, 1997, shall be increased by a factor
2 reflecting the sum of the applicable incentive adjust-
3 ments (if any) determined in accordance with regu-
4 lations under this section with respect to statewide
5 paternity establishment and to overall performance
6 in child support enforcement.

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 States must attain to
13 qualify for incentive adjustments under
14 this section; and

15 “(ii) the amounts of incentive adjust-
16 ments that shall be awarded to States
17 achieving specified accomplishment or im-
18 provement levels, which amounts shall be
19 graduated, ranging up to—

20 “(I) 5 percentage points, in con-
21 nection with statewide paternity es-
22 tablishment as reflected in the state-
23 wide paternity establishment percent-
24 age; and

1 “(II) 10 percentage points, in
2 connection with overall performance in
3 child support enforcement.

4 “(B) LIMITATION.—In setting performance
5 standards pursuant to subparagraph (A)(i) and
6 adjustment amounts pursuant to subparagraph
7 (A)(ii), the Secretary shall ensure that the ag-
8 gregate number of percentage point increases as
9 incentive adjustments to all States does not ex-
10 ceed such aggregate increases as assumed by
11 the Secretary in estimates of the cost of this
12 section as of June 1995, unless the aggregate
13 performance of all States exceeds the projected
14 aggregate performance of all States in such cost
15 estimates.

16 “(3) DETERMINATION OF INCENTIVE ADJUST-
17 MENT.—The Secretary shall determine the amount
18 of any incentive adjustment due each State on the
19 basis of the data submitted by the State pursuant
20 to section 454(15)(B) concerning the levels of ac-
21 complishment (and rates of improvement) with re-
22 spect to performance indicators specified by the Sec-
23 retary pursuant to this section.

24 “(4) FISCAL YEAR SUBJECT TO INCENTIVE AD-
25 JUSTMENT.—The total percentage point increase de-

1 terminated pursuant to this section with respect to a
2 State program in a fiscal year shall apply as an ad-
3 justment to the applicable percent under section
4 455(a)(2) for payments to such State for the suc-
5 ceeding fiscal year.

6 “(b) MEANING OF TERMS.—For purposes of this sec-
7 tion—

8 “(1) the term ‘statewide paternity establish-
9 ment percentage’ means, with respect to a fiscal
10 year, the ratio (expressed as a percentage) of—

11 “(A) the total number of out-of-wedlock
12 children in the State for whom paternity is es-
13 tablished or acknowledged during the fiscal
14 year, to

15 “(B) the total number of children born out
16 of wedlock in the State during such fiscal year;
17 and

18 “(2) the term ‘overall performance in child sup-
19 port enforcement’ means a measure or measures of
20 the effectiveness of the State agency in a fiscal year
21 which takes into account factors including—

22 “(A) the percentage of cases requiring a
23 child support order in which such an order was
24 established;

1 “(B) the percentage of cases in which child
2 support is being paid;

3 “(C) the ratio of child support collected to
4 child support due; and

5 “(D) the cost-effectiveness of the State
6 program, as determined in accordance with
7 standards established by the Secretary in regu-
8 lations.”.

9 (b) ADJUSTMENT OF PAYMENTS UNDER PART D OF
10 TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as
11 amended by section 201, is amended—

12 (1) by striking the period at the end of sub-
13 paragraph (B) and inserting a comma; and

14 (2) by adding after and below subparagraph
15 (B), flush with the left margin of the paragraph, the
16 following:

17 “increased by the incentive adjustment factor (if any) de-
18 termined by the Secretary pursuant to section 458.”.

19 (c) CONFORMING AMENDMENTS.—Section 454(22)
20 (42 U.S.C. 654(22)) is amended—

21 (1) by striking “incentive payments” the first
22 place it appears and inserting “incentive adjust-
23 ments”; and

24 (2) by striking “any such incentive payments
25 made to the State for such period” and inserting

1 “any increases in Federal payments to the State re-
2 sulting from such incentive adjustments”.

3 (d) CALCULATION OF IV-D PATERNITY ESTABLISH-
4 MENT PERCENTAGE.—

5 (1) OVERALL PERFORMANCE REQUIREMENT.—

6 Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended
7 in the matter preceding subparagraph (A) by insert-
8 ing “its overall performance in child support en-
9 forcement is satisfactory (as defined in section
10 458(b) and regulations of the Secretary), and” after
11 “1994,”.

12 (2) DEFINITION OF IV-D PATERNITY ESTAB-
13 LISHMENT PERCENTAGE.—Section 452(g) (42
14 U.S.C. 652(g)) is amended—

15 (A) by striking “paternity establishment
16 percentage” each place it appears and inserting
17 “IV-D paternity establishment percentage”;

18 (B) in paragraph (2)(A), in the matter
19 preceding clause (i) by striking “(or all States,
20 as the case may be)”;

21 (C) in paragraph (2)(A)(i), by striking
22 “during the fiscal year”;

23 (D) in paragraph (2)(A)(ii)(I), by striking
24 “as of the end of the fiscal year” and inserting

1 “in the fiscal year or, at the option of the
2 State, as of the end of such year”;

3 (E) in paragraph (2)(A)(ii)(II), by striking
4 “or (E) as of the end of the fiscal year” and
5 inserting “in the fiscal year or, at the option of
6 the State, as of the end of such year”;

7 (F) in paragraph (2)(A)(iii)—

8 (i) by striking “during the fiscal
9 year”; and

10 (ii) by striking “and” at the end; and

11 (G) in the matter following paragraph
12 (2)(A)—

13 (i) by striking “who were born out of
14 wedlock during the immediately preceding
15 fiscal year” and inserting “born out of
16 wedlock”;

17 (ii) by striking “such preceding fiscal
18 year” both places it appears and inserting
19 “the preceding fiscal year”; and

20 (iii) by striking “or (E)” the second
21 place it appears.

22 (3) CONFORMING AMENDMENTS.—Section
23 452(g)(3) (42 U.S.C. 652(g)(3)) is 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 redesignated,
5 by striking “the percentage of children born
6 out-of-wedlock in the State” and inserting “the
7 percentage of children in the State who are
8 born out of wedlock or for whom support has
9 not been established”; and

10 (C) in subparagraph (B), as redesign-
11 nated—

12 (i) by inserting “and overall perform-
13 ance in child support enforcement” after
14 “IV-D paternity establishment percent-
15 ages”; and

16 (ii) by inserting “and securing sup-
17 port” before the period.

18 (e) REDUCTION OF PAYMENTS UNDER PART A OF
19 TITLE IV.—

20 (1) IN GENERAL.—Section 403 (42 U.S.C.603)
21 is amended—

22 (A) in subsection (a), by striking “1958—
23 ” and inserting “1958 (subject to subsection
24 (h))—”;

1 (B) in subsection (h), by striking “(h)(1)”
2 and all that follows through paragraph (2) and
3 inserting the following:

4 “(h)(1) If the Secretary finds, with respect to a State
5 program under this part in a fiscal year beginning on or
6 after October 1, 1997—

7 “(A)(i) on the basis of data submitted by a
8 State pursuant to section 454(15)(B), that the State
9 program in such fiscal year failed to achieve the IV-
10 D paternity establishment percentage (as defined in
11 section 452(g)(2)(A)) or the appropriate level of
12 overall performance in child support enforcement (as
13 defined in section 458(b)(2)), or to meet other per-
14 formance measures that may be established by the
15 Secretary; or

16 “(ii) on the basis of an audit or audits of such
17 State data conducted pursuant to section
18 452(a)(4)(C), that the State data submitted pursu-
19 ant to section 454(15)(B) is incomplete or unreli-
20 able; and

21 “(B) that, with respect to the succeeding fiscal
22 year—

23 “(i) the State failed to take sufficient cor-
24 rective action to achieve the appropriate per-

1 formance levels as described in subparagraph
2 (A)(i), or

3 “(ii) the data submitted by the State pur-
4 suant to section 454(15)(B) is incomplete or
5 unreliable,

6 the amounts otherwise payable to the State under this
7 part for quarters beginning after the end of such succeed-
8 ing fiscal year, and before quarters beginning after the
9 end of the first quarter throughout which the State pro-
10 gram is in compliance with such performance requirement,
11 shall be reduced by the percentage specified in paragraph
12 (2).

13 “(2) The reductions required under paragraph (1)
14 shall be—

15 “(A) not less than 1 nor more than 2 percent,
16 or

17 “(B) not less than 2 nor more than 3 percent,
18 if the finding is the second consecutive finding made
19 pursuant to paragraph (1), or

20 “(C) not less than 3 nor more than 5 percent,
21 if the finding is the third or a subsequent consecu-
22 tive such finding.”; and

23 (C) in subsection (h)(3), by striking “not
24 in full compliance” and all that follows and in-
25 serting “determined as a result of an audit to

1 have submitted incomplete or unreliable data
2 pursuant to section 454(15)(B), shall be deter-
3 mined to have submitted adequate data if the
4 Secretary determines that the extent of the in-
5 completeness or unreliability of the data is of
6 a technical nature which does not adversely af-
7 fect the determination of the level of the State's
8 performance.”.

9 (2) CONFORMING AMENDMENT.—Section
10 452(a)(4) (42 U.S.C. 652(a)(4)) is amended by
11 striking “, or which is operating under a corrective
12 action plan in accordance with section 403(h)(2),”.

13 (f) EFFECTIVE DATES.—

14 (1) INCENTIVE ADJUSTMENTS.—

15 (A) IN GENERAL.—Except to the extent
16 provided in subparagraph (B), the amendments
17 made by subsections (a), (b), and (c) shall be-
18 come effective October 1, 1997.

19 (B) EXCEPTION.—Section 458 of the So-
20 cial Security Act, as in effect prior to the date
21 of the enactment of this section, shall be effec-
22 tive for purposes of incentive payments to
23 States for fiscal years beginning before October
24 1, 1998.

25 (2) PENALTIES.—

1 (A) IN GENERAL.—The amendments made
2 by subsection (d) shall become effective with re-
3 spect to calendar quarters beginning on and
4 after the date of the enactment of this Act.

5 (B) REDUCTIONS.—The amendments
6 made by subsection (e) shall become effective
7 with respect to calendar quarters beginning on
8 and after the date which is 1 year after the
9 date of the enactment of this Act.

10 **SEC. 203. FEDERAL AND STATE REVIEWS AND AUDITS.**

11 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
12 U.S.C. 654) is amended—

13 (1) in paragraph (14)—

14 (A) by striking “(14)” and inserting
15 “(14)(A)”; and

16 (B) by inserting after the semicolon “and”;

17 (2) by redesignating paragraph (15) as sub-
18 paragraph (B) of paragraph (14); and

19 (3) by inserting after paragraph (14) the fol-
20 lowing new paragraph:

21 “(15) provide for—

22 “(A) a process for annual reviews of and
23 reports to the Secretary on the State program
24 under this part, using such standards and pro-
25 cedures as are required by the Secretary, under

1 which the State agency will determine the ex-
2 tent to which such program is in conformity
3 with applicable requirements with respect to the
4 operation of State programs under this part
5 (including the status of complaints filed under
6 the procedure required under paragraph
7 (12)(B)); and

8 “(B) a process of extracting from the
9 State automated data processing system and
10 transmitting to the Secretary data and calcula-
11 tions concerning the levels of accomplishment
12 (and rates of improvement) with respect to ap-
13 plicable performance indicators (including IV-D
14 paternity establishment percentages and overall
15 performance in child support enforcement) to
16 the extent necessary for purposes of sections
17 452(g) and 458.”.

18 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
19 U.S.C. 652(a)(4)) is amended to read as follows:

20 “(4)(A) review data and calculations transmit-
21 ted by State agencies pursuant to section
22 454(15)(B) on State program accomplishments with
23 respect to performance indicators for purposes of
24 section 452(g) and 458, and determine the amount

1 (if any) of penalty reductions pursuant to section
2 403(h) to be applied to the State;

3 “(B) review annual reports by State agencies
4 pursuant to section 454(15)(A) on State program
5 conformity with Federal requirements; evaluate any
6 elements of a State program in which significant de-
7 ficiencies are indicated by such report on the status
8 of complaints under the State procedure under sec-
9 tion 454(12)(B); and, as appropriate, provide to the
10 State agency 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 United States
15 Comptroller General—

16 “(i) at least once every 3 years (or more
17 frequently, in the case of a State which fails to
18 meet requirements of this part, or of regula-
19 tions implementing such requirements, concern-
20 ing performance standards and reliability of
21 program data) to assess the completeness, reli-
22 ability, and security of the data, and the accu-
23 racy of the reporting systems, used for the cal-
24 culations of performance indicators specified in
25 subsection (g) and section 458;

1 “(ii) of the adequacy of financial manage-
2 ment of the State program, including assess-
3 ments of—

4 “(I) whether Federal and other funds
5 made available to carry out the State pro-
6 gram under this part are being appro-
7 priately expended, and are properly and
8 fully accounted for; and

9 “(II) whether collections and disburse-
10 ments of support payments and program
11 income are carried out correctly and are
12 properly and 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 on or after the date which is 1 year
18 after the date of the enactment of this section.

19 **SEC. 204. AUTOMATED DATA PROCESSING REQUIREMENTS.**

20 (a) REVISED REQUIREMENTS.—

21 (1) STATE PLAN.—Section 454(16) (42 U.S.C.
22 654(16)) is amended—

23 (A) by striking “, at the option of the
24 State,”;

1 (B) by inserting “and operation by the
2 State agency” after “for the establishment”;

3 (C) by inserting “meeting the requirements
4 of section 454A” after “information retrieval
5 system”;

6 (D) by striking “in the State and localities
7 thereof, so as (A)” and inserting “so as”;

8 (E) by striking “(i)”; and

9 (F) by striking “(including” and all that
10 follows and inserting a semicolon.

11 (2) AUTOMATED DATA PROCESSING.—Part D of
12 title IV (42 U.S.C. 651–669) is amended by insert-
13 ing after section 454 the following new section:

14 “AUTOMATED DATA PROCESSING

15 “SEC. 454A. (a) IN GENERAL.—For purposes of sec-
16 tion 454(16), a State agency shall meet the requirements
17 of this section if it has in operation a single statewide
18 automated data processing and information retrieval sys-
19 tem which has the capability to perform the tasks specified
20 in this section, and performs such tasks with the frequency
21 and in the manner specified in this part or in regulations
22 or guidelines of the Secretary.

23 “(b) PROGRAM MANAGEMENT.—The State agency
24 shall ensure that the automated system required under
25 this section is capable of performing such functions as the

1 Secretary may specify relating to management of the pro-
2 gram under this part, including—

3 “(1) controlling and accounting for use of Fed-
4 eral, State, and local funds to carry out such pro-
5 gram; and

6 “(2) maintaining the data necessary to meet
7 Federal reporting requirements on a timely basis.

8 “(c) CALCULATION OF PERFORMANCE INDICA-
9 TORS.—In order to enable the Secretary to determine the
10 incentive and penalty adjustments required by sections
11 452(g) and 458, the State agency shall—

12 “(1) use the automated system—

13 “(A) to maintain the requisite data on
14 State performance with respect to paternity es-
15 tablishment and child support enforcement in
16 the State; and

17 “(B) to calculate the IV–D paternity es-
18 tablishment percentage and overall performance
19 in child support enforcement for the State for
20 each fiscal year; and

21 “(2) have in place systems controls to ensure
22 the completeness, and reliability of, and ready access
23 to, the data described in paragraph (1)(A), and the
24 accuracy of the calculations described in paragraph
25 (1)(B).

1 “(d) INFORMATION INTEGRITY AND SECURITY.—The
2 State agency shall have in effect safeguards on the integ-
3 rity, accuracy, and completeness of, access to, and use of
4 data in the automated system required under this section,
5 which shall include the following (in addition to such other
6 safeguards as the Secretary specifies in regulations):

7 “(1) POLICIES RESTRICTING ACCESS.—Written
8 policies concerning access to data by State agency
9 personnel, and sharing of data with other persons,
10 which—

11 “(A) permit access to and use of data only
12 to the extent necessary to carry out program re-
13 sponsibilities;

14 “(B) specify the data which may be used
15 for particular program purposes, and the per-
16 sonnel permitted access to such data; and

17 “(C) ensure that data obtained or disclosed
18 for a limited program purpose is not used or
19 redisclosed for another, impermissible purpose.

20 “(2) SYSTEMS CONTROLS.—Systems controls
21 (such as passwords or blocking of fields) to ensure
22 strict adherence to the policies specified under para-
23 graph (1).

24 “(3) MONITORING OF ACCESS.—Routine mon-
25 itoring of access to and use of the automated sys-

1 tem, through methods such as audit trails and feed-
2 back mechanisms, to guard against and promptly
3 identify unauthorized access or use.

4 “(4) TRAINING AND INFORMATION.—The State
5 agency shall have in effect procedures to ensure that
6 all personnel (including State and local agency staff
7 and contractors) who may have access to or be re-
8 quired to use sensitive or confidential program data
9 are fully informed of applicable requirements and
10 penalties, and are adequately trained in security pro-
11 cedures.

12 “(5) PENALTIES.—The State agency shall have
13 in effect administrative penalties (including dismis-
14 sal from employment) for unauthorized access to, or
15 disclosure or use of, confidential data.”.

16 (3) IMPLEMENTATION TIMETABLE.—Section
17 454(24) (42 U.S.C. 654(24)), as amended by section
18 105(a)(1), is amended to read as follows:

19 “(24) provide that the State will have in effect
20 an automated data processing and information re-
21 trieval system—

22 “(A) by October 1, 1996, meeting all re-
23 quirements of this part which were enacted on
24 or before the date of the enactment of the Fam-
25 ily Support Act of 1988; and

1 “(B) by October 1, 1999, meeting all re-
2 quirements of this part enacted on or before the
3 date of the enactment of this paragraph (but
4 this provision shall not be construed to alter
5 earlier deadlines specified for elements of such
6 system);”.

