

FATHERS COUNT ACT OF 1999

OCTOBER 28, 1999.—Ordered to be printed

Mr. ARCHER, from the Committee on Ways and Means,
submitted the following

REPORT

[To accompany H.R. 3073]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 3073) to amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Fathers Count Act of 1999”.

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

Sec. 1. Short title; table of contents.

TITLE I—FATHERHOOD GRANT PROGRAM

Sec. 101. Fatherhood grants.

TITLE II—FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE

Sec. 201. Fatherhood projects of national significance.

TITLE III—WELFARE-TO-WORK PROGRAM ELIGIBILITY

Sec. 301. Flexibility in eligibility for participation in welfare-to-work program.
 Sec. 302. Limited vocational educational training included as allowable activity.
 Sec. 303. Certain grantees authorized to provide employment services directly.
 Sec. 304. Simplification and coordination of reporting requirements.
 Sec. 305. Use of State information to aid administration of welfare-to-work formula grant funds.

TITLE IV—ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS

Sec. 401. Alternative penalty procedure relating to State disbursement units.

TITLE V—FINANCING PROVISIONS

Sec. 501. Use of new hire information to assist in collection of defaulted student loans and grants.
 Sec. 502. Elimination of set-aside of portion of welfare-to-work funds for successful performance bonus.

TITLE VI—MISCELLANEOUS

Sec. 601. Change dates for evaluation.
 Sec. 602. Report on undistributed child support payments.
 Sec. 603. Sense of the Congress.
 Sec. 604. Additional funding for welfare evaluation study.
 Sec. 605. Training in child abuse and neglect proceedings.
 Sec. 606. Use of new hire information to assist in administration of unemployment compensation programs.
 Sec. 607. Immigration provisions.

TITLE I—FATHERHOOD GRANT PROGRAM

SEC. 101. FATHERHOOD GRANTS.

(a) IN GENERAL.—Part A of title IV of the Social Security Act (42 U.S.C. 601–679b) is amended by inserting after section 403 the following:

“SEC. 403A. FATHERHOOD PROGRAMS.

“(a) PURPOSE.—The purpose of this section is to make grants available to public and private entities for projects designed to—

“(1) promote marriage through counseling, mentoring, disseminating information about the advantages of marriage, enhancing relationship skills, teaching how to control aggressive behavior, and other methods;

“(2) promote successful parenting through counseling, mentoring, disseminating information about good parenting practices including family planning, training parents in money management, encouraging child support payments, encouraging regular visitation between fathers and their children, and other methods; and

“(3) help fathers and their families avoid or leave cash welfare provided by the program under part A and improve their economic status by providing work first services, job search, job training, subsidized employment, career-advancing education, job retention, job enhancement, and other methods.

“(b) FATHERHOOD GRANTS.—

“(1) APPLICATIONS.—An entity desiring a grant to carry out a project described in subsection (a) may submit to the Secretary an application that contains the following:

“(A) A description of the project and how the project will be carried out.

“(B) A description of how the project will address all 3 of the purposes of this section.

“(C) A written commitment by the entity that the project will allow an individual to participate in the project only if the individual is—

“(i) a father of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under this part;

“(ii) a father, including an expectant or married father, whose income (net of court-ordered child support) is less than 150 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved); or

“(iii) a parent referred to in paragraph (3)(A)(iii).

“(D) A written commitment by the entity that the entity will provide for the project, from funds obtained from non-Federal sources, amounts (including in-kind contributions) equal in value to—

“(i) 20 percent of the amount of any grant made to the entity under this subsection; or

“(ii) such lesser percentage as the Secretary deems appropriate (which shall be not less than 10 percent) of such amount, if the application demonstrates that there are circumstances that limit the ability of the entity to raise funds or obtain resources.

“(2) CONSIDERATION OF APPLICATIONS BY INTERAGENCY PANELS.—

“(A) FIRST PANEL.—

“(i) ESTABLISHMENT.—There is established a panel to be known as the ‘Fatherhood Grants Recommendations Panel’ (in this subparagraph referred to as the ‘Panel’).