7 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
8 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section
9 455(a) (42 U.S.C. 655(a)) is amended—

10 (1) in paragraph (1)(B)—

11 (A) by striking “90 percent” and inserting
12 “the percent specified in paragraph (3)”;

13 (B) by striking “so much of”; and

14 (C) by striking “which the Secretary” and
15 all that follows through “thereof”; and

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

18 “(3)(A) The Secretary shall pay to each State, for
19 each quarter in fiscal year 1996, 90 percent of so much
20 of State expenditures described in subparagraph (1)(B) as
21 are reasonable and necessary for a system meeting the re-
22 quirements specified in section 454(16), or meeting such
23 requirements without regard to subparagraph (D) thereof.

24 “(B)(i) Subject to clause (iii), the Secretary shall pay
25 to each State, for each quarter in fiscal years 1997

1 through 2001, the percentage specified in clause (ii) of
2 so much of State expenditures described in subparagraph
3 (1)(B) as are for a system meeting the requirements speci-
4 fied in section 454(16) and 454A.

5 “(ii) The percentage specified in this clause is the
6 higher of—

7 “(I) 80 percent, or

8 “(II) the percentage otherwise applicable to
9 Federal payments to the State under subparagraph
10 (A) (as adjusted pursuant to section 458).

11 “(iii) Notwithstanding any other provision of this sec-
12 tion, the total amount payable by the Secretary with re-
13 spect to expenditures during fiscal years specified in clause
14 (i) shall not exceed \$260,000,000—

15 “(I) to be distributed among the States and to
16 be made available at such time or times over the 5-
17 year period as is provided in regulations issued by
18 the Secretary, taking into account the relative size
19 of State caseloads and the level of automation need-
20 ed to meet the requirements of this part; and

21 “(II) to be made to a State at such times and
22 in such a manner as provided in the advance plan-
23 ning document approved under section 452(d).”.

1 (c) CONFORMING AMENDMENT.—Section 123(c) of
2 the Family Support Act of 1988 (102 Stat. 2352; Public
3 Law 100–485) is repealed.

4 (d) ADDITIONAL PROVISIONS.—For additional provi-
5 sions of section 454A, as added by subsection (a), see sec-
6 tions 301, 302, and 402 of this Act.

7 **SEC. 205. DIRECTOR OF CSE PROGRAM; TRAINING AND**
8 **STAFFING.**

9 (a) REPORTING TO SECRETARY.—Section 452(a) (42
10 U.S.C. 652(a)) is amended, in the matter preceding para-
11 graph (1), by striking “directly”.

12 (b) TRAINING PROGRAM.—

13 (1) SECRETARIAL RESPONSIBILITIES.—Section
14 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by
15 striking “paternity;” and inserting “paternity,
16 through activities including—

17 “(A) development of a core curriculum and
18 training standards to be used by States in the
19 development of State-specific training guides;
20 and

21 “(B) development of a national training
22 program for directors of State programs under
23 this part;”.

1 (2) TRAINING FEE AUTHORITY.—Section 452
2 (42 U.S.C. 652) is amended by adding at the end
3 the following new subsection:

4 “(j) The Secretary is authorized, subject to appro-
5 priations, to charge fees for training programs for direc-
6 tors of State programs under subsection (a)(7). Such fees
7 shall be credited to the appropriation for this program and
8 used to pay costs of such training programs.”.

9 (c) STATE PLAN REQUIREMENT.—Section 454 (42
10 U.S.C. 654), as amended by sections 102 and 104, is
11 amended—

12 (1) by striking “and” at the end of paragraph
13 (25);

14 (2) by striking the period at the end of para-
15 graph (26) and inserting “; and”; and

16 (3) by adding after paragraph (26) the follow-
17 ing new paragraph:

18 “(27) provide that the State agency will develop
19 and implement a training program which—

20 “(A) is consistent with the national train-
21 ing standards and core curriculum developed by
22 the Secretary pursuant to section 452(a)(7),
23 and uses a State-specific training guide incor-
24 porating such core curriculum;

1 “(B) provides for initial and ongoing train-
2 ing of all staff (including State and local agency
3 staff and contractors) of the program under
4 this part, including annual training for case
5 workers and special training when significant
6 changes are made in statutes, regulations, poli-
7 cies, or procedures; and

8 “(C) may provide (subject to approval by
9 the Secretary) for appropriate training of other
10 persons with responsibilities relating to the im-
11 plementation of the State program under this
12 part (including staff administering programs
13 under part A, part E, title XIX, and other re-
14 lated and complementary programs; judges and
15 other staff of judicial and administrative tribu-
16 nals; law enforcement personnel; staff of social
17 services organizations; and the private bar).”.

18 (d) STAFFING STUDIES.—

19 (1) SCOPE OF STUDY.—The Secretary of
20 Health and Human Services (in this subsection re-
21 ferred to as the “Secretary”) shall, in consultation
22 with directors of State child support enforcement
23 programs under part D of title IV of the Social Se-
24 curity Act, conduct studies of the staffing of each
25 such program. Such studies shall include—

1 (A) a review of the staffing needs created
2 by requirements for automated data processing,
3 maintenance of a central case registry, and cen-
4 tralized collections of child support and of
5 changes in these needs resulting from changes
6 in such requirements; and

7 (B) a review of the ratio of caseworkers to
8 cases and an assessment of the impact of this
9 ratio on the effectiveness of the program.

10 (2) FREQUENCY OF STUDIES.—The Secretary
11 shall complete the first staffing study required under
12 paragraph (1) by October 1, 1997, and may conduct
13 additional studies subsequently at appropriate inter-
14 vals.

15 (3) STATE REPORTS.—The Secretary shall, as a
16 result of the studies conducted under this sub-
17 section, and in consultation with directors of each
18 State child support enforcement program under part
19 D of title IV of the Social Security Act, issue a re-
20 port for each State containing recommendations ad-
21 dressing the issues described in paragraph (1).

22 (4) REPORT TO CONGRESS.—The Secretary
23 shall submit a report to the Congress stating the
24 findings and conclusions of each study conducted
25 under this subsection.

1 **SEC. 206. FUNDING FOR SECRETARIAL ASSISTANCE TO**
2 **STATE PROGRAMS.**

3 Section 452 (42 U.S.C. 652), as amended by section
4 205(b)(2), is amended by adding at the end the following
5 new subsection:

6 “(k)(1) There shall be available to the Secretary,
7 from amounts appropriated for fiscal year 1996 and each
8 succeeding fiscal year for payments to States under this
9 part, the amount specified in paragraph (2) for the costs
10 to the Secretary for—

11 “(A) information dissemination and technical
12 assistance to States, training of State and Federal
13 staff, staffing studies, and related activities needed
14 to improve programs (including technical assistance
15 concerning State automated systems);

16 “(B) research, demonstration, and special
17 projects of regional or national significance relating
18 to the operation of State programs under this part;
19 and

20 “(C) operation of the Federal Parent Locator
21 Service under section 453 and the National Child
22 Support Information Clearinghouse under section
23 453A, to the extent such costs are not recovered
24 through user fees.

25 “(2) The amount specified in this paragraph for a
26 fiscal year is the amount equal to a percentage of the re-

1 duction in Federal payments to States under part A on
2 account of child support (including arrearages) collected
3 in the preceding fiscal year on behalf of children receiving
4 aid under such part A in such preceding fiscal year (as
5 determined on the basis of the most recent reliable data
6 available to the Secretary as of the end of the third cal-
7 endar quarter following the end of such preceding fiscal
8 year), equal to—

9 “(A) 1 percent, for the activities specified in
10 subparagraphs (A) and (B) of paragraph (1); and

11 “(B) 2 percent, for the activities specified in
12 subparagraph (C) of paragraph (1).”.

13 **SEC. 207. DATA COLLECTION AND REPORTS BY THE**
14 **SECRETARY.**

15 (a) ANNUAL REPORT TO CONGRESS.—

16 (1) IN GENERAL.—Section 452(a)(10)(A) (42
17 U.S.C. 652(a)(10)(A)) is amended—

18 (A) by striking “this part;” and inserting
19 “this part, including—”; and

20 (B) by adding at the end the following in-
21 dented clauses:

22 “(i) the total amount of child support
23 payments collected as a result of services
24 furnished during such fiscal year to indi-
25 viduals receiving services under this part;

1 “(ii) the cost to the States and to the
2 Federal Government of furnishing such
3 services to those individuals; and

4 “(iii) the number of cases involving
5 families—

6 “(I) who became ineligible for aid
7 under part A during a month in such
8 fiscal year; and

9 “(II) with respect to whom a
10 child support payment was received in
11 the same month;”.

12 (2) CERTAIN DATA.—Section 452(a)(10)(C) (42
13 U.S.C. 652(a)(10)(C)) is amended—

14 (A) in the matter preceding clause (i), by
15 striking “with the data required under each
16 clause being separately stated for cases” and all
17 that follows through “part:” and inserting “sep-
18 arately stated for cases where the child is re-
19 ceiving aid to families with dependent children
20 (or foster care maintenance payments under
21 part E), or formerly received such aid or pay-
22 ments and the State is continuing to collect
23 support assigned to it under section 402(a)(26),
24 471(a)(17), or 1912, and all other cases under
25 this part—”;

1 (B) in each of clauses (i) and (ii), by strik-
2 ing “, and the total amount of such obliga-
3 tions”;

4 (C) in clause (iii), by striking “described
5 in” and all that follows through the semicolon
6 and inserting “in which support was collected
7 during the fiscal year;”;

8 (D) by striking clause (iv); and

9 (E) by redesignating clause (v) as clause
10 (vii), and inserting after clause (iii) the follow-
11 ing new clauses:

12 “(iv) the total amount of support col-
13 lected during such fiscal year and distrib-
14 uted as current support;

15 “(v) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as arrearages;

18 “(vi) the total amount of support due
19 and unpaid for all fiscal years; and”.

20 (3) USE OF FEDERAL COURTS.—Section
21 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amend-
22 ed by striking “on the use of Federal courts and”.

23 (4) ADDITIONAL INFORMATION NOT NEC-
24 ESSARY.—Section 452(a)(10) (42 U.S.C.

1 652(a)(10)) is amended by striking all that follows
2 subparagraph (I).

3 (b) DATA COLLECTION AND REPORTING.—Section
4 469 (42 U.S.C. 669) is amended—

5 (1) by striking subsections (a) and (b) and in-
6 serting the following new subsections:

7 “(a) The Secretary shall collect and maintain, on a
8 fiscal year basis, up-to-date statistics, by State, with re-
9 spect to services to establish paternity and services to es-
10 tablish child support obligations, the data specified in sub-
11 section (b), separately stated, in the case of each such
12 service, with respect to—

13 “(1) families (or dependent children) receiving
14 aid under plans approved under part A (or E); and

15 “(2) families not receiving such aid.

16 “(b) The data referred to in subsection (a) are—

17 “(1) the number of cases in the caseload of the
18 State agency administering the plan under this part
19 in which such service is needed; and

20 “(2) the number of such cases in which the
21 service has been provided.”; and

22 (2) in subsection (c), by striking “(a)(2)” and
23 inserting “(b)(2)”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall be effective with respect to fiscal year
3 1996 and succeeding fiscal years.

4 **SEC. 208. COORDINATION WITH INCOME AND ELIGIBILITY**
5 **VERIFICATION SYSTEM.**

6 (a) USE OF IEVS INFORMATION FURNISHED TO
7 CSE AGENCY.—Section 1137(a)(4) (42 U.S.C. 1320b-
8 7(a)(4)) is amended—

9 (1) in subparagraph (B), by striking “to assist
10 in the child support program under part D of title
11 IV of this Act” and inserting “to Federal and State
12 agencies administering the child support program
13 under part D of title IV to assist in carrying out any
14 responsibilities under such part”; and

15 (2) in subparagraph (C), by inserting “by the
16 State agencies administering the programs listed in
17 subsection (b)” after “the use of such information”.

18 (b) AVAILABILITY OF CSE INFORMATION TO IEVS
19 AGENCIES.—Section 1137(a) (42 U.S.C. 1320b-7(a)) is
20 amended—

21 (1) by redesignating paragraphs (5) through
22 (7) as paragraphs (6) through (8), respectively, and

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

1 (such as information on case status) as the Sec-
2 retary may require.

3 “(2) PAYMENT RECORDS.—Each case record in
4 the central registry shall include a record of—

5 “(A) the amount of monthly (or other peri-
6 odic) support owed under the support order,
7 and other amounts due or overdue (including
8 arrearages, interest or late payment penalties,
9 and fees);

10 “(B) the date on which the support obliga-
11 tion will terminate under such order;

12 “(C) all child support and related amounts
13 collected (including such amounts as fees, late
14 payment penalties, and interest on arrearages);
15 and

16 “(D) the distribution of such amounts col-
17 lected.

18 “(3) UPDATING AND MONITORING.—The State
19 agency shall promptly establish and maintain, and
20 regularly monitor, case records in the registry re-
21 quired by this subsection, on the basis of—

22 “(A) information on administrative actions
23 and administrative and judicial proceedings and
24 orders relating to paternity and support;

1 “(B) information obtained from matches
2 with Federal, State, or local data sources;

3 “(C) information on support collections
4 and distributions; and

5 “(D) any other relevant information.

6 “(f) DATA MATCHES AND OTHER DISCLOSURES OF
7 INFORMATION.—The automated system required under
8 this section shall have the capacity, and be used by the
9 State agency, to extract data at such times, and in such
10 standardized format or formats, as may be required by
11 the Secretary, and to share and match data with, and re-
12 ceive data from, other data bases and data matching serv-
13 ices, in order to obtain (or provide) information necessary
14 to enable the State agency (or Secretary or other State
15 or Federal agencies) to carry out responsibilities under
16 this part. Data matching activities of the State agency
17 shall include at least the following:

18 “(1) NATIONAL CHILD SUPPORT INFORMATION
19 CLEARINGHOUSE.—Furnishing to the National Child
20 Support Information Clearinghouse established
21 under section 453A (and updating as necessary,
22 with information including notice of expiration of or-
23 ders) minimal information specified by the Secretary
24 on each child support case in the central case reg-
25 istry.

1 “(2) FEDERAL PARENT LOCATOR SERVICE.—
2 Exchanging data with the Federal Parent Locator
3 Service for the purposes specified in section 453.

4 “(3) AFDC, FOSTER CARE, AND MEDICAID
5 AGENCIES.—Exchanging data with State agencies
6 (of the State and of other States) administering the
7 programs under parts A and E and title XIX, as
8 necessary for the performance of State agency re-
9 sponsibilities under this part and under such pro-
10 grams.

11 “(4) INTRASTATE AND INTERSTATE DATA
12 MATCHES.—Exchanging data with other agencies of
13 the State, agencies of other States, and interstate
14 information networks, as necessary and appropriate
15 to carry out (or assist other States to carry out) the
16 purposes of this part.”.

17 **SEC. 302. CENTRALIZED COLLECTION AND DISBURSEMENT**
18 **OF SUPPORT PAYMENTS.**

19 (a) STATE PLAN REQUIREMENT.—Section 454 (42
20 U.S.C. 654), as amended by sections 101, 105, and 205,
21 is amended—

22 (1) by striking “and” at the end of paragraph
23 (26);

24 (2) by striking the period at the end of para-
25 graph (27) and inserting “; and”; and

1 (3) by adding after paragraph (27) the follow-
2 ing new paragraph:

3 “(28) provide that the State agency, on and
4 after October 1, 1998—

5 “(A) will operate a centralized, automated
6 unit for the collection and disbursement of child
7 support under orders being enforced under this
8 part, in accordance with section 454B; and

9 “(B) will have sufficient State employees,
10 and, at State option, contractors reporting di-
11 rectly to the State agency) to monitor and en-
12 force support collections through such central-
13 ized unit, including carrying out the automated
14 data processing responsibilities specified in sec-
15 tion 454A(g) and to impose, as appropriate in
16 particular cases, the administrative enforcement
17 remedies specified in section 466(c)(1).”.

18 (b) ESTABLISHMENT OF CENTRALIZED COLLECTION
19 UNIT.—Part D of title IV (42 U.S.C. 651–669) is amend-
20 ed by adding after section 454A the following new section:

21 “CENTRALIZED COLLECTION AND DISBURSEMENT OF
22 SUPPORT PAYMENTS

23 “SEC. 454B. (a) IN GENERAL.—In order to meet the
24 requirement of section 454(28), the State agency must op-
25 erate a single centralized, automated unit for the collection
26 and disbursement of support payments, coordinated with

1 the automated data system required under section 454A,
2 in accordance with the provisions of this section, which
3 shall be—

4 “(1) operated directly by the State agency (or
5 by 2 or more State agencies under a regional cooper-
6 ative agreement), or by a single contractor respon-
7 sible directly to the State agency; and

8 “(2) used for the collection and disbursement
9 (including interstate collection and disbursement) of
10 payments under support orders in all cases being en-
11 forced by the State pursuant to section 454(4).

12 “(b) REQUIRED PROCEDURES.—The centralized col-
13 lections unit shall use automated procedures, electronic
14 processes, and computer-driven technology to the maxi-
15 mum extent feasible, efficient, and economical, for the col-
16 lection and disbursement of support payments, including
17 procedures—

18 “(1) for receipt of payments from parents, em-
19 ployers, and other States, and for disbursements to
20 custodial parents and other obligees, the State agen-
21 cy, and the State agencies of other States;

22 “(2) for accurate identification of payments;

23 “(3) to ensure prompt disbursement of the cus-
24 todial parent’s share of any payment; and

1 “(4) to furnish to either parent, upon request,
2 timely information on the current status of support
3 payments.”.