“(ii) MEMBERSHIP.—

“(I) IN GENERAL.—The Panel shall be composed of 10 members, as follows:

“(aa) 2 members of the Panel shall be appointed by the Secretary.

“(bb) 2 members of the Panel shall be appointed by the Secretary of Labor.

“(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives.

“(dd) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives.

“(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Finance of the Senate.

“(ff) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Finance of the Senate.

“(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

“(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2000.

“(iii) DUTIES.—

“(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

“(II) TIMING.—The Panel shall make such recommendations not later than September 1, 2000.

“(iv) TERM OF OFFICE.—Each member appointed to the Panel shall serve for the life of the Panel.

“(v) PROHIBITION ON COMPENSATION.—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

“(vi) TRAVEL EXPENSES.—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

“(vii) MEETINGS.—The Panel shall meet as often as is necessary to complete the business of the Panel.

“(viii) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

“(ix) STAFF OF FEDERAL AGENCIES.—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

“(x) OBTAINING OFFICIAL DATA.—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this subparagraph. On request of the Chair-

person of the Panel, the head of the department or agency shall furnish that information to the Panel.

“(xi) **MAILS.**—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

“(xii) **TERMINATION.**—The Panel shall terminate on September 1, 2000.

“(B) **SECOND PANEL.**—

“(i) **ESTABLISHMENT.**—Effective January 1, 2001, there is established a panel to be known as the ‘Fatherhood Grants Recommendations Panel’ (in this subparagraph referred to as the ‘Panel’).

“(ii) **MEMBERSHIP.**—

“(I) **IN GENERAL.**—The Panel shall be composed of 10 members, as follows:

“(aa) 2 members of the Panel shall be appointed by the Secretary.

“(bb) 2 members of the Panel shall be appointed by the Secretary of Labor.

“(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives.

“(dd) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives.

“(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Finance of the Senate.

“(ff) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Finance of the Senate.

“(II) **CONFLICTS OF INTEREST.**—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

“(III) **TIMING OF APPOINTMENTS.**—The appointment of members to the Panel shall be completed not later than March 1, 2001.

“(iii) **DUTIES.**—

“(I) **REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.**—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

“(II) **TIMING.**—The Panel shall make such recommendations not later than September 1, 2001.

“(iv) **TERM OF OFFICE.**—Each member appointed to the Panel shall serve for the life of the Panel.

“(v) **PROHIBITION ON COMPENSATION.**—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

“(vi) **TRAVEL EXPENSES.**—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

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“(viii) **CHAIRPERSON.**—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

“(ix) **STAFF OF FEDERAL AGENCIES.**—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

“(x) **OBTAINING OFFICIAL DATA.**—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this subparagraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

“(xi) **MAILS.**—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

“(xii) **TERMINATION.**—The Panel shall terminate on September 1, 2001.

“(3) **MATCHING GRANTS.**—

“(A) **GRANT AWARDS.**—

“(i) **IN GENERAL.**—The Secretary shall award matching grants, on a competitive basis, among entities submitting applications therefor which meet the requirements of paragraph (1), in amounts that take into account the written commitments referred to in paragraph (1)(D).

“(ii) **TIMING.**—

“(I) **FIRST ROUND.**—On October 1, 2000, the Secretary shall award not more than \$70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(A)(iii)(I).

“(II) **SECOND ROUND.**—On October 1, 2001, the Secretary shall award not more than \$70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(B)(iii)(I).

“(iii) **NONDISCRIMINATION.**—The provisions of this section shall be applied and administered so as to ensure that mothers, expectant mothers, and married mothers are eligible for benefits and services under projects awarded grants under this section on the same basis as fathers, expectant fathers, and married fathers.

“(B) **PREFERENCES.**—In determining which entities to which to award grants under this subsection, the Secretary shall give preference to an entity—

“(i) to the extent that the application submitted by the entity describes actions that the entity will take that are designed to encourage or facilitate the payment of child support, including but not limited to—

“(I) obtaining agreements with the State in which the project will be carried out under which the State will exercise its authority under the last sentence of section 457(a)(2)(B)(iv) in every case in which such authority may be exercised;

“(II) obtaining a written commitment by the agency responsible for administering the State plan approved under part D for the State in which the project is to be carried out that the State will voluntarily cancel child support arrearages owed to the State by the father as a result of the father providing various supports to the family such as maintaining a regular child support payment schedule or living with his children; and

“(III) obtaining a written commitment by the entity that the entity will help participating fathers who cooperate with the agency in improving their credit rating;

“(ii) to the extent that the application includes written agreements of cooperation with other private and governmental agencies, including the State or local program funded under this part, the local Workforce Investment Board, the State or local program funded under part D, and the State or local program funded under part E, which should include a description of the services each such agency will provide to fathers participating in the project described in the application;

“(iii) to the extent that the application describes a project that will enroll a high percentage of project participants within 6 months before or after the birth of the child; or

“(iv) to the extent that the application sets forth clear and practical methods by which fathers will be recruited to participate in the project.

“(C) **MINIMUM PERCENTAGE OF RECIPIENTS OF GRANT FUNDS TO BE NON-GOVERNMENTAL (INCLUDING FAITH-BASED) ORGANIZATIONS.**—Not less than 75 percent of the entities awarded grants under this subsection in each fiscal year (other than entities awarded such grants pursuant to the preferences required by subparagraph (B)) shall be awarded to—

“(i) nongovernmental (including faith-based) organizations; or

“(ii) governmental organizations that pass through to organizations referred to in clause (i) at least 50 percent of the amount of the grant.

“(D) **DIVERSITY OF PROJECTS.**—

“(i) **IN GENERAL.**—In determining which entities to which to award grants under this subsection, the Secretary shall attempt to achieve a

balance among entities of differing sizes, entities in differing geographic areas, entities in urban versus rural areas, and entities employing differing methods of achieving the purposes of this section.

“(ii) REPORT TO THE CONGRESS.—Within 90 days after each award of grants under subclause (I) or (II) of subparagraph (A)(ii), the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a brief report on the diversity of projects selected to receive funds under the grant program. The report shall include a comparison of funding for projects located in urban areas, projects located in suburban areas, and projects located in rural areas.

“(E) PAYMENT OF GRANT IN 4 EQUAL ANNUAL INSTALLMENTS.—During the fiscal year in which a grant is awarded under this subsection and each of the succeeding 3 fiscal years, the Secretary shall provide to the entity awarded the grant an amount equal to $\frac{1}{4}$ of the amount of the grant.

“(4) USE OF FUNDS.—

“(A) IN GENERAL.—Each entity to which a grant is made under this subsection shall use grant funds provided under this subsection in accordance with the application requesting the grant, the requirements of this subsection, and the regulations prescribed under this subsection, and may use the grant funds to support community-wide initiatives to address the purposes of this section.

“(B) NONDISPLACEMENT.—

“(i) IN GENERAL.—An adult in a work activity described in section 407(d) which is funded, in whole or in part, by funds provided under this section shall not be employed or assigned—

“(I) when any other individual is on layoff from the same or any substantially equivalent job; or

“(II) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with such an adult.

“(ii) GRIEVANCE PROCEDURE.—

“(I) IN GENERAL.—Complaints alleging violations of clause (i) in a State may be resolved—

“(aa) if the State has established a grievance procedure under section 403(a)(5)(J)(iv), pursuant to the grievance procedure; or

“(bb) otherwise, pursuant to the grievance procedure established by the State under section 407(f)(3).

“(II) FORFEITURE OF GRANT IF GRIEVANCE PROCEDURE NOT AVAILABLE.—If a complaint referred to in subclause (I) is made against an entity to which a grant has been made under this section with respect to a project, and the complaint cannot be brought to, or cannot be resolved within 90 days after being brought, by a grievance procedure referred to in subclause (I), then the entity shall immediately return to the Secretary all funds provided to the entity under this section for the project, and the Secretary shall immediately rescind the grant.