4 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
5 added by section 204(a)(2) and as amended by section
6 301, is amended by adding at the end the following new
7 subsection:

8 “(g) CENTRALIZED COLLECTION AND DISTRIBUTION
9 OF SUPPORT PAYMENTS.—The automated system re-
10 quired under this section shall be used, to the maximum
11 extent feasible, to assist and facilitate collections and dis-
12 bursement of support payments through the centralized
13 collections unit operated pursuant to section 454B,
14 through the performance of functions including at a mini-
15 mum—

16 “(1) generation of orders and notices to em-
17 ployers (and other debtors) for the withholding of
18 wages (and other income)—

19 “(A) within 2 working days after receipt
20 (from the National Directory of New Hires or
21 any other source) of notice of and the income
22 source subject to such withholding; and

23 “(B) using uniform formats directed by
24 the Secretary;

1 “(2) ongoing monitoring to promptly identify
2 failures to make timely payment; and

3 “(3) automatic use of enforcement mechanisms
4 (including mechanisms authorized pursuant to sec-
5 tion 466(c)) where payments are not timely made.”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall become effective on October 1, 1998.

8 **SEC. 303. AMENDMENTS CONCERNING INCOME WITHHOLD-**
9 **ING.**

10 (a) MANDATORY INCOME WITHHOLDING.—

11 (1) FROM INCOME.—Section 466(a)(1) (42
12 U.S.C. 666(a)(1)) is amended to read as follows:

13 “(1)(A) Procedures described in subsection (b)
14 for the withholding from income of amounts payable
15 as support in cases subject to enforcement under the
16 State plan.

17 “(B) Procedures under which all child support
18 orders issued (or modified) before October 1, 1996,
19 and which are not otherwise subject to withholding
20 under subsection (b), shall become subject to with-
21 holding from income as provided in subsection (b) if
22 arrearages occur, without the need for a judicial or
23 administrative hearing.”.

1 (2) REPEAL OF CERTAIN PROVISIONS CONCERN-
2 ING ARREARAGES.—Section 466(a)(8) (42 U.S.C.
3 666(a)(8)) is repealed.

4 (3) PROCEDURES DESCRIBED.—Section 466(b)
5 (42 U.S.C. 666(b)) is amended—

6 (A) in the matter preceding paragraph (1),
7 by striking “subsection (a)(1)” and inserting
8 “subsection (a)(1)(A)”;

9 (B) in paragraph (5), by striking “a public
10 agency” and all that follows through the period
11 and inserting “the State through the central-
12 ized collections unit established pursuant to sec-
13 tion 454B, in accordance with the requirements
14 of such section 454B.”;

15 (C) in paragraph (6)(A)(i)—

16 (i) by inserting “, in accordance with
17 such procedures and timetables as may be
18 established by the Secretary,” after “must
19 be required”; and

20 (ii) by striking “to the appropriate
21 agency” and all that follows through the
22 period and inserting “to the State central-
23 ized collections unit within 5 working days
24 after the date such amount would (but for
25 this subsection) have been paid or credited

1 to the employee, for distribution in accord-
2 ance with this part.”;

3 (D) in paragraph (6)(A)(ii), by inserting
4 “be in a standard format prescribed by the Sec-
5 retary, and” after “shall”; and

6 (E) by striking subparagraph (D) of para-
7 graph (6) and inserting the following new sub-
8 paragraph:

9 “(D) Provision must be made for the imposition
10 of a fine against any employer who—

11 “(i) discharges from employment, refuses
12 to employ, or takes disciplinary action against
13 any absent parent subject to wage withholding
14 required by this subsection because of the exist-
15 ence of such withholding and the obligations or
16 additional obligations which it imposes upon the
17 employer; or

18 “(ii) fails to withhold support from wages,
19 or to pay such amounts to the State centralized
20 collections unit in accordance with this sub-
21 section.”.

22 (b) CONFORMING AMENDMENT.—Section 466(c) (42
23 U.S.C. 666(c)) is repealed.

24 (c) DEFINITION OF TERMS.—The Secretary of
25 Health and Human Services shall promulgate regulations

1 providing definitions, for purposes of part D of title IV
2 of the Social Security Act, for the term “income” and for
3 such other terms relating to income withholding under sec-
4 tion 466(b) of such Act as the Secretary may find it nec-
5 essary or advisable to define.

6 **SEC. 304. LOCATOR INFORMATION FROM INTERSTATE NET-**
7 **WORKS AND LABOR UNIONS.**

8 Section 466(a) (42 U.S.C. 666(a)), as amended by
9 section 303, is amended by inserting after paragraph (7)
10 the following new paragraph:

11 “(8)(A) Procedures ensuring that the State will
12 neither provide funding for, nor use for any purpose
13 (including any purpose unrelated to the purposes of
14 this part), any automated interstate network or sys-
15 tem used to locate individuals—

16 “(i) for purposes relating to the use of
17 motor vehicles; or

18 “(ii) for providing information for law en-
19 forcement purposes (if child support enforce-
20 ment agencies are otherwise allowed access by
21 State and Federal law),

22 unless all Federal and State agencies administering
23 programs under this part (including the entities es-
24 tablished under sections 453 and 453A) have access
25 to information in such system or network to the

1 same extent as any other user of such system or net-
2 work.

3 “(B) Procedures under which labor unions, and
4 hiring halls of labor unions, must furnish to the
5 State agency, upon request, with respect to any
6 union member against whom paternity or a support
7 obligation is sought to be established or enforced,
8 such information as the union or hiring hall may
9 have on such member’s residential address and tele-
10 phone number, employer’s name, address, and tele-
11 phone number, and income and medical insurance
12 benefits.”.

13 **SEC. 305. NATIONAL CHILD SUPPORT INFORMATION**
14 **CLEARINGHOUSE.**

15 (a) IN GENERAL.—Part D of title IV (42 U.S.C.
16 651–669) is amended by inserting after section 453 the
17 following new section:

18 “NATIONAL CHILD SUPPORT INFORMATION
19 CLEARINGHOUSE

20 “SEC. 453A. (a) ESTABLISHMENT.—

21 “(1) IN GENERAL.—In order to assist States in
22 administering their State plans under this part and
23 parts A and F, and for the other purposes specified
24 in this section, the Secretary shall establish and op-
25 erate a National Child Support Information Clear-
26 inghouse, performing the functions and meeting the

1 requirements specified in this section, and contain-
2 ing the registries specified in paragraph (2).

3 “(2) REGISTRIES SPECIFIED.—The registries
4 specified in this paragraph are—

5 “(A) the National Child Support Registry
6 established pursuant to subsection (b);

7 “(B) the National Directory of New Hires
8 established pursuant to subsection (c); and

9 “(C) the Federal Parent Locator Service
10 established pursuant to section 453.

11 “(3) USE OF TERM.—For purposes of this sec-
12 tion, references to registries maintained under this
13 section shall be considered to include the National
14 Directory of New Hires and the Federal Parent Lo-
15 cator Service.

16 “(b) NATIONAL CHILD SUPPORT REGISTRY.—

17 “(1) IN GENERAL.—The Secretary shall estab-
18 lish by October 1, 1998, and maintain thereafter, an
19 automated registry, to be known as the National
20 Child Support Registry, containing minimal informa-
21 tion (in accordance with paragraph (2)) on each case
22 in each State central case registry maintained pur-
23 suant to section 454A(e), as furnished (and regu-
24 larly updated), pursuant to section 454A(f), by State
25 agencies administering programs under this part.

1 “(2) CASE INFORMATION.—The case informa-
2 tion required to be furnished pursuant to this sub-
3 section, as specified by the Secretary, shall include
4 sufficient information (including names, social secu-
5 rity numbers or other uniform identification num-
6 bers, and State case identification numbers) to iden-
7 tify the individuals who owe or are owed support (or
8 with respect to or on behalf of whom support obliga-
9 tions are sought to be established), and the State or
10 States which have established or modified, or are en-
11 forcing or seeking to establish, such an order.

12 “(c) NATIONAL DIRECTORY OF NEW HIRES.—

13 “(1) IN GENERAL.—The Secretary shall estab-
14 lish by October 1, 1998, and maintain thereafter, an
15 automated directory, to be known as the National
16 Directory of New Hires, containing—

17 “(A) information supplied by employers on
18 each newly hired individual, in accordance with
19 paragraph (2); and

20 “(B) information supplied by State agen-
21 cies administering State unemployment com-
22 pensation laws, in accordance with paragraph
23 (3).

24 “(2) EMPLOYER INFORMATION.—

1 “(A) INFORMATION REQUIRED.—Subject
2 to subparagraph (D), each employer shall fur-
3 nish to the Secretary, for inclusion in the direc-
4 tory under this subsection, not later than the
5 date specified in subparagraph (B), a report
6 containing the name, date of birth, and social
7 security number of each employee hired on or
8 after October 1, 1998, and the employer identi-
9 fication number of the employer.

10 “(B) REPORTING TIMETABLE.—Reports
11 required under subparagraph (A) shall be made
12 not later than—

13 “(i) in the case of an employer that
14 elects to make such reports electronically
15 or through comparable automated meth-
16 ods, 10 business days following the end of
17 the payroll period with respect to all em-
18 ployees hired during such period (but the
19 employer shall not be required to make
20 more than 1 report each during the first
21 and last halves of each month); and

22 “(ii) in the case of any other em-
23 ployer, 10 business days after the date the
24 employee is hired.

1 “(C) REPORTING METHOD AND FORMAT.—
2 The Secretary shall provide for transmission of
3 the reports required under subparagraph (A)
4 using formats and methods which minimize the
5 burden on employers, which shall include—

6 “(i) automated or electronic trans-
7 mission of such reports in accordance with
8 subparagraph (B);

9 “(ii) transmission by regular mail;
10 and

11 “(iii) transmission of a copy of the
12 form required for purposes of compliance
13 with section 3402 of the Internal Revenue
14 Code of 1986.

15 “(D) EMPLOYEE DEFINED.—For purposes
16 of this paragraph—

17 “(i) the term ‘employee’—

18 “(I) means (subject to subclause
19 (II)) any individual subject to the re-
20 quirement of section 3402(f)(2) of the
21 Internal Revenue Code of 1986; and

22 “(II) does not include an em-
23 ployee of a Federal or State agency
24 performing law enforcement functions,
25 or of a Federal agency performing in-

1 intelligence or counterintelligence func-
2 tions, if the head of such agency has
3 determined that reporting pursuant to
4 this paragraph with respect to such
5 employee could endanger the safety of
6 the employee or compromise an ongo-
7 ing investigation or intelligence mis-
8 sion; and

9 “(ii) the term ‘employer’ means any
10 employer (as defined in section 3401(c) of
11 such Code) subject to the requirement of
12 section 3402(a) of such Code.

13 “(E) PAPERWORK REDUCTION REQUIRE-
14 MENT.—As required by the information re-
15 sources management policies published by the
16 Director of the Office of Management and
17 Budget pursuant to section 3504(b)(1) of title
18 44, United States Code, the Secretary, in order
19 to minimize the cost and reporting burden on
20 employers, shall not require reporting pursuant
21 to this paragraph if an alternative reporting
22 mechanism can be developed that either relies
23 on existing Federal or State reporting or en-
24 ables the Secretary to collect the needed infor-
25 mation in a more cost-effective and equally ex-

1 peditious manner, taking into account the re-
2 porting costs on employers.

3 “(F) CIVIL MONEY PENALTY ON NON-
4 COMPLYING EMPLOYERS.—

5 “(i) IN GENERAL.—Any employer that
6 fails to make a timely report in accordance
7 with this paragraph with respect to an in-
8 dividual shall be subject to a civil money
9 penalty, for each calendar year in which
10 the failure occurs, of the lesser of \$500 or
11 1 percent of the wages or other compensa-
12 tion paid by such employer to such individ-
13 ual during such calendar year.

14 “(ii) APPLICATION OF SECTION
15 1128A.—Subject to clause (iii), the provi-
16 sions of section 1128A (other than sub-
17 sections (a) and (b) thereof) shall apply to
18 a civil money penalty under clause (i) in
19 the same manner as they apply to a civil
20 money penalty or proceeding under section
21 1128A(a).

22 “(iii) COSTS TO SECRETARY.—Any
23 employer with respect to whom a penalty
24 under this subparagraph is upheld after an
25 administrative hearing shall be liable to

1 pay all costs of the Secretary with respect
2 to such hearing.

3 “(3) EMPLOYMENT SECURITY INFORMATION.—

4 “(A) REPORTING REQUIREMENT.—Each
5 State administering a State unemployment
6 compensation law approved by the Secretary of
7 Labor under the Federal Unemployment Tax
8 Act shall furnish to the Secretary of Health and
9 Human Services, in accordance with subpara-
10 graph (B), extracts of the reports to the Sec-
11 retary of Labor concerning the wages and un-
12 employment compensation paid to individuals
13 required under section 303(a)(6).

14 “(B) MANNER OF COMPLIANCE.—The ex-
15 tracts required under subparagraph (A) shall be
16 furnished to the Secretary of Health and
17 Human Services on a quarterly basis (or on a
18 more frequent basis as such reports are fur-
19 nished to the Secretary of Labor), with respect
20 to calendar quarters beginning on and after Oc-
21 tober 1, 1996, by such dates, in such format,
22 and containing such information as required by
23 the Secretary of Health and Human Services in
24 regulations.

25 “(d) DATA MATCHES AND OTHER DISCLOSURES.—

1 “(1) VERIFICATION BY SOCIAL SECURITY AD-
2 MINISTRATION.—

3 “(A) TRANSMISSION OF DATA.—The Sec-
4 retary shall transmit data on individuals and
5 employers in the registries maintained under
6 this section to the Social Security Administra-
7 tion to the extent necessary for verification in
8 accordance with subparagraph (B).

9 “(B) VERIFICATION.—The Commissioner
10 of Social Security shall verify the accuracy of,
11 correct or supply to the extent necessary and
12 feasible, and report to the Secretary, the follow-
13 ing information in data supplied by the Sec-
14 retary pursuant to subparagraph (A):

15 “(i) the name, social security number,
16 and birth date of each individual; and

17 “(ii) the employer identification num-
18 ber of each employer.

19 “(2) CHILD SUPPORT LOCATOR MATCHES.—For
20 the purpose of locating individuals for purposes of
21 paternity establishment and establishment and en-
22 forcement of child support, the Secretary shall—

23 “(A) match data in the National Directory
24 of New Hires against data in the National

1 Child Support Registry not less often than
2 every 2 working days; and

3 “(B) report information obtained from
4 such a match to concerned State agencies oper-
5 ating programs under this part not later than
6 2 working days after such match.

7 “(3) DATA MATCHES AND DISCLOSURES OF
8 DATA IN ALL REGISTRIES.—

9 “(A) FOR TITLE IV PROGRAM PURPOSES.—

10 The Secretary shall—

11 “(i) perform matches of data in each
12 registry maintained under this section
13 against data in each other such registry
14 (other than the matches required pursuant
15 to paragraph (1)), and report information
16 resulting from such matches to State agen-
17 cies operating programs under this part
18 and parts A and F; and

19 “(ii) disclose data in such registries to
20 such State agencies—

21 to the extent, and with the frequency, that the
22 Secretary determines to be effective in assisting
23 such States to carry out their responsibilities
24 under such programs.

1 “(B) FOR INCOME ELIGIBILITY VERIFICA-
2 TION SYSTEM.—The Secretary shall disclose
3 data in the registries maintained under this sec-
4 tion to the programs specified in section
5 1137(b), for use for any purpose related to the
6 administration of such programs permitted
7 under such section 1137.

8 “(C) TO SOCIAL SECURITY ADMINISTRA-
9 TION.—The Secretary shall disclose data in the
10 registries maintained under this section to the
11 Social Security Administration—

12 “(i) for the purpose of determining
13 the accuracy of payments under the sup-
14 plemental security income program under
15 title XVI; or

16 “(ii) for use in connection with bene-
17 fits under title II.

18 “(4) OTHER DISCLOSURES OF NEW HIRE
19 DATA.—The Secretary shall disclose data in the Na-
20 tional Directory of New Hires under subsection
21 (c)—

22 “(A) to the Secretary of the Treasury for
23 purposes directly connected with—

24 “(i) the administration of the earned
25 income tax credit under section 32 of the

1 Internal Revenue Code of 1986, or the ad-
2 vance payment of such credit under section
3 3507 of such Code; or

4 “(ii) verification of a claim with re-
5 spect to employment in an individual tax
6 return; and

7 “(B) to State agencies operating employ-
8 ment security and workers compensation pro-
9 grams, for the purpose of assisting such agen-
10 cies to determine the allowability of claims for
11 benefits under such programs.

12 “(5) DISCLOSURES FOR RESEARCH PUR-
13 POSES.—The Secretary is authorized to disclose data
14 in registries maintained under this section for re-
15 search purposes found by the Secretary to be likely
16 to contribute to achieving the purposes of this part
17 or part A or F, but without personal identifiers.

18 “(e) FEES.—

19 “(1) FOR SSA VERIFICATION.—The Secretary
20 shall reimburse the Commissioner of Social Security,
21 at a rate negotiated between the Secretary and the
22 Commissioner, the costs incurred by the Commis-
23 sioner in performing the verification services speci-
24 fied in subsection (d).

1 “(2) FOR INFORMATION FROM SESAS.—The
2 Secretary shall reimburse costs incurred by State
3 employment security agencies in furnishing data as
4 required by subsection (c)(3), at rates which the
5 Secretary determines to be reasonable (which rates
6 shall not include payment for the costs of obtaining,
7 compiling, or maintaining such data).

8 “(3) FOR INFORMATION FURNISHED TO STATE
9 AND FEDERAL AGENCIES.—State and Federal agen-
10 cies receiving data or information from the Secretary
11 pursuant to this section shall reimburse the costs in-
12 curred by the Secretary in furnishing such data or
13 information, at rates which the Secretary determines
14 to be reasonable (which rates shall include payment
15 for the costs of obtaining, verifying, maintaining,
16 and matching such data or information).

17 “(f) RESTRICTION ON DISCLOSURE AND USE.—Data
18 in registries maintained pursuant to this section, and in-
19 formation resulting from matches using data maintained
20 in such registries, shall not be used or disclosed except
21 as specifically provided in this section.

22 “(g) RETENTION OF DATA.—Data in registries main-
23 tained pursuant to this title, and data resulting from
24 matches performed pursuant to this section, shall be re-

1 tained for such period (determined by the Secretary) as
2 appropriate for the data uses specified in this section.

3 “(h) INFORMATION INTEGRITY AND SECURITY.—The
4 Secretary shall establish and implement safeguards with
5 respect to the entities established under this section de-
6 signed to—

7 “(1) ensure the accuracy and completeness of
8 information in the system; and

9 “(2) restrict access to confidential information
10 in the registries to authorized persons, and restrict
11 use of such information to authorized purposes.

12 “(i) LIMIT ON LIABILITY.—The Secretary shall not
13 be liable to either a State or an individual for inaccurate
14 information provided to a registry maintained under this
15 section and disclosed by the Secretary in accordance with
16 this section.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
19 CURITY ACT.—Section 454(8) (42 U.S.C. 654(8)) is
20 amended—

21 (A) by striking “, and” at the end of sub-
22 paragraph (A) and inserting a semicolon; and

23 (B) by striking subparagraph (B) and in-
24 serting the following the new subparagraphs:

1 “(B) the Federal Parent Locator Service
2 established under section 453; and

3 “(C) the National Child Support Informa-
4 tion Clearinghouse established under section
5 453A;”.

6 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
7 Section 3304(16) of the Internal Revenue Code of
8 1986 (relating to approval of State laws) is amend-
9 ed—

10 (A) by striking “Secretary of Health, Edu-
11 cation, and Welfare” each place it appears and
12 inserting “Secretary of Health and Human
13 Services”;

14 (B) in subparagraph (B), by striking
15 “such information” and all that follows through
16 the semicolon and inserting “information fur-
17 nished under subparagraph (A) or (B) is used
18 only for the purposes authorized under such
19 subparagraph;”;

20 (C) by striking “and” at the end of sub-
21 paragraph (A);

22 (D) by redesignating subparagraph (B) as
23 subparagraph (C); and

24 (E) by inserting after subparagraph (A)
25 the following new subparagraph:

1 “(B) wage and unemployment compensa-
2 tion information contained in the records of
3 such agency shall be furnished to the Secretary
4 of Health and Human Services (in accordance
5 with regulations promulgated by such Sec-
6 retary) as necessary for the purposes of the Na-
7 tional Directory of New Hires established under
8 section 453A(b) of the Social Security Act,
9 and”.

10 (3) TO STATE GRANT PROGRAM UNDER TITLE
11 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
12 (42 U.S.C. 503(a)) is amended—

13 (A) by striking “and” at the end of para-
14 graph (8);

15 (B) by striking the period at the end of
16 paragraph (9) and inserting “; and”; and

17 (C) by adding after paragraph (9) the fol-
18 lowing new paragraph:

19 “(10) The making of quarterly electronic re-
20 ports, at such dates, in such format, and containing
21 such information, as required by the Secretary under
22 section 453A(c)(3), and compliance with such provi-
23 sions as such Secretary may find necessary to en-
24 sure the correctness and verification of such re-
25 ports.”.

1 **SEC. 306. EXPANDED LOCATE AUTHORITY.**

2 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
3 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
4 amended—

5 (1) in subsection (a), by striking “information
6 as to the whereabouts” and all that follows through
7 the period and inserting “, for the purpose of estab-
8 lishing parentage, or 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 such individual’s social security number
19 (or numbers), most recent residential address, and
20 the name, address, and employer identification num-
21 ber of such individual’s employer;

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 “(3) information on the type, status, location,
2 and amount of any assets of, or debts owed by or
3 to, any such individual.”;

4 (2) in subsection (b)—

5 (A) in the matter preceding paragraph (1),
6 by striking “social security” and all that follows
7 through “absent parent” and inserting “infor-
8 mation specified in subsection (a)”;

9 (B) in paragraph (2), by inserting before
10 the period “, or from any consumer reporting
11 agency (as defined in section 603(f) of the Fair
12 Credit Reporting Act (15 U.S.C. 1681a(f))”;
13 and

14 (3) in subsection (e)(1), by inserting before the
15 period “, or by consumer reporting agencies”.

16 (b) REIMBURSEMENT FOR DATA FROM FEDERAL
17 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is
18 amended in the fourth sentence by inserting before the
19 period “in an amount which the Secretary determines to
20 be reasonable payment for the data exchange (which
21 amount shall not include payment for the costs of obtain-
22 ing, compiling, or maintaining the data)”.

23 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR
24 CREDIT REPORTING ACT.—

1 (1) IN GENERAL.—Section 608 of the Fair
2 Credit Reporting Act (15 U.S.C. 1681f) is amend-
3 ed—

4 (A) by striking “, limited to” and inserting
5 “to a governmental agency (including the entire
6 consumer report, in the case of a Federal,
7 State, or local agency administering a program
8 under part D of title IV of the Social Security
9 Act, and limited to”; and

10 (B) by striking “employment, to a govern-
11 mental agency” and inserting “employment, in
12 the case of any other governmental agency”).

13 (2) REIMBURSEMENT FOR REPORTS BY STATE
14 AGENCIES AND CREDIT BUREAUS.—Section 453 (42
15 U.S.C. 653) is amended by adding at the end the
16 following new subsection:

17 “(g) The Secretary is authorized to reimburse to
18 State agencies and consumer credit reporting agencies the
19 costs incurred by such entities in furnishing information
20 requested by the Secretary pursuant to this section in an
21 amount which the Secretary determines to be reasonable
22 payment for the data exchange (which amount shall not
23 include payment for the costs of obtaining, compiling, or
24 maintaining the data).”.

25 (d) DISCLOSURE OF TAX RETURN INFORMATION.—

1 (1) BY THE SECRETARY OF THE TREASURY.—
2 Section 6103(l)(6)(A)(ii) of the Internal Revenue
3 Code of 1986 (relating to disclosure of return infor-
4 mation to Federal, State, and local child support en-
5 forcement agencies) is amended by striking “, but
6 only if” and all that follows and inserting a period.

7 (2) BY THE SOCIAL SECURITY ADMINISTRA-
8 TION.—Section 6103(l)(8)(A) of the Internal Reve-
9 nue Code of 1986 (relating to disclosure of certain
10 return information by Social Security Administra-
11 tion to State and local child support enforcement
12 agencies) is amended by inserting “Federal,” before
13 “State or local”.

14 (e) TECHNICAL AMENDMENTS.—

15 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
16 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),
17 663(a), and 663(e)) are each amended by inserting
18 “Federal” before “Parent” each place it appears.

19 (2) Section 453 (42 U.S.C. 653) is amended in
20 the heading by inserting “FEDERAL” before “PAR-
21 ENT”.

22 **SEC. 307. STUDIES AND DEMONSTRATIONS CONCERNING**
23 **LOCATOR ACTIVITIES.**

24 (a) STUDIES.—The Secretary of Health and Human
25 Services (hereafter in this section referred to as the “Sec-

1 retary”) shall study, and report and make recommenda-
2 tions to the Congress concerning—

3 (1) whether access to information available
4 through the Federal Parent Locator Service under
5 section 453 of the Social Security Act should be af-
6 farded to noncustodial parents seeking to locate
7 their children and, if so, whether custodial parents
8 at risk of harm by such noncustodial parents could
9 be adequately protected; and

10 (2) the feasibility, implications, and costs of es-
11 tablishing and operating electronic data interchanges
12 between such Service and major consumer credit re-
13 porting bureaus.

14 (b) DEMONSTRATIONS.—The Secretary shall make
15 grants to States, from funds available under section 452(j)
16 of the Social Security Act, for demonstrations designed to
17 test the utility of automated data exchanges with State
18 data bases that have the potential to improve the States’
19 effectiveness in locating individuals and resources for pur-
20 poses of establishing paternity and establishing and en-
21 forcing support obligations.

22 **SEC. 308. USE OF SOCIAL SECURITY NUMBERS.**

23 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
24 U.S.C. 666(a)), as amended by section 102(a), is amended

1 by inserting after paragraph (12) the following new para-
2 graph:

3 “(13) Procedures requiring the recording of so-
4 cial security numbers—

5 “(A) of both parties on marriage licenses
6 and divorce decrees; and

7 “(B) of both parents, on birth records and
8 child support and paternity orders.”.

9 (b) CLARIFICATION OF FEDERAL POLICY.—Section
10 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended
11 by striking the third sentence and inserting “This clause
12 shall not be considered to authorize disclosure of such
13 numbers except as provided in the preceding sentence.”.

14 **TITLE IV—STREAMLINING AND**
15 **UNIFORMITY OF PROCEDURES**

16 **SEC. 401. ADOPTION OF UNIFORM STATE LAWS.**

17 (a) IN GENERAL.—Section 466(a) (42 U.S.C.
18 666(a)), as amended by sections 102(a) and 308(a), is
19 amended by inserting after paragraph (13) the following
20 new paragraph:

21 “(14)(A) Procedures under which the State
22 adopts in its entirety (with the modifications and ad-
23 ditions specified in this paragraph) not later than
24 January 1, 1996, and uses on and after such date,
25 the Uniform Interstate Family Support Act, as ap-

1 proved by the National Conference of Commissioners
2 on Uniform State Laws in August 1992.

3 “(B) The State law adopted pursuant to sub-
4 paragraph (A) shall be applied to any case—

5 “(i) involving an order established or modi-
6 fied in 1 State and for which a subsequent
7 modification is sought in another State; or

8 “(ii) in which interstate activity is required
9 to enforce an order.

10 “(C) The State law adopted pursuant to sub-
11 paragraph (A) shall provide that, in the case where
12 a child meets the criteria for residence in the State,
13 a tribunal of the State having jurisdiction over such
14 child has jurisdiction over both parents of such
15 child, if parentage has been legally established or ac-
16 knowledged, or may be presumed under the laws of
17 the State.

18 “(D) For purposes of the State law adopted
19 pursuant to subparagraph (A), section 611(a)(1) of
20 the Uniform Interstate Family Support Act shall be
21 amended to read as follows:

22 ““(1) the following requirements are met:

23 ““(i) the child, the individual obligee, and
24 the obligor—

1 “(I) do not reside in the issuing
2 State; and

3 “(II) either reside in this State or
4 are subject to the jurisdiction of this State
5 pursuant to section 201; and

6 “(ii) (in any case where another State is
7 exercising or seeks to exercise jurisdiction to
8 modify the order) the conditions of section 204
9 are met to the same extent as required for pro-
10 ceedings to establish orders; or’.

11 “(E) The State law adopted pursuant to sub-
12 paragraph (A) shall allow parties, by agreement, to
13 permit a State that issued an order to retain juris-
14 diction which the State would otherwise lose under
15 the provisions of such law.

16 “(F) The State law adopted pursuant to sub-
17 paragraph (A) shall recognize as valid, for purposes
18 of any proceeding subject to such State law, service
19 of process upon persons in the State (and proof of
20 such service) by any means acceptable in another
21 State which is the initiating or responding State in
22 such proceeding.

23 “(G) The State law adopted pursuant to sub-
24 paragraph (A) shall provide for the use of proce-
25 dures (including sanctions for noncompliance) under

1 which all entities in the State (including for-profit,
2 nonprofit, and governmental employers) are required
3 to provide promptly, in response to a request by the
4 State agency of that or any other State administer-
5 ing a program under this part, information on the
6 employment, compensation, and benefits of any indi-
7 vidual employed by such entity as an employee or
8 contractor.”.

9 (b) EXPEDITED APPEAL OF CONSTITUTIONAL CHAL-
10 LENGE.—

11 (1) IN GENERAL.—An appeal may be taken di-
12 rectly to the Supreme Court of the United States
13 from any interlocutory or final judgment, decree, or
14 order issued by a United States district court ruling
15 upon the constitutionality of section 466(a)(14)(C)
16 of the Social Security Act, as added by subsection
17 (a).

18 (2) EXPEDITED PROCEDURE.—The Supreme
19 Court of the United States shall, if it has not pre-
20 viously ruled on the question, accept jurisdiction
21 over, and advance on the docket, and expedite to the
22 greatest extent possible, an appeal described under
23 paragraph (1). All cases raising such question shall
24 be consolidated to the maximum extent permissible
25 under applicable rules of civil procedure.

1 (c) CONFORMING AMENDMENTS TO FULL FAITH
2 AND CREDIT REQUIREMENTS.—Section 1738B of title 28,
3 United States Code, is amended to read as follows:

4 **“§1738B. Full faith and credit for child support or-**
5 **ders**

6 “(a) IN GENERAL.—The appropriate authorities of
7 each State shall enforce a child support order by a court
8 of another State according to its terms, if such other
9 State’s order is made—

10 “(1) pursuant to the procedures specified in
11 section 466(a)(14) of the Social Security Act (42
12 U.S.C. 666(a)(14); or

13 “(2) in a case in which such other State has
14 not adopted such procedures, pursuant to procedures
15 consistent with section 207 of the Uniform Inter-
16 state Family Support Act, as approved by the Na-
17 tional Conference of Commissioners on Uniform
18 State Laws in August 1992.

19 “(b) DEFINITION.—For purposes of this section—

20 “(1) ‘court’ means a court or administrative
21 agency of a State that is authorized by State law to
22 establish, modify, or enforce a child support order;
23 and

24 “(2) ‘State’ means a State of the United
25 States, the District of Columbia, the Commonwealth

1 of Puerto Rico, the territories and possessions of the
2 United States, and includes an Indian tribe, at its
3 option.”.

4 **SEC. 402. STATE LAWS PROVIDING EXPEDITED PROCE-**
5 **DURES.**

6 (a) STATE LAW REQUIREMENTS.—Section 466 (42
7 U.S.C. 666), as amended by section 303(a)(3), is amend-
8 ed—

9 (1) by striking paragraph (2) of subsection (a)
10 and inserting the following new paragraph:

11 “(2) Expedited administrative and judicial pro-
12 cedures (including the procedures specified in sub-
13 section (c)) for establishing paternity and for estab-
14 lishing, modifying, and enforcing support obliga-
15 tions.”; and

16 (2) by adding after subsection (b) the following
17 new subsection:

18 “(c) The procedures specified in this subsection are
19 the following:

20 “(1) Procedures which give the State agency
21 the authority (and recognize and enforce the author-
22 ity of State agencies of other States), without the
23 necessity of obtaining an order from any other judi-
24 cial or administrative tribunal (but subject to the
25 substantive and procedural rules, including due proc-

1 ess safeguards required under paragraph (2)), to
2 take the following actions relating to establishment
3 or enforcement of orders:

4 “(A) To establish the amount of support
5 awards in all cases in which services are being
6 provided under this part, and to modify the
7 amount of such awards under all orders in-
8 cluded in the central case registry established
9 under section 454A(e) (including orders entered
10 by a court), in accordance with the guidelines
11 established under section 467.

12 “(B) To order genetic testing for the pur-
13 pose of paternity establishment as provided in
14 section 466(a)(5).

15 “(C) To enter a default order, upon a
16 showing of service of process and any additional
17 showing required by State law—

18 “(i) establishing paternity, in the case
19 of any putative father who refuses to sub-
20 mit to genetic testing; and

21 “(ii) establishing or modifying a sup-
22 port obligation, in the case of a parent (or
23 other obligor or obligee) who fails to re-
24 spond to notice to appear at a proceeding
25 for such purpose.

1 “(D) To subpoena any financial or other
2 information needed to establish, modify, or en-
3 force an order, and to sanction failure to re-
4 spond to any such subpoena.

5 “(E) To obtain access, subject to safe-
6 guards on privacy and information security, to
7 the following records (including automated ac-
8 cess, in the case of records maintained in auto-
9 mated data bases):

10 “(i) Records of other State and local
11 government agencies, including—

12 “(I) records of marriage, birth,
13 and divorce, and other vital statistics;

14 “(II) State and local tax and rev-
15 enue records with respect to residence
16 address, employer, income and assets,
17 and other necessary information;

18 “(III) records concerning real
19 and titled personal property;

20 “(IV) records of occupational and
21 professional licenses, and records con-
22 cerning the ownership and control of
23 corporations, partnerships, and other
24 business entities;

1 “(V) employment security
2 records;

3 “(VI) records of agencies admin-
4 istering public assistance programs;

5 “(VII) records of the State sec-
6 retary of state;

7 “(VIII) records of the motor ve-
8 hicle department; and

9 “(IX) corrections records.

10 “(ii) Certain records held by private
11 entities, including—

12 “(I) customer records of public
13 utilities and cable television compa-
14 nies; and

15 “(II) information, including in-
16 formation on assets and liabilities, on
17 individuals who owe or are owed sup-
18 port (or against or with respect to
19 whom a support obligation is sought)
20 held by financial institutions, subject
21 to limitations on liability of such enti-
22 ties arising from affording such ac-
23 cess.