“(C) RULE OF CONSTRUCTION.—This section shall not be construed to require the participation of a father in a project funded under this section to be discontinued by the project on the basis of changed economic circumstances of the father.

“(D) RULE OF CONSTRUCTION ON MARRIAGE.—This section shall not be construed to authorize the Secretary to define marriage for purposes of this section.

“(E) PENALTY FOR MISUSE OF GRANT FUNDS.—If the Secretary determines that an entity to which a grant is made under this subsection has used any amount of the grant in violation of subparagraph (A), the Secretary shall require the entity to remit to the Secretary an amount equal to the amount so used, plus all remaining grant funds, and the entity shall thereafter be ineligible for any grant under this subsection.

“(F) REMITTANCE OF UNUSED GRANT FUNDS.—Each entity to which a grant is awarded under this subsection shall remit to the Secretary all funds paid under the grant that remain at the end of the 5th fiscal year ending after the initial grant award.

“(5) AUTHORITY OF AGENCIES TO EXCHANGE INFORMATION.—Each agency administering a program funded under this part or a State plan approved under part D may share the name, address, telephone number, and identifying case

number information in the State program funded under this part, of fathers for purposes of assisting in determining the eligibility of fathers to participate in projects receiving grants under this section, and in contacting fathers potentially eligible to participate in the projects, subject to all applicable privacy laws.

“(6) EVALUATION.—The Secretary, in consultation with the Secretary of Labor, shall, directly or by grant, contract, or interagency agreement, conduct an evaluation of projects funded under this section (other than under subsection (c)(1)). The evaluation shall assess, among other outcomes selected by the Secretary, effects of the projects on marriage, parenting, employment, earnings, and payment of child support. In selecting projects for the evaluation, the Secretary should include projects that, in the Secretary’s judgment, are most likely to impact the matters described in the purposes of this section. In conducting the evaluation, random assignment should be used wherever possible.

“(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this subsection.

“(8) LIMITATION ON APPLICABILITY OF OTHER PROVISIONS OF THIS PART.—Sections 404 through 410 shall not apply to this section or to amounts paid under this section, and shall not be applied to an entity solely by reason of receipt of funds pursuant to this section. A project shall not be considered a State program funded under this part solely by reason of receipt of funds paid under this section.

“(9) FUNDING.—

“(A) IN GENERAL.—

“(i) INTERAGENCY PANELS.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section for fiscal years 2000 and 2001, a total of \$150,000 shall be made available for the interagency panels established by paragraph (2) of this subsection.

“(ii) GRANTS.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section, there shall be made available for grants under this subsection—

“(I) \$17,500,000 for fiscal year 2001;

“(II) \$35,000,000 for each of fiscal years 2002 through 2004; and

“(III) \$17,500,000 for fiscal year 2005.

“(iii) EVALUATION.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section for fiscal years 2000 through 2006, a total of \$6,000,000 shall be made available for the evaluation required by paragraph (6) of this subsection.

“(B) AVAILABILITY.—

“(i) GRANT FUNDS.—The amounts made available pursuant to subparagraph (A)(ii) shall remain available until the end of fiscal year 2005.

“(ii) EVALUATION FUNDS.—The amounts made available pursuant to subparagraph (A)(iii) shall remain available until the end of fiscal year 2007.”

(b) FUNDING.—Section 403(a)(1)(E) of such Act (42 U.S.C. 603(a)(1)(E)) is amended by inserting “, and for fiscal years 2000 through 2006, such sums as are necessary to carry out section 403A” before the period.