24 “(F) To order income withholding in ac-
25 cordance with subsections (a)(1) and (b).

1 “(G) In cases in which support is subject
2 to an assignment under section 402(a)(26),
3 471(a)(17), or 1912, or to a requirement to pay
4 through the centralized collections unit under
5 section 454B) upon providing notice to obligor
6 and obligee, to direct the obligor or other payor
7 to change the payee to the appropriate govern-
8 ment entity.

9 “(H) For the purpose of securing overdue
10 support—

11 “(i) to intercept and seize any peri-
12 odic or lump-sum payment to the obligor
13 by or through a State or local government
14 agency, including—

15 “(I) unemployment compensa-
16 tion, workers’ compensation, and
17 other benefits;

18 “(II) judgments and settlements
19 in cases under the jurisdiction of the
20 State or local government; and

21 “(III) lottery winnings;

22 “(ii) to attach and seize assets of the
23 obligor held by financial institutions;

1 “(iii) to attach public and private re-
2 tirement funds in appropriate cases, as de-
3 termined by the Secretary; and

4 “(iv) to impose liens in accordance
5 with subsection (a)(4) and, in appropriate
6 cases, to force sale of property and dis-
7 tribution of proceeds.

8 “(I) For the purpose of securing overdue
9 support, to increase the amount of monthly
10 support payments to include amounts for ar-
11 rearages (subject to such conditions or restric-
12 tions as the State may provide).

13 “(J) To suspend drivers’ licenses of indi-
14 viduals owing past-due support, in accordance
15 with subsection (a)(16).

16 “(2) The expedited procedures required under
17 subsection (a)(2) shall include the following rules
18 and authority, applicable with respect to all proceed-
19 ings to established paternity or to establish, modify,
20 or enforce support orders:

21 “(A) Procedures under which—

22 “(i) subject to privacy safeguards, the
23 parties to any paternity or child support
24 proceedings are required to file with the
25 tribunal before entry of an order, and to

1 update as appropriate, information on loca-
2 tion and identity, including social security
3 number, residential and mailing addresses,
4 telephone number, driver's license number,
5 and name, address, and telephone number
6 of employer; and

7 “(ii) in any subsequent child support
8 enforcement action between the same par-
9 ties, the tribunal is authorized, upon suffi-
10 cient showing that diligent effort has been
11 made to ascertain such a party's current
12 location, to deem due process requirements
13 for notice and service of process to be met
14 with respect to such party by delivery to
15 the most recent residential or employer ad-
16 dress filed pursuant to clause (i).

17 “(B) Procedures under which—

18 “(i) the State agency and any admin-
19 istrative or judicial tribunal with authority
20 to hear child support and paternity cases
21 exerts statewide jurisdiction over the par-
22 ties, and orders issued in such cases have
23 statewide effect; and

24 “(ii) in the case of a State in which
25 orders in such cases are issued by local ju-

1 risdictions, a case may be transferred be-
2 tween jurisdictions in the State without
3 need for any additional filing by the peti-
4 tioner, or service of process upon the re-
5 spondent, to retain jurisdiction over the
6 parties.

7 “(C) Procedures affording due process
8 safeguards—

9 “(i) including (as appropriate) re-
10 quirements for notice, opportunity to con-
11 test the action, and opportunity for an ap-
12 peal on the record to an independent ad-
13 ministrative or judicial tribunal; and

14 “(ii) under which the provisions of the
15 Soldiers’ and Sailors’ Civil Relief Act apply
16 to any proceeding to establish paternity, to
17 establish a child support obligation, or to
18 modify the financial obligation under a
19 child support order.”.

20 (c) EXCEPTIONS FROM STATE LAW REQUIRE-
21 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-
22 ed—

23 (1) by striking “(d) If” and inserting “(d)(1)
24 Subject to paragraph (2), if”; and

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

3 “(2) The Secretary shall not grant an exemption
4 from the requirements of—

5 “(A) subsection (a)(5) (concerning procedures
6 for paternity establishment);

7 “(B) subsection (a)(10) (concerning modifica-
8 tion of orders);

9 “(C) subsection (a)(12) (concerning recording
10 of orders in the central State case registry);

11 “(D) subsection (a)(13) (concerning recording
12 of social security numbers);

13 “(E) subsection (a)(14) (concerning interstate
14 enforcement); or

15 “(F) subsection (c) (concerning expedited pro-
16 cedures), other than paragraph (1)(A) thereof (con-
17 cerning establishment or modification of support
18 amount).”.

19 (d) AUTOMATION OF STATE AGENCY FUNCTIONS.—
20 Section 454A, as added by section 204(a)(2) and amended
21 by sections 301 and 302(c), is further amended by adding
22 at the end the following new subsection:

23 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
24 The automated system required under this section shall
25 be used, to the maximum extent feasible, to implement the

1 expedited administrative procedures required under sec-
2 tion 466(c).”.

3 (e) CONFORMING AMENDMENT TO BANKRUPTCY
4 CODE.—Section 362(b)(2)(A) of title 11, United States
5 Code, is amended in the matter preceding clause (i), by
6 inserting “judicial or administrative” before “proceeding”.

7 **TITLE V—PATERNITY**
8 **ESTABLISHMENT**

9 **SEC. 501. STATE LAWS CONCERNING PATERNITY ESTAB-**
10 **LISHMENT.**

11 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
12 U.S.C. 666(a)(5)) is amended—

13 (1) in subparagraph (A)—

14 (A) by indenting clause (ii) an additional
15 unit of indentation from the left margin; and

16 (B) by adding after and below clause (ii)
17 the following new clause:

18 “(iii) Procedures which permit the initiation of
19 proceedings to establish paternity before the birth of
20 the child concerned.”;

21 (2) in subparagraph (B)—

22 (A) by striking “(B)” and inserting
23 “(B)(i)”;

24 (B) in clause (i), as redesignated, by in-
25 serting before the period “, where such request

1 is supported by a sworn statement by such
2 party setting forth facts establishing a reason-
3 able possibility of the requisite sexual contact”;
4 and

5 (C) by inserting after and below clause (i)
6 (as redesignated) the following new clause:

7 “(ii) Procedures which require the State agen-
8 cy, in any case in which such agency orders genetic
9 testing—

10 “(I) to pay costs of such tests, subject to
11 the right of the State to elect recoupment of the
12 costs from the putative father if paternity is es-
13 tablished; and

14 “(II) to obtain additional testing in any
15 case where an original test result is disputed,
16 upon request and advance payment by the dis-
17 puting party.”;

18 (3) by striking subparagraphs (C), (D), (E),
19 and (F) and inserting the following new subpara-
20 graphs:

21 “(C) Procedures for a simple civil process for
22 voluntarily acknowledging paternity under which—

23 “(i) the benefits, rights and responsibilities
24 of acknowledging paternity are explained to
25 unwed parents;

1 “(ii) due process safeguards are afforded;
2 and

3 “(iii) hospitals and other health care facili-
4 ties providing inpatient or outpatient maternity
5 and pediatric services are required, as a condi-
6 tion of participation in the State program under
7 title XIX—

8 “(I) to explain to unwed parents the
9 matters specified in clause (i);

10 “(II) to make available the voluntary
11 acknowledgment procedure required under
12 this subparagraph; and

13 “(III) in the case of hospitals provid-
14 ing maternity services, to have facilities for
15 obtaining blood or other genetic samples
16 from the mother, putative father, and child
17 for genetic testing; to inform the mother
18 and putative father of the availability of
19 such testing (at their expense); and to ob-
20 tain such samples upon request of both
21 such individuals.

22 “(D) Procedures under which—

23 “(i) a voluntary acknowledgment of pater-
24 nity creates, at State option, either—

1 “(I) a conclusive presumption of pa-
2 ternity, or

3 “(II) a rebuttable presumption which
4 becomes a conclusive presumption within 1
5 year, unless rebutted or invalidated by an
6 intervening determination which reaches a
7 contrary conclusion;

8 “(ii) at State option and notwithstanding
9 clause (i), upon the request of a party, a deter-
10 mination of paternity based on an acknowledg-
11 ment may be vacated on the basis of new evi-
12 dence, the existence of fraud, or the best inter-
13 ests of the child; and

14 “(iii) a voluntary acknowledgment of pater-
15 nity is admissible as evidence of paternity, and
16 as a basis for seeking a support order, without
17 requiring any further proceedings to establish
18 paternity.

19 “(E) Procedures under which no judicial or ad-
20 ministrative proceedings are required or permitted to
21 ratify an unchallenged acknowledgment of paternity.

22 “(F) Procedures requiring—

23 “(i) that the State admit into evidence, for
24 purposes of establishing paternity, results of
25 any genetic test that is—

1 “(I) of a type generally acknowledged,
2 by accreditation bodies designated by the
3 Secretary, as reliable evidence of paternity;
4 and

5 “(II) performed by a laboratory ap-
6 proved by such an accreditation body;

7 “(ii) that any objection to genetic testing
8 results must be made in writing not later than
9 a specified number of days before any hearing
10 at which such results may be introduced into
11 evidence (or, at State option, not later than a
12 specified number of days after receipt of such
13 results); and

14 “(iii) that, if no objection is made, the test
15 results are admissible as evidence of paternity
16 without the need for foundation testimony or
17 other proof of authenticity or accuracy.”; and

18 (4) by adding after subparagraph (H) the fol-
19 lowing new subparagraphs:

20 “(I) Procedures providing that the parties to an
21 action to establish paternity are not entitled to jury
22 trial.

23 “(J) Procedures which require that a temporary
24 order be issued, upon motion by a party, requiring
25 the provision of child support pending an adminis-

1 trative or judicial determination of parentage, where
2 there is clear and convincing evidence of paternity
3 (on the basis of genetic tests or other evidence).

4 “(K) Procedures under which bills for preg-
5 nancy, childbirth, and genetic testing are admissible
6 as evidence without requiring third-party foundation
7 testimony, and shall constitute prima facie evidence
8 of amounts incurred for such services and testing on
9 behalf of the child.

10 “(L) Procedures under which the tribunal es-
11 tablishing paternity and support has discretion to
12 waive rights to all or part of amounts owed to the
13 State (but not to the mother) for costs related to
14 pregnancy, childbirth, and genetic testing and for
15 public assistance paid to the family if the father co-
16 operates or acknowledges paternity before or after
17 genetic testing.

18 “(M) Procedures ensuring that the putative fa-
19 ther has a reasonable opportunity to initiate a pater-
20 nity action.”.

21 (b) TECHNICAL AMENDMENT.—Section 468 (42
22 U.S.C. 668) is amended by striking “a simple civil process
23 for voluntarily acknowledging paternity and”.

1 **SEC. 502. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
2 **LISHMENT.**

3 (a) STATE PLAN REQUIREMENT.—Section 454(23)
4 (42 U.S.C. 654(23)), as amended by section 106, is
5 amended by adding at the end the following new subpara-
6 graph:

7 “(C) publicize the availability and encourage
8 the use of procedures for voluntary establishment of
9 paternity and child support through a variety of
10 means, which—

11 “(i) include distribution of written mate-
12 rials at health care facilities (including hospitals
13 and clinics), and other locations such as
14 schools;

15 “(ii) may include prenatal programs to
16 educate expectant couples on individual and
17 joint rights and responsibilities with respect to
18 paternity (and may require all expectant recipi-
19 ents of assistance under part A to participate in
20 such prenatal programs, as an element of co-
21 operation with efforts to establish paternity and
22 child support);

23 “(iii) include, with respect to each child
24 discharged from a hospital after birth for whom
25 paternity or child support has not been estab-
26 lished, reasonable follow-up efforts, providing—

1 “(I) in the case of a child for whom
2 paternity has not been established, infor-
3 mation on the benefits of and procedures
4 for establishing paternity; and

5 “(II) in the case of a child for whom
6 paternity has been established but child
7 support has not been established, informa-
8 tion on the benefits of and procedures for
9 establishing a child support order, and an
10 application for child support services;”.

11 (b) ENHANCED FEDERAL MATCHING.—Section
12 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

13 (1) by inserting “(i)” before “laboratory costs”,
14 and

15 (2) by inserting before the semicolon “, and (ii)
16 costs of outreach programs designed to encourage
17 voluntary acknowledgment of paternity”.

18 (c) EFFECTIVE DATES.—

19 (1) IN GENERAL.—The amendments made by
20 subsection (a) shall become effective October 1,
21 1997.

22 (2) EXCEPTION.—The amendments made by
23 subsection (b) shall be effective with respect to cal-
24 endar quarters beginning on and after October 1,
25 1996.

1 **SEC. 503. PENALTY FOR FAILURE TO ESTABLISH PATER-**
2 **NITY PROMPTLY.**

3 Section 403 (42 U.S.C. 603) is amended—

4 (1) in subsection (a), as amended by section
5 202(e), by striking “subsection (h)” and inserting
6 “subsections (h) and (i)”; and

7 (2) by inserting after subsection (h) the follow-
8 ing new subsection:

9 “(i) PENALTY FOR FAILURE TO ESTABLISH PATER-
10 NITY PROMPTLY.—

11 “(1) IN GENERAL.—The amounts otherwise
12 payable to a State under subsection (a) for any cal-
13 endar quarter beginning 10 months or more after
14 the date of the enactment of this subsection shall be
15 reduced by an amount, determined pursuant to regu-
16 lations in accordance with paragraph (2), for certain
17 children for whom paternity has not been estab-
18 lished.

19 “(2) REDUCTION FORMULA.—The Secretary
20 shall promulgate regulations specifying the formula
21 for the reduction required under this subsection,
22 which formula shall provide for a reduction in Fed-
23 eral matching payments to a State under this sec-
24 tion by an amount equal to the product of—

25 “(A) the number (after allowing for the
26 tolerance level established under paragraph (3))

1 of children born on or after the date 10 months
2 after the date of the enactment of this sub-
3 section—

4 “(i) who are receiving aid under the
5 State plan under part A;

6 “(ii) whose custodial relatives have,
7 throughout the preceding 12-month period,
8 complied with the cooperation require-
9 ments specified in section 454(25)(D); and

10 “(iii) for whom paternity has not been
11 established;

12 “(B) the average monthly assistance pay-
13 ment under the State plan approved under this
14 part; and

15 “(C) one-half of the Federal matching rate
16 applicable to such assistance payment.

17 “(3) TOLERANCE LEVEL.—

18 “(A) IN GENERAL.—For purposes of para-
19 graph (2)(A), the tolerance level shall not be
20 higher than the applicable percentage of chil-
21 dren in the State described in paragraph (1),
22 and may decrease over time to make allowance
23 for a State’s inability to establish paternity in
24 all cases.

1 (2) FEDERAL FUNDING.—

2 (A) IN GENERAL.—Subject to subpara-
3 graph (B), a State participating in a dem-
4 onstration under this subsection shall be enti-
5 tled to Federal payments pursuant to section
6 455(f) of the Social Security Act for 90 percent
7 of the payments to families under such dem-
8 onstration.

9 (B) FUNDING LIMITATION.—Total Federal
10 expenditures for demonstrations under this sub-
11 section shall not exceed \$1,000,000.

12 **TITLE VI—ESTABLISHMENT AND**
13 **MODIFICATION OF SUPPORT**
14 **ORDERS**

15 **SEC. 601. NATIONAL COMMISSION ON CHILD SUPPORT**
16 **GUIDELINES.**

17 (a) ESTABLISHMENT.—The Secretary is authorized
18 to establish, in accordance with this section, a commission
19 to be known as the “National Commission on Child Sup-
20 port Guidelines” (hereafter in this section referred to as
21 the “Commission”).

22 (b) GENERAL DUTIES.—The Commission shall con-
23 sider whether a national child support guideline is advis-
24 able and, if it so determines, shall develop and propose
25 for congressional consideration such a guideline (or pa-

1 rameters for State guidelines), reflecting the Commission's
2 study of various guideline models and its conclusions con-
3 cerning their strengths and deficiencies, and specifically
4 reflecting consideration of the need for simplicity and ease
5 of application of guidelines, and of the matters enumer-
6 ated in subsection (c).

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 of the So-
13 cial Security Act;

14 (2) matters generally applicable to all support
15 orders, including—

16 (A) the feasibility of adopting uniform
17 terms in all child support orders;

18 (B) how to define income and under what
19 circumstances income should be imputed; and

20 (C) tax treatment of child support pay-
21 ments;

22 (3) the appropriate treatment of cases in which
23 either or both parents have financial obligations to
24 more than 1 family, including the effect (if any) to
25 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 spe-
12 cial needs;

13 (6) the appropriate duration of support by 1 or
14 both parents, including—

15 (A) support (including shared support) for
16 post-secondary or vocational education; and

17 (B) support for disabled adult children;
18 and

19 (7) whether, or to what extent, support levels
20 should be adjusted in cases where custody is shared
21 or where the noncustodial parent has extended visi-
22 tation rights.

23 (d) MEMBERSHIP.—

24 (1) NUMBER; APPOINTMENT.—

1 (A) IN GENERAL.—The Commission shall
2 be composed of 12 individuals appointed not
3 later than March 1, 1996, of which—

4 (i) 2 shall be appointed by the Chair-
5 man of the Committee on Finance of the
6 Senate, and 1 shall be appointed by the
7 ranking minority member of the Commit-
8 tee;

9 (ii) 2 shall be appointed by the Chair-
10 man of the Committee on Ways and Means
11 of the House of Representatives, and 1
12 shall be appointed by the ranking minority
13 member of the Committee; and

14 (iii) 6 shall be appointed by the Sec-
15 retary of Health and Human Services.

16 (B) QUALIFICATIONS OF MEMBERS.—
17 Members of the Commission shall have exper-
18 tise and experience in the evaluation and devel-
19 opment of child support guidelines. At least 1
20 member shall represent advocacy groups for
21 custodial parents, at least 1 member shall rep-
22 resent advocacy groups for noncustodial par-
23 ents, and at least 1 member shall be the direc-
24 tor of a State program under part D of title IV
25 of the Social Security Act.

1 (2) TERMS OF OFFICE.—Each member shall be
2 appointed for the life of the Commission. A vacancy
3 in the Commission shall be filled in the manner in
4 which the original appointment was made.

5 (e) COMMISSION POWERS, COMPENSATION, ACCESS
6 TO INFORMATION, AND SUPERVISION.—The first sentence
7 of subparagraph (C), the first and third sentences of sub-
8 paragraph (D), subparagraph (F) (except with respect to
9 the conduct of medical studies), clauses (ii) and (iii) of
10 subparagraph (G), and subparagraph (H) of section
11 1886(e)(6) of the Social Security Act shall apply to the
12 Commission in the same manner in which such provisions
13 apply to the Prospective Payment Assessment Commis-
14 sion, except that references in such section to the Office
15 of Technology Assessment shall be disregarded.

16 (f) REPORT.—Not later than July 1, 1998, the Com-
17 mission shall report to the President and the Congress on
18 the results of the studies required under this section.

19 (g) TERMINATION.—The Commission shall terminate
20 6 months after submission of the report required under
21 subsection (f).

22 (h) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section
24 \$1,000,000 for each of fiscal years 1996 and 1997, to re-
25 main available until expended.

1 **SEC. 602. STATE LAWS CONCERNING MODIFICATION OF**
2 **CHILD SUPPORT ORDERS.**

3 (a) STATE LAW REQUIREMENTS.—Section
4 466(a)(10) (42 U.S.C. 666(a)(10)) is amended—

5 (1) by redesignating subparagraph (C) as sub-
6 paragraph (E) and by inserting after subparagraph
7 (B) the following new subparagraphs:

8 “(C)(i) Procedures to ensure that, beginning
9 October 1, 2000 (or such earlier date as the State
10 may select), the State agency (or, at the option of
11 the State, the local agency) reviews and adjusts, in
12 accordance with guidelines established pursuant to
13 section 467(a), judicial and administrative child sup-
14 port orders included in the State case registry estab-
15 lished pursuant to section 454A(d), under which
16 (subject to clauses (ii) and (iii) the order—

17 “(I) is to be reviewed not later than 36
18 months after the establishment of the order or
19 the most recent adjustment of (or determina-
20 tion not to adjust) such order; and

21 “(II) at the option of the State, may not
22 be reviewed during a minimum period estab-
23 lished by the State following the establishment
24 or most recent review of the order.

25 “(ii) The requirement of clause (i)(I) shall not
26 apply in any case in which—

1 “(I) the State has determined, in accord-
2 ance with regulations of the Secretary, that
3 such a review would not be in the best interests
4 of the child;

5 “(II) both parents have been informed of
6 the right to a review and have been provided a
7 copy of the applicable child support guidelines
8 and have declined a modification in writing; or

9 “(III) both parents have been informed of
10 the modified support amount that would be im-
11 posed under the guidelines and have declined
12 such modification in writing.

13 “(iii) The State shall provide for review of a
14 child support order upon the request of either par-
15 ent, notwithstanding the requirement of clause
16 (i)(II), whenever, subsequent to the establishment or
17 most recent review—

18 “(I) either parent’s income has changed by
19 more than 20 percent, or

20 “(II) other substantial changes have oc-
21 curred in either parent’s or the child’s cir-
22 cumstances.

23 “(D) Procedures under which support orders
24 reviewed in accordance with subparagraph (C) must
25 be adjusted in accordance with the guidelines estab-

1 lished pursuant to section 467(a), without a require-
2 ment for any other change in circumstances (except
3 that the State may refuse to modify an order in any
4 case in which the change in the support amount, if
5 so modified, would not exceed a threshold percentage
6 (which may not be greater than 10 percent)).’; and

7 (2) in subparagraph (E), as redesignated—

8 (A) in the matter preceding clause (i), by
9 striking “this part” and inserting “this part, in
10 accordance with State due process require-
11 ments”;

12 (B) in clause (i), by striking “, at least 30
13 days before the commencement of such review”;
14 and

15 (C) in clause (iii), by striking “not less
16 than 30 days” and inserting “a reasonable
17 time”.

18 (b) AUTOMATED PROCEDURES.—Section 454A, as
19 added by section 204(a)(2) and amended by sections 301,
20 302(c), and 402(d), is amended by adding at the end the
21 following new subsection:

22 “(i) MODIFICATION OF SUPPORT ORDERS.—The
23 automated system required under this section shall be
24 used, to the maximum extent feasible, to assist in the re-
25 view and modification of support orders in accordance

1 with the timetable under section 466(a)(10) and the
2 guidelines under section 467.”.

3 **SEC. 603. STUDY ON USE OF TAX RETURN INFORMATION**
4 **FOR MODIFICATION OF CHILD SUPPORT OR-**
5 **DERS.**

6 (a) REQUIREMENT FOR STUDY.—The Secretary of
7 Health and Human Services and the Secretary of the
8 Treasury shall conduct a study to determine how return
9 information (as defined in section 6103(b) of the Internal
10 Revenue Code of 1986) filed with the Secretary of the
11 Treasury might be used to facilitate the process of deter-
12 mining the amount (if any) by which child support award
13 amounts should be modified in accordance with guidelines
14 established under section 467 of the Social Security Act.

15 (b) AMENDMENT TO INTERNAL REVENUE CODE.—
16 Section 6103(l)(6) of the Internal Revenue Code of 1986
17 is amended by adding at the end the following new sub-
18 paragraph:

19 “(C) Upon written request by the Sec-
20 retary of Health and Human Services, the Sec-
21 retary may disclose return information to offi-
22 cers and employees of the Department of the
23 Treasury and the Department of Health and
24 Human Services, as may be specified in such
25 written request, to be used in conducting the

1 study required under section 603 of the Child
2 Support Enforcement Act of 1995. Return in-
3 formation disclosed pursuant to this subpara-
4 graph shall be used only for purposes of con-
5 ducting such study.”.

6 **SEC. 604. COST-OF-LIVING ADJUSTMENT OF CHILD SUP-**
7 **PORT AWARDS.**

8 Part D of title IV (42 U.S.C. 651–669) is amended
9 by inserting after section 467 the following new section:

10 **“SEC. 467A. COST-OF-LIVING ADJUSTMENT OF CHILD SUP-**
11 **PORT AWARDS.**

12 “(a) IN GENERAL.—Each State shall include in its
13 State plan approved under this part such procedures as
14 are necessary to ensure that each child support order is-
15 sued or modified in the State after the effective date of
16 this section shall provide that amount of any child support
17 award specified in the order shall, on each anniversary of
18 the 1st day of the calendar month in which the order is
19 so issued or modified, increase by the percentage (if any)
20 by which—

21 “(1) the average of the Consumer Price Index
22 (as defined in section 1(f)(5) of the Internal Reve-
23 nue Code of 1986) for the 12-month period that
24 ends with the anniversary; exceeds

1 “(b) CRITERIA FOR LOAN AWARDS.—Criteria for
2 evaluating applications for loans under this section must
3 include—

4 “(1) the likelihood that the proposed project
5 will increase child support collections, and

6 “(2) the availability to the State (or political
7 subdivision) of funding for the project from other
8 sources.

9 “(c) AMOUNT AND DURATION OF LOANS.—

10 “(1) AMOUNT.—Loans may be made to a State
11 under this section in amounts not to exceed
12 \$5,000,000 per State or \$1,000,000 per project (or
13 \$5,000,000 for a single Statewide project in a large
14 State). States may supplement loan funds under this
15 section with funds from other sources, and may re-
16 quire contributions from local jurisdictions served by
17 the project.

18 “(2) DURATION.—The period for loan payments
19 to a State for a project under this section may not
20 exceed 3 years.

21 “(d) RECOUPMENT.—

22 “(1) IN GENERAL.—A loan to a State under
23 this section shall be recovered from the State over
24 3 fiscal years, beginning in the fourth calendar quar-
25 ter beginning after the project ends (or, if earlier,

1 the sixteenth calendar quarter beginning after loan
2 payments for the project began).

3 “(2) AMOUNT OF RECOUPMENT.—A loan to a
4 State under this section shall be recovered from the
5 State through an offset from payments due to the
6 State under section 455(a) for each calendar quarter
7 equal to the amount, if any, by which one-twelfth of
8 the total loan (plus interest) exceeds the amount de-
9 scribed under subsection (c)(1).

10 “(3) RECOUPMENT CREDITED TO FUND.—
11 Amounts recovered under this subsection shall be
12 credited to the revolving fund under this section.

13 “(e) AVAILABILITY AS STATE SHARE.—Funds re-
14 ceived by a State under this section may be used by the
15 State as the non-Federal share of expenditures under the
16 State program under this part.”.

17 **SEC. 702. FEDERAL INCOME TAX REFUND OFFSET.**

18 (a) CHANGED ORDER OF REFUND DISTRIBUTION
19 UNDER INTERNAL REVENUE CODE.—

20 (1) IN GENERAL.—Section 6402(c) of the Inter-
21 nal Revenue Code of 1986 (relating to offset of past-
22 due support against overpayments) is amended by
23 striking the third sentence.

24 (2) CONFORMING AMENDMENT.—Section
25 6402(d)(2) of such Code (relating to priorities for

1 offset) is amended by striking “after such overpay-
2 ment” and all that follows through “Social Security
3 Act and” and inserting “(A) before such overpay-
4 ment is reduced pursuant to subsection (c), in the
5 case of a debt owed to the Department of Education
6 or Department of Health and Human Services with
7 respect to a student loan, (B) after such overpay-
8 ment is reduced pursuant to subsection (c), in the
9 case of any other debt, and (C) in either case,”.

10 (b) ELIMINATION OF DISPARITIES IN TREATMENT
11 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

12 (1) IN GENERAL.—Section 464(a) (42 U.S.C.
13 664(a)) is amended—

14 (A) in paragraph (1)—

15 (i) in the first sentence, by striking
16 “which has been assigned to such State
17 pursuant to section 402(a)(26) or section
18 471(a)(17)”; and

19 (ii) in the second sentence, by striking
20 “in accordance with section 457(b)(4) or
21 (d)(3)” and inserting “as provided in para-
22 graph (2)”;

23 (B) by striking paragraph (2) and insert-
24 ing the following new paragraph:

1 “(2) The State agency shall distribute amounts paid
2 by the Secretary of the Treasury pursuant to paragraph
3 (1)—

4 “(A) in accordance with subsection (a)(4) or
5 (d)(3) of section 457, in the case of past-due sup-
6 port assigned to a State pursuant to section
7 402(a)(26) or section 471(a)(17); and

8 “(B) to or on behalf of the child to whom the
9 support was owed, in the case of past-due support
10 not so assigned.”; and

11 (C) in paragraph (3)—

12 (i) by striking “or (2)” each place it
13 appears; and

14 (ii) in subparagraph (B), by striking
15 “under paragraph (2)” and inserting “on
16 account of past-due support described in
17 paragraph (2)(B)”.

18 (2) NOTICES OF PAST-DUE SUPPORT.—Section
19 464(b) (42 U.S.C. 664(b)) is amended—

20 (A) by striking “(b)(1)” and inserting
21 “(b)”;

22 (B) by striking paragraph (2).

23 (3) DEFINITION OF PAST-DUE SUPPORT.—Sec-
24 tion 464(c) (42 U.S.C. 664(c)) is amended—

1 (A) by striking “(c)(1) Except as provided
2 in paragraph (2), as” and inserting “(c) As”;
3 and

4 (B) by striking paragraphs (2) and (3).

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall become effective October 1, 1997.

7 **SEC. 703. INTERNAL REVENUE SERVICE COLLECTION OF**
8 **ARREARAGES.**

9 (a) AMENDMENT TO INTERNAL REVENUE CODE.—
10 Section 6305(a) of the Internal Revenue Code of 1986 (re-
11 lating to collection of certain liability) is amended—

12 (1) in paragraph (1), by inserting “except as
13 provided in paragraph (5)” after “collected”;

14 (2) by striking “and” at the end of paragraph
15 (3);

16 (3) by striking the period at the end of para-
17 graph (4) and inserting “, and”;

18 (4) by adding after paragraph (4) the following
19 new paragraph:

20 “(5) no additional fee may be assessed for ad-
21 justments to an amount previously certified pursu-
22 ant to such section 452(b) with respect to the same
23 obligor.”; and

1 (5) by striking “Secretary of Health, Edu-
2 cation, and Welfare” each place it appears and in-
3 serting “Secretary of Health and Human Services”.

4 (b) REPORT BY GAO.—Within 180 days after the
5 date of the enactment of this Act, the Comptroller General
6 of the United States shall report to Congress on the effec-
7 tiveness of the Internal Revenue Service in assisting with
8 the child support collections processes of the States. The
9 report of the study shall include the following items:

10 (1) A review of the present role and operation
11 of the Internal Revenue Service in each State’s child
12 support collection efforts.

13 (2) A listing and analysis of any pilot programs
14 involving the Internal Revenue Service child support
15 collection assistance to the States.

16 (3) The barriers that prevent the Internal Reve-
17 nue Service from becoming more involved in such as-
18 sistance.

19 (4) A review of current State efforts to use
20 State tax collection agencies in support of child sup-
21 port collections efforts.

22 (5) Any legislative recommendations to provide
23 for a more effective role for the Internal Revenue
24 Service in the child support enforcement process.

1 (c) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall become effective October 1, 1997.

3 **SEC. 704. AUTHORITY TO COLLECT SUPPORT FROM EM-**
4 **PLOYMENT-RELATED PAYMENTS BY UNITED**
5 **STATES.**

6 (a) CONSOLIDATION AND STREAMLINING OF AU-
7 THORITIES.—Section 459 (42 U.S.C. 659) is amended—

8 (1) in the heading, by inserting “INCOME WITH-
9 HOLDING,” before “GARNISHMENT”;

10 (2) in subsection (a)—

11 (A) by striking “section 207” and insert-
12 ing “section 207 and section 5301 of title 38,
13 United States Code”; and

14 (B) by striking “to legal process” and all
15 that follows through the period and inserting
16 “to withholding in accordance with State law
17 pursuant to subsections (a)(1) and (b) of sec-
18 tion 466 and regulations of the Secretary there-
19 under, and to any other legal process brought,
20 by a State agency administering a program
21 under this part or by an individual obligee, to
22 enforce the legal obligation of such individual to
23 provide child support or alimony.”;

24 (3) by striking subsections (b), (c), and (d) and
25 inserting the following new subsections:

1 “(b) Except as otherwise provided herein, each entity
2 specified in subsection (a) shall be subject, with respect
3 to notice to withhold income pursuant to subsection (a)(1)
4 or (b) of section 466, or to any other order or process
5 to enforce support obligations against an individual (if
6 such order or process contains or is accompanied by suffi-
7 cient data to permit prompt identification of the individual
8 and the moneys involved), to the same requirements as
9 would apply if such entity were a private person.

10 “(c)(1) The head of each agency subject to the re-
11 quirements of this section shall—

12 “(A) designate an agent or agents to receive or-
13 ders and accept service of process; and

14 “(B) publish—

15 “(i) in the appendix of such regulations;

16 “(ii) in each subsequent republication of
17 such regulations; and

18 “(iii) annually in the Federal Register,

19 the designation of such agent or agents, identified
20 by title of position, mailing address, and telephone
21 number.

22 “(2) Whenever an agent designated pursuant to para-
23 graph (1) receives notice pursuant to subsection (a)(1) or
24 (b) of section 466, or is effectively served with any order,
25 process, or interrogatories, with respect to an individual’s

1 child support or alimony payment obligations, such agent
2 shall—

3 “(A) as soon as possible (but not later than 15
4 days) thereafter, send written notice of such notice
5 or service (together with a copy thereof) to such in-
6 dividual at his duty station or last-known home ad-
7 dress;

8 “(B) not later than 30 days (or such longer pe-
9 riod as may be prescribed by applicable State law)
10 after receipt of a notice pursuant to subsection
11 (a)(1) or (b) of section 466, comply with all applica-
12 ble provisions of such section 466; and

13 “(C) not later than 30 days (or such longer pe-
14 riod as may be prescribed by applicable State law)
15 after effective service of any other such order, proc-
16 ess, or interrogatories, respond thereto.

17 “(d) In the event that a governmental entity receives
18 notice or is served with process, as provided in this section,
19 concerning amounts owed by an individual to more than
20 1 person—

21 “(1) support collection under section 466(b)
22 must be given priority over any other process, as
23 provided in section 466(b)(7);

24 “(2) allocation of moneys due or payable to an
25 individual among claimants under section 466(b)

1 shall be governed by the provisions of such section
2 466(b) and regulations thereunder; and

3 “(3) such moneys as remain after compliance
4 with subparagraphs (A) and (B) shall be available to
5 satisfy any other such processes on a first-come,
6 first-served basis, with any such process being satis-
7 fied out of such moneys as remain after the satisfac-
8 tion of all such processes which have been previously
9 served.”;

10 (4) in subsection (f)—

11 (A) by striking “(f)” and inserting
12 “(f)(1)”; and

13 (B) by adding at the end the following new
14 paragraph:

15 “(2) No Federal employee whose duties include tak-
16 ing actions necessary to comply with the requirements of
17 subsection (a) with regard to any individual shall be sub-
18 ject under any law to any disciplinary action or civil or
19 criminal liability or penalty for, or on account of, any dis-
20 closure of information made by him in connection with the
21 carrying out of such duties.”; and

22 (5) by adding at the end the following new sub-
23 sections:

24 “(g) Authority to promulgate regulations for the im-
25 plementation of the provisions of this section shall, insofar

1 as the provisions of this section are applicable to moneys
2 due from (or payable by)—

3 “(1) the executive branch of the Federal Gov-
4 ernment (including in such branch, for the purposes
5 of this subsection, the territories and possessions of
6 the United States, the United States Postal Service,
7 the Postal Rate Commission, any wholly owned Fed-
8 eral corporation created by an Act of Congress, and
9 the government of the District of Columbia), be
10 vested in the President (or the President’s designee);

11 “(2) the legislative branch of the Federal Gov-
12 ernment, be vested jointly in the President pro tem-
13 pore of the Senate and the Speaker of the House of
14 Representatives (or their designees); and

15 “(3) the judicial branch of the Federal Govern-
16 ment, be vested in the Chief Justice of the United
17 States (or the Chief Justice’s designee).

18 “(h) Subject to subsection (i), moneys paid or payable
19 to an individual which are considered to be based upon
20 remuneration for employment, for purposes of this sec-
21 tion—

22 “(1) consist of—

23 “(A) compensation paid or payable for per-
24 sonal services of such individual, whether such
25 compensation is denominated as wages, salary,

1 commission, bonus, pay, allowances, or other-
2 wise (including severance pay, sick pay, and in-
3 centive pay);

4 “(B) periodic benefits (including a periodic
5 benefit as defined in section 228(h)(3)) or other
6 payments—

7 “(i) under the insurance system estab-
8 lished by title II;

9 “(ii) under any other system or fund
10 established by the United States which
11 provides for the payment of pensions, re-
12 tirement or retired pay, annuities, depend-
13 ents’ or survivors’ benefits, or similar
14 amounts payable on account of personal
15 services performed by the individual or any
16 other individual;

17 “(iii) as compensation for death under
18 any Federal program;

19 “(iv) under any Federal program es-
20 tablished to provide ‘black lung’ benefits;
21 or

22 “(v) by the Secretary of Veterans Af-
23 fairs as pension, or as compensation for a
24 service-connected disability or death (ex-
25 cept any compensation paid by such Sec-

1 retary to a former member of the Armed
2 Forces who is in receipt of retired or re-
3 tainer pay if such former member has
4 waived a portion of his retired pay in order
5 to receive such compensation); and

6 “(C) worker’s compensation benefits paid
7 under Federal or State law; but

8 “(2) do not include any payment—

9 “(A) by way of reimbursement or other-
10 wise, to defray expenses incurred by such indi-
11 vidual in carrying out duties associated with his
12 employment; or

13 “(B) as allowances for members of the uni-
14 formed services payable pursuant to chapter 7
15 of title 37, United States Code, as prescribed
16 by the Secretaries concerned (defined by section
17 101(5) of such title) as necessary for the effi-
18 cient performance of duty.

19 “(i) In determining the amount of any moneys due
20 from, or payable by, the United States to any individual,
21 there shall be excluded amounts which—

22 “(1) are owed by such individual to the United
23 States;

24 “(2) are required by law to be, and are, de-
25 ducted from the remuneration or other payment in-

1 volved, including Federal employment taxes, and
2 fines and forfeitures ordered by court-martial;

3 “(3) are properly withheld for Federal, State,
4 or local income tax purposes, if the withholding of
5 such amounts is authorized or required by law and
6 if amounts withheld are not greater than would be
7 the case if such individual claimed all the depend-
8 ents that the individual was entitled to (the with-
9 holding of additional amounts pursuant to section
10 3402(i) of the Internal Revenue Code of 1986 may
11 be permitted only when such individual presents evi-
12 dence of a tax obligation which supports the addi-
13 tional withholding);

14 “(4) are deducted as health insurance pre-
15 miums;

16 “(5) are deducted as normal retirement con-
17 tributions (not including amounts deducted for sup-
18 plementary coverage); or

19 “(6) are deducted as normal life insurance pre-
20 miums from salary or other remuneration for em-
21 ployment (not including amounts deducted for sup-
22 plementary coverage).

23 “(j) For purposes of this section—”.

24 (b) TRANSFER OF SUBSECTIONS.—Subsections (a)
25 through (e) of section 462 (42 U.S.C. 662), are trans-

1 ferred and redesignated as paragraphs (1) through (4),
2 respectively, of section 459(j) (as added by subsection
3 (a)(5)), and the left margin of each of such paragraphs
4 (1) through (4) is indented 2 ems to the right of the left
5 margin of subsection (j) (as added by subsection (a)(5)).

6 (c) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV.—Sections 461 and
8 462 (42 U.S.C. 661 and 662) are repealed.

9 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
10 tion 5520a of title 5, United States Code, is amend-
11 ed, in subsections (h)(2) and (i), by striking “sec-
12 tions 459, 461, and 462 of the Social Security Act
13 (42 U.S.C. 659, 661, and 662)” each place it ap-
14 pears and inserting “section 459 of the Social Secu-
15 rity Act (42 U.S.C. 659)”.

16 (d) MILITARY RETIRED AND RETAINER PAY.—Sec-
17 tion 1408 of title 10, United States Code, is amended—

18 (1) in subsection (a)(1)—

19 (A) in subparagraph (B), by striking
20 “and”;

21 (B) in subparagraph (C), by striking the
22 period and inserting “; and”; and

23 (C) by adding at the end the following new
24 subparagraph:

1 “(D) any administrative or judicial tribu-
2 nal of a State competent to enter orders for
3 support or maintenance (including a State
4 agency administering a State program under
5 part D of title IV of the Social Security Act).”;

6 (2) in subsection (a)(2), by inserting “or a
7 court order for the payment of child support not in-
8 cluded in or accompanied by such a decree or settle-
9 ment,” before “which—”;

10 (3) in subsection (d)—

11 (A) in the heading, by inserting “(OR FOR
12 BENEFIT OF)” after “CONCERNED TO”; and

13 (B) in paragraph (1), in the first sentence,
14 by inserting “(or for the benefit of such spouse
15 or former spouse to a State central collections
16 unit or other public payee designated by a
17 State, in accordance with part D of title IV of
18 the Social Security Act, as directed by court
19 order, or as otherwise directed in accordance
20 with such part D)” before “in an amount suffi-
21 cient”; and

22 (4) by adding at the end the following new sub-
23 section:

24 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
25 involving a child support order against a member who has

1 never been married to the other parent of the child, the
2 provisions of this section shall not apply, and the case
3 shall be subject to the provisions of section 459 of the
4 Social Security Act.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall become effective 6 months after the date
7 of the enactment of this Act.

8 **SEC. 705. MOTOR VEHICLE LIENS.**

9 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amend-
10 ed—

11 (1) by striking “(4)” and inserting “(4)(A)”;

12 and

13 (2) by adding at the end the following new sub-
14 paragraph:

15 “(B) Procedures for placing liens for arrearages
16 of child support on motor vehicle titles of individuals
17 owing such arrearages equal to or exceeding 2
18 months of support, under which—

19 “(i) any person owed such arrearages may
20 place such a lien;

21 “(ii) the State agency administering the
22 program under this part shall systematically
23 place such liens;

24 “(iii) expedited methods are provided for—

1 “(I) ascertaining the amount of ar-
2 rearages; and

3 “(II) affording the person owing the
4 arrearages or other titleholder to contest
5 the amount of arrearages or to obtain a re-
6 lease upon fulfilling the support obligation;

7 “(iv) such a lien has precedence over all
8 other encumbrances on a vehicle title other than
9 a purchase money security interest; and

10 “(v) the individual or State agency owed
11 the arrearages may execute on, seize, and sell
12 the property in accordance with State law.”.

13 **SEC. 706. VOIDING OF FRAUDULENT TRANSFERS.**

14 Section 466(a) (42 U.S.C. 666(a)), as amended by
15 sections 102(a), 308(a), and 401(a), is amended by insert-
16 ing after paragraph (14) the following new paragraph:

17 “(15) Procedures under which—

18 “(A) the State has in effect—

19 “(i) the Uniform Fraudulent Convey-
20 ance Act of 1981,

21 “(ii) the Uniform Fraudulent Trans-
22 fer Act of 1984, or

23 “(iii) another law, specifying indicia of
24 fraud which create a prima facie case that
25 a debtor transferred income or property to

1 avoid payment to a child support creditor,
2 which the Secretary finds affords com-
3 parable rights to child support creditors;
4 and

5 “(B) in any case in which the State knows
6 of a transfer by a child support debtor with re-
7 spect to which such a prima facie case is estab-
8 lished, the State must—

9 “(i) seek to void such transfer; or

10 “(ii) obtain a settlement in the best
11 interests of the child support creditor.”.

12 **SEC. 707. STATE LAW AUTHORIZING SUSPENSION OF LI-**
13 **CENSES.**

14 Section 466(a) (42 U.S.C. 666(a)), as amended by
15 sections 102(a), 308(a), 401(a), and 706, is amended by
16 inserting after paragraph (15) the following new para-
17 graph:

18 “(16) Procedures under which the State has
19 (and uses in appropriate cases) authority (subject to
20 appropriate due process safeguards) to withhold or
21 suspend, or to restrict the use of driver’s licenses,
22 professional and occupational licenses, and rec-
23 reational licenses of individuals owing overdue child
24 support or failing, after receiving appropriate notice,

1 to comply with subpoenas or warrants relating to
2 paternity or child support proceedings.”.

3 **SEC. 708. REPORTING ARREARAGES TO CREDIT BUREAUS.**

4 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
5 to read as follows:

6 “(7)(A) Procedures (subject to safeguards pur-
7 suant to subparagraph (B)) requiring the State to
8 report periodically to consumer reporting agencies
9 (as defined in section 603(f) of the Fair Credit Re-
10 porting Act (15 U.S.C. 1681a(f)) the name of any
11 absent parent who is delinquent by 1 month or more
12 in the payment of support, and the amount of over-
13 due support owed by such parent.

14 “(B) Procedures ensuring that, in carrying out
15 subparagraph (A), information with respect to an
16 absent parent is reported—

17 “(i) only after such parent has been af-
18 farded all due process required under State law,
19 including notice and a reasonable opportunity
20 to contest the accuracy of such information;
21 and

22 “(ii) only to an entity that has furnished
23 evidence satisfactory to the State that the en-
24 tity is a consumer reporting agency.”.

1 **SEC. 709. EXTENDED STATUTE OF LIMITATION FOR COL-**
2 **LECTION OF ARREARAGES.**

3 (a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C.
4 666(a)(9)) is amended—

5 (1) by redesignating subparagraphs (A), (B),
6 and (C) as clauses (i), (ii), and (iii), respectively;

7 (2) by striking “(9)” and inserting “(9)(A)”;
8 and

9 (3) by adding at the end the following new sub-
10 paragraph:

11 “(B) Procedures under which the statute
12 of limitations on any arrearages of child sup-
13 port extends at least until the child owed such
14 support is 30 years of age.”.

15 (b) APPLICATION OF REQUIREMENT.—The amend-
16 ment made by this section shall not be interpreted to re-
17 quire any State law to revive any payment obligation
18 which had lapsed prior to the effective date of such State
19 law.

20 **SEC. 710. CHARGES FOR ARREARAGES.**

21 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
22 U.S.C. 666(a)), as amended by sections 102(a), 308(a),
23 401(a), 706, and 707, is amended by inserting after para-
24 graph (16) the following new paragraph:

25 “(17) Procedures providing for the calculation
26 and collection of interest or penalties for arrearages

1 of child support, and for distribution of such interest
2 or penalties collected for the benefit of the child (ex-
3 cept where the right to support has been assigned
4 to the State).”.

5 (b) REGULATIONS.—The Secretary of Health and
6 Human Services shall establish by regulation a rule to re-
7 solve choice of law conflicts arising in the implementation
8 of the amendment made by subsection (a).

9 (c) CONFORMING AMENDMENT.—Section 454(21)
10 (42 U.S.C. 654(21)) is repealed.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall be effective with respect to arrearages
13 accruing on or after October 1, 1998.

14 **SEC. 711. VISITATION ISSUES BARRED.**

15 Section 466(a) (42 U.S.C. 666(a)), as amended by
16 sections 102(a), 308(a), 401(a), 706, 707, and 710, is
17 amended by inserting after paragraph (17) the following
18 new paragraph:

19 “(18) Procedures under which failure to pay
20 child support is not a defense to denial of visitation
21 rights, and denial of visitation rights is not a de-
22 fense to failure to pay child support.”.

23 **SEC. 712. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
24 **CHILD SUPPORT.**

25 (a) HHS CERTIFICATION PROCEDURE.—

1 (1) SECRETARIAL RESPONSIBILITY.—Section
2 452 (42 U.S.C. 652), as amended by sections
3 205(b)(2) and 206, is amended by adding at the end
4 the following new subsection:

5 “(l)(1) If the Secretary receives a certification by a
6 State agency in accordance with the requirements of sec-
7 tion 454(29) that an individual owes arrearages of child
8 support in an amount exceeding \$5,000, the Secretary
9 shall transmit such certification to the Secretary of State
10 for action (with respect to denial, revocation, or limitation
11 of passports) pursuant to section 712 of the Child Support
12 Enforcement Act of 1995.

13 “(2) The Secretary shall not be liable to an individual
14 for any action with respect to a certification by a State
15 agency under this section.”.

16 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
17 tion 454 (42 U.S.C. 654), as amended by sections
18 101, 105, 205, and 302, is further amended—

19 (A) by striking “and” at the end of para-
20 graph (27);

21 (B) by striking the period at the end of
22 paragraph (28) and inserting “; and”; and

23 (C) by adding after paragraph (28) the fol-
24 lowing new paragraph:

1 “(29) provide that the State agency will have in
2 effect a procedure (which may be combined with the
3 procedure for tax refund offset under section 464)
4 for certifying to the Secretary, for purposes of the
5 procedure under section 452(*l*) (concerning denial of
6 passports) determinations that individuals owe ar-
7 rearages of child support in an amount exceeding
8 \$5,000, under which procedure—

9 “(A) each individual concerned is afforded
10 notice of such determination and the con-
11 sequences thereof, and an opportunity to con-
12 test the determination; and

13 “(B) the certification by the State agency
14 is furnished to the Secretary in such format,
15 and accompanied by such supporting docu-
16 mentation, as the Secretary may require.”.

17 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
18 OF PASSPORTS.—

19 (1) IN GENERAL.—The Secretary of State,
20 upon certification by the Secretary of Health and
21 Human Services, in accordance with section 452(*l*)
22 of the Social Security Act, that an individual owes
23 arrearages of child support in excess of \$5,000, shall
24 refuse to issue a passport to such individual, and

1 may revoke, restrict, or limit a passport issued pre-
2 viously to such individual.

3 (2) LIMIT ON LIABILITY.—The Secretary of
4 State shall not be liable to an individual for any ac-
5 tion with respect to a certification by a State agency
6 under this subsection.

7 (c) EFFECTIVE DATE.—This section and the amend-
8 ments made by this section shall become effective October
9 1, 1996.

10 **SEC. 713. DENIAL OF FEDERAL BENEFITS, LOANS, AND**
11 **GUARANTEES TO CERTAIN PERSONS WITH**
12 **LARGE CHILD SUPPORT ARREARAGES.**

13 (a) BENEFITS, LOANS, AND GUARANTEES.—Not-
14 withstanding any other provision of law, each agency or
15 instrumentality of the Federal Government may not,
16 under any program that the agency or instrumentality su-
17 pervises or administers, provide a benefit to, make a loan
18 to, or provide any guarantee for the benefit of, any
19 person—

20 (1) whose child support arrearages, determined
21 under a court order or an order of an administrative
22 process established under State law, exceed \$1,000;
23 and

24 (2) who is not in compliance with a plan or an
25 agreement to repay the arrearages.

1 (b) CHILD SUPPORT DEFINED.—For purposes of this
2 subsection, the term “child support” has the meaning
3 given such term in section 462 of the Social Security Act.

4 **SEC. 714. SEIZURE OF LOTTERY WINNINGS, SETTLEMENTS,**
5 **PAYOUTS, AWARDS, AND BEQUESTS, AND**
6 **SALE OF FORFEITED PROPERTY, TO PAY**
7 **CHILD SUPPORT ARREARAGES.**

8 Section 466(a) (42 U.S.C. 666(a)), as amended by
9 sections 102(a), 308(a), 401(a), 706, 707, 710, and 711,
10 is amended by inserting after paragraph (18) the following
11 new paragraph:

12 “(19) Procedures, in addition to other income
13 withholding procedures, under which a lien is im-
14 posed against property with the following effect:

15 “(A) The distributor of the winnings from
16 a State lottery or State-sanctioned or tribal-
17 sanctioned gambling house or casino shall—

18 “(i) suspend payment of the winnings
19 from the person otherwise entitled to the
20 payment until an inquiry is made to and a
21 response is received from the State child
22 support enforcement agency as to whether
23 the person owes a child support arrearage;
24 and

1 “(ii) if there is such an arrearage,
2 withhold from the payment the lesser of
3 the amount of the payment or the amount
4 of the arrearage, and pay the amount with-
5 held to the agency for distribution.

6 “(B) The person required to make a pay-
7 ment under a policy of insurance or a settle-
8 ment of a claim made with respect to the policy
9 shall—

10 “(i) suspend the payment until an in-
11 quiry is made to and a response received
12 from the agency as to whether the person
13 otherwise entitled to the payment owes a
14 child support arrearage; and

15 “(ii) if there is such an arrearage,
16 withhold from the payment the lesser of
17 the amount of the payment or the amount
18 of the arrearage, and pay the amount with-
19 held to the agency for distribution.

20 “(C) The payor of any amount pursuant to
21 an award, judgment, or settlement in any ac-
22 tion brought in Federal or State court shall—

23 “(i) suspend the payment of the
24 amount until an inquiry is made to and a
25 response is received from the agency as to

1 whether the person otherwise entitled to
2 the payment owes a child support arrear-
3 age; and

4 “(ii) if there is such an arrearage,
5 withhold from the payment the lesser of
6 the amount of the payment or the amount
7 of the arrearage, and pay the amount with-
8 held to the agency for distribution.

9 “(D) If the State seizes property forfeited
10 to the State by an individual by reason of a
11 criminal conviction, the State shall—

12 “(i) hold the property until an inquiry
13 is made to and a response is received from
14 the agency as to whether the individual
15 owes a child support arrearage; and

16 “(ii) if there is such an arrearage, sell
17 the property and, after satisfying the
18 claims of all other private or public claim-
19 ants to the property and deducting from
20 the proceeds of the sale the attendant costs
21 (such as for towing, storage, and the sale),
22 pay the lesser of the remaining proceeds or
23 the amount of the arrearage directly to the
24 agency for distribution.

1 “(E) Any person required to make a pay-
2 ment in respect of a decedent shall—

3 “(i) suspend the payment until an in-
4 quiry is made to and a response received
5 from the agency as to whether the person
6 otherwise entitled to the payment owes a
7 child support arrearage; and

8 “(ii) if there is such an arrearage,
9 withhold from the payment the lesser of
10 the amount of the payment or the amount
11 of the arrearage, and pay the amount with-
12 held to the agency for distribution.”.

13 **TITLE VIII—DEMONSTRATIONS**

14 **SEC. 801. CHILD SUPPORT ENFORCEMENT AND ASSURANCE** 15 **DEMONSTRATIONS.**

16 (a) DEMONSTRATIONS AUTHORIZED.—The Secretary
17 of Health and Human Services (hereafter in this section
18 referred to as the “Secretary”) shall make grants to 3
19 States for demonstrations under this section to determine
20 the effectiveness of programs to provide assured levels of
21 child support to custodial parents of children for whom
22 paternity and support obligations have been established.

23 (b) DURATION OF PROJECTS.—

24 (1) TOTAL PROJECT PERIOD.—The Secretary
25 shall make grants to States for demonstrations

1 under this section beginning in fiscal year 1998, for
2 periods of 7 to 10 years.

3 (2) PHASEDOWN PERIOD.—Each State imple-
4 menting a demonstration project under this section
5 shall—

6 (A) phase down activities under such dem-
7 onstration during the final 2 years of the
8 project; and

9 (B) obtain the Secretary's approval, before
10 the beginning of such phasedown period, of a
11 plan for accomplishing such phasedown.

12 (c) CONSIDERATIONS IN SELECTION OF PROJECTS.—

13 (1) SCOPE.—Projects under this section may,
14 but need not, be statewide in scope.

15 (2) STATE ADMINISTRATION.—

16 (A) RESPONSIBLE STATE AGENCY.—A
17 State demonstration project under this section
18 shall be administered either by the State agency
19 administering the program under part D of title
20 IV of the Social Security Act or the State de-
21 partment of revenue and taxation.

22 (B) AUTOMATION.—The State agency de-
23 scribed in subparagraph (A) shall operate (or
24 have automated access to) the automated data
25 system required under section 454(16) of the

1 Social Security Act, and shall have adequate
2 automated capacity to carry out the project
3 under this section (including the timely dis-
4 tribution of child support assurance benefits).

5 (3) CONTROLS.—At least 1 demonstration
6 project under this section shall include randomly as-
7 signed control groups.

8 (d) ELIGIBILITY.—

9 (1) IN GENERAL.—Child support assurance
10 payments under projects under this section shall be
11 available only to children for whom paternity and
12 support obligations have been established (or with
13 respect to whom a determination has been made
14 that efforts to establish paternity or support would
15 not be in the best interests of the child).

16 (2) FAMILIES WITH SHARED CUSTODY.—In
17 cases in which both parents share custody of a child,
18 a parent and child shall not be eligible for benefits
19 under a demonstration under this section unless—

20 (A) a support order is in effect entitling
21 such parent to support payments in excess of
22 the minimum benefit; or

23 (B) the agency or tribunal which issued
24 the order certifies that the child support award
25 would be below such minimum benefit if either

1 parent was awarded sole custody and the guide-
2 lines under section 467 of the Social Security
3 Act were applied.

4 (3) STATE OPTION TO BASE ELIGIBILITY ON
5 NEED.—At the option of the State, eligibility for
6 benefits under a demonstration under this section
7 may be limited to families with incomes and re-
8 sources below a standard of need established by the
9 State.

10 (e) BENEFIT AMOUNTS.—

11 (1) RANGE OF BENEFIT LEVELS.—States shall
12 have flexibility to set annual benefit levels under
13 demonstrations under this section, provided that
14 (subject to the remaining provisions of this sub-
15 section) such levels—

16 (A) are not less than \$1,500 for a family
17 with 1 child or \$3,000 for a family with 4 or
18 more children; and

19 (B) do not exceed \$3,000 for a family with
20 1 child or \$4,500 for a family with 4 or more
21 children.

22 (2) INDEXING.—Annual benefit levels for each
23 fiscal year after fiscal year 1997 shall be indexed to
24 reflect the change in the Consumer Price Index.

1 (3) UNMATCHED EXCESS BENEFITS.—The Sec-
2 retary may permit States to pay benefits in excess
3 of a maximum specified in paragraphs (1) and (2),
4 but Federal matching of such payments shall not be
5 available for benefits in excess of the amounts speci-
6 fied in paragraph (1) (as adjusted in accordance
7 with paragraph (2)) by more than \$25 per month.

8 (f) TREATMENT OF BENEFITS.—

9 (1) FOR PURPOSES OF AFDC.—The amount of
10 aid otherwise payable to a family under part A of
11 title IV of the Social Security Act shall be reduced
12 by an amount equal to the amount of child support
13 assurance paid to such family (or, at the Secretary's
14 discretion, by a percentage of such amount paid
15 specified by the Secretary).

16 (2) FOR PURPOSES OF OTHER BENEFIT PRO-
17 GRAMS.—

18 (A) IN GENERAL.—Except as provided in
19 subparagraph (B), child support assurance paid
20 to a family shall be considered ordinary income
21 for purposes of determining eligibility for and
22 benefits under any Federal or State program.

23 (B) DEEMED AFDC ELIGIBILITY.—At the
24 option of the State, a child (or family) that is
25 ineligible for aid under part A of title IV of the

1 Social Security Act because of payments under
2 a demonstration under this section may be
3 deemed to be receiving such aid for purposes of
4 determining eligibility for other Federal and
5 State programs.

6 (3) FOR TAX PURPOSES.—Child support assur-
7 ance which is paid to a family under this section and
8 is not reimbursed from a child support collection
9 from a noncustodial parent shall be considered ordi-
10 nary income for purposes of Federal and State tax
11 liability.

12 (g) WORK PROGRAM OPTION.—At the option of the
13 State grantee, a demonstration under this section may in-
14 clude a work program for unemployed noncustodial par-
15 ents of eligible children.

16 (h) AVAILABILITY OF APPROPRIATIONS FOR PAY-
17 MENTS TO STATES.—

18 (1) STATE ENTITLEMENT TO PART D OF TITLE
19 IV FUNDING.—A State administering an approved
20 demonstration under this section in a calendar quar-
21 ter shall be entitled to payments for such quarter,
22 pursuant to section 455 of the Social Security Act
23 for the Federal share of reasonable and necessary
24 expenditures (including expenditures for benefit pay-
25 ments and for associated administrative costs) under

1 such project, in an amount (subject to paragraphs
2 (2) and (3)) equal to—

3 (A) with respect to that portion of such ex-
4 penditures equal to the reduction of expendi-
5 tures under part A of title IV of the Social Se-
6 curity Act pursuant to subsection (g)(1), a per-
7 centage equal to the percentage that would have
8 been paid if such expenditures had been made
9 under such part; and

10 (B) 90 percent of the remainder of such
11 expenditures.

12 (2) STATES WITH LOW AFDC BENEFITS.—In
13 the case of a State in which benefit levels under part
14 A of title IV of such Act are less than the national
15 median for such payments, the Secretary may elect
16 to provide 90 percent Federal matching of a portion
17 of expenditures under a project under this section
18 that would otherwise be matched at the rate speci-
19 fied in paragraph (1)(A).

20 (3) FUNDING LIMITS; PRO RATA REDUCTIONS
21 OF STATE MATCHING.—

22 (A) FUNDS AVAILABLE.—There shall be
23 available to the Secretary, from amounts appro-
24 priated to carry out part D of title IV of the
25 Social Security Act, for purposes of carrying

1 out demonstrations under this section, amounts
2 not to exceed—

3 (i) \$27,000,000 for fiscal year 1998;

4 (ii) \$55,000,000 for fiscal year 1999;

5 (iii) \$70,000,000 for each of fiscal
6 years 2000 through 2003; and

7 (iv) \$55,000,000 for fiscal year 2004.

8 (B) PRO RATA REDUCTIONS.—The Sec-
9 retary shall make pro rata reductions in the
10 amounts otherwise payable to States under this
11 section as necessary to comply with the funding
12 limitation specified in subparagraph (A).

13 (i) DISTRIBUTION OF CHILD SUPPORT COLLEC-
14 TIONS.—Notwithstanding section 457 of the Social Secu-
15 rity Act, support payments collected from the noncustodial
16 parent of a child receiving (or who has received) child sup-
17 port assurance payments under this section shall be dis-
18 tributed as follows:

19 (1) First, amounts equal to the total support
20 owed for such month shall be paid to the family.

21 (2) Second, from any remainder, amounts owed
22 to the State on account of child support assurance
23 payments to the family shall be paid to the State
24 (with appropriate reimbursement to the Federal
25 Government of its share to such payments).

1 (3) Third, from any remainder, arrearages of
2 support owed to the family shall be paid to the fam-
3 ily.

4 (4) Fourth, from any remainder, amounts owed
5 to the State on account of current or past payments
6 of aid under part A of title IV of the Social Security
7 Act shall be paid to the State (with appropriate re-
8 imbursement to the Federal Government of its share
9 of such payments).

10 (j) EVALUATIONS AND REPORTS.—

11 (1) STATE EVALUATIONS.—Each State admin-
12 istering a demonstration project under this section
13 shall—

14 (A) provide for ongoing and retrospective
15 evaluation of the project, meeting such condi-
16 tions and standards as the Secretary may re-
17 quire; and

18 (B) submit to the Secretary such reports
19 (at such times, in such format, and containing
20 such information) as the Secretary may require,
21 including at least an interim report not later
22 than 90 days after the end of the fourth year
23 of the project, and a final report not later than
24 1 year after the completion of the project,

1 which shall include information on and analysis
2 of the effect of the project with respect to—

3 (i) the economic circumstances of both
4 noncustodial and custodial parents;

5 (ii) the rate of compliance by
6 noncustodial parents with support orders;

7 (iii) work-force participation by both
8 custodial and noncustodial parents;

9 (iv) need for or amount of aid to fam-
10 ilies with dependent children under part A
11 of title IV of the Social Security Act;

12 (v) paternity establishment rates; and

13 (vi) any other matters the Secretary
14 may specify.

15 (2) REPORTS TO CONGRESS.—The Secretary
16 shall, on the basis of reports received from States
17 administering projects under this section, make the
18 following reports, containing an assessment of the
19 effectiveness of the projects and any recommenda-
20 tions the Secretary considers appropriate:

21 (A) An interim report, not later than 6
22 months following receipt of the interim State
23 reports required by subsection (c).

1 (B) A final report, not later than 6 months
 2 following receipt of the final State reports re-
 3 quired under subsection (i).

4 (3) FUNDING FOR COSTS TO SECRETARY.—
 5 There are authorized to be appropriated
 6 \$10,000,000 for fiscal year 1998, to remain avail-
 7 able until expended for payment of the cost of eval-
 8 uations by the Secretary of demonstrations under
 9 this section.

10 **SEC. 802. SOCIAL SECURITY ACT DEMONSTRATIONS.**

11 Section 1115(c)(3) (42 U.S.C. 1315(c)(3)) is amend-
 12 ed by striking “increased cost” and all that follows and
 13 inserting “an increase in total costs to the Federal Gov-
 14 ernment.”.

15 **TITLE IX—ACCESS AND**
 16 **VISITATION GRANTS**

17 **SEC. 901. GRANTS TO STATES FOR ACCESS AND VISITATION**
 18 **PROGRAMS.**

19 (a) IN GENERAL.—Part D of title IV (42 U.S.C.
 20 651–669) is amended by adding at the end the following
 21 new section:

22 “GRANTS TO STATES FOR ACCESS AND VISITATION
 23 PROGRAMS

24 “SEC. 469A. (a) PURPOSES; AUTHORIZATION OF AP-
 25 PROPRIATIONS.—For the purposes of enabling States to
 26 establish and administer programs to support and facili-

1 tate absent parents' access to and visitation of their chil-
2 dren, by means of activities including mediation (both vol-
3 untary and mandatory), counseling, education, develop-
4 ment of parenting plans, visitation enforcement (including
5 monitoring, supervision and neutral drop-off and pickup),
6 and development of guidelines for visitation and alter-
7 native custody arrangements, there are authorized to be
8 appropriated \$5,000,000 for each of fiscal years 1997 and
9 1998, and \$10,000,000 for each succeeding fiscal year.

10 “(b) PAYMENTS TO STATES.—

11 “(1) IN GENERAL.—Each State shall be enti-
12 tled to payment under this section for each fiscal
13 year in an amount equal to its allotment under sub-
14 section (c) for such fiscal year, to be used for pay-
15 ment of 90 percent of State expenditures for the
16 purposes specified in subsection (a).

17 “(2) SUPPLEMENTARY USE.—Payments under
18 this section shall be used by a State to supplement
19 (and not to substitute for) expenditures by the
20 State, for activities specified in subsection (a), at a
21 level at least equal to the level of such expenditures
22 for fiscal year 1995.

23 “(c) ALLOTMENTS TO STATES.—

24 “(1) IN GENERAL.—For purposes of subsection
25 (b), each State shall be entitled (subject to para-

1 graph (2)) to an amount for each fiscal year bearing
2 the same ratio to the amount authorized to be ap-
3 propriated pursuant to subsection (a) for such fiscal
4 year as the number of children in the State living
5 with only 1 biological parent bears to the total num-
6 ber of such children in all States.

7 “(2) MINIMUM ALLOTMENT.—Allotments to
8 States under paragraph (1) shall be adjusted as nec-
9 essary to ensure that no State is allotted less than
10 \$50,000 for fiscal year 1997 or 1998, or \$100,000
11 for any succeeding fiscal year.

12 “(d) FEDERAL ADMINISTRATION.—The program
13 under this section shall be administered by the Adminis-
14 tration for Children and Families.

15 “(e) STATE PROGRAM ADMINISTRATION.—

16 “(1) IN GENERAL.—Each State may administer
17 the program under this section directly or through
18 grants to or contracts with courts, local public agen-
19 cies, or non-profit private entities.

20 “(2) STATEWIDE PLAN PERMISSIBLE.—State
21 programs under this section may, but need not, be
22 statewide.

23 “(3) EVALUATION.—States administering pro-
24 grams under this section shall monitor, evaluate,

1 and report on such programs in accordance with re-
2 quirements established by the Secretary.

3 **TITLE X—EFFECT OF**
4 **ENACTMENT**

5 **SEC. 1001. EFFECTIVE DATES.**

6 (a) IN GENERAL.—Except as otherwise specifically
7 provided (but subject to subsections (b) and (c))—

8 (1) provisions of this Act requiring enactment
9 or amendment of State laws under section 466 of
10 the Social Security Act, or revision of State plans
11 under section 454 of such Act, shall be effective with
12 respect to periods beginning on and after October 1,
13 1996; and

14 (2) all other provisions of this Act shall become
15 effective upon the date of the enactment of this Act.

16 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
17 provisions of this Act shall become effective with respect
18 to a State on the later of—

19 (1) the date specified in this Act, or

20 (2) the effective date of laws enacted by the leg-
21 islature of such State implementing such provisions,
22 but in no event later than the first day of the first cal-
23 endar quarter beginning after the close of the first regular
24 session of the State legislature that begins after the date
25 of the enactment of this Act. For purposes of the previous

1 sentence, in the case of a State that has a 2-year legisla-
 2 tive session, each year of such session shall be deemed to
 3 be a separate regular session of the State legislature.

4 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
 5 AMENDMENT.—A State shall not be found out of compli-
 6 ance with any requirement enacted by this Act if it is un-
 7 able to comply without amending the State constitution
 8 until the earlier of—

9 (1) the date which is 1 year after the effective
 10 date of the necessary State constitutional amend-
 11 ment, or

12 (2) the date which is 5 years after the date of
 13 the enactment of this Act.

14 **SEC. 1002. SEVERABILITY.**

15 If any provision of this Act or the application thereof
 16 to any person or circumstance is held invalid, the invalid-
 17 ity shall not affect other provisions or applications of this
 18 Act which can be given effect without regard to the invalid
 19 provision or application, and to this end the provisions of
 20 this Act shall be severable.

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