(c) AUTHORITY TO STATES TO PASS THROUGH CHILD SUPPORT ARREARAGES COLLECTED THROUGH TAX REFUND INTERCEPT TO FAMILIES WHO HAVE CEASED TO RECEIVE CASH ASSISTANCE; FEDERAL REIMBURSEMENT OF STATE SHARE OF SUCH PASSED THROUGH ARREARAGES.—Section 457(a)(2)(B)(iv) of such Act (42 U.S.C. 657(a)(2)(B)(iv)) is amended—

(1) by inserting “(except the last sentence of this clause)” after “this section”; and

(2) by adding at the end the following: “Notwithstanding the preceding sentences of this clause, if the amount is collected on behalf of a family that includes a child of a participant in a project funded under section 403A and that has ceased to receive cash payments under a State program funded under section 403, then the State may distribute the amount collected pursuant to section 464 to the family, and the aggregate of the amounts otherwise required by this section to be paid by the State to the Federal government shall be reduced by an amount equal to the State share of the amount collected pursuant to section 464 that would otherwise be retained as reimbursement for assistance paid to the family.”

(d) APPLICABILITY OF CHARITABLE CHOICE PROVISIONS OF WELFARE REFORM.—Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 604a) is amended by adding at the end the following:

“(1) Notwithstanding the preceding provisions of this section, this section shall apply to any entity to which funds have been provided under section 403A of the Social Security Act in the same manner in which this section applies to States, and, for purposes of this section, any project for which such funds are so provided shall be considered a program described in subsection (a)(2).”.

TITLE II—FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE

SEC. 201. FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE.

Section 403A of the Social Security Act, as added by title I of this Act, is amended by adding at the end the following:

“(c) FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE.—

“(1) NATIONAL CLEARINGHOUSE.—The Secretary shall award a \$5,000,000 grant to a nationally recognized, nonprofit fatherhood promotion organization with at least 4 years of experience in designing and disseminating a national public education campaign, including the production and successful placement of television, radio, and print public service announcements which promote the importance of responsible fatherhood, and with at least 4 years experience providing consultation and training to community-based organizations interested in implementing fatherhood outreach, support, or skill development programs with an emphasis on promoting married fatherhood as the ideal, to—

“(A) develop, promote, and distribute to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that encourages the appropriate involvement of both parents in the life of any child of the parents, and encourages such organizations to develop or sponsor programs that specifically address the issue of responsible fatherhood and the advantages conferred on children by marriage;

“(B) develop a national clearinghouse to assist States, communities, and private entities in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, and making available (through the Internet and by other means) to all interested parties, information regarding media campaigns and fatherhood programs;

“(C) develop and distribute materials that are for use by entities described in subparagraph (A) or (B) and that help young adults manage their money, develop the knowledge and skills needed to promote successful marriages, plan for future expenditures and investments, and plan for retirement;

“(D) develop and distribute materials that are for use by entities described in subparagraphs (A) and (B) and that list all the sources of public support for education and training that are available to young adults, including government spending programs as well as benefits under Federal and State tax laws.

“(2) MULTICITY FATHERHOOD PROJECTS.—

“(A) IN GENERAL.—The Secretary shall award a \$5,000,000 grant to each of 2 nationally recognized nonprofit fatherhood promotion organizations which meet the requirements of subparagraph (B), at least 1 of which organizations meets the requirement of subparagraph (C).

“(B) REQUIREMENTS.—The requirements of this subparagraph are the following:

“(i) The organization must have several years of experience in designing and conducting programs that meet the purposes described in paragraph (1).

“(ii) The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area and in coordinating such programs with local government agencies and private, nonprofit agencies, including State or local agencies responsible for conducting the program under part D and Workforce Investment Boards.

“(iii) The organization must submit to the Secretary an application that meets all the conditions applicable to the organization under this section and that provides for projects to be conducted in 3 major metropolitan areas.

“(C) USE OF MARRIED COUPLES TO DELIVER SERVICES IN THE INNER CITY.—The requirement of this subparagraph is that the organization has exten-

sive experience in using married couples to deliver program services in the inner city.

“(3) PAYMENT OF GRANTS IN 4 EQUAL ANNUAL INSTALLMENTS.—During each of fiscal years 2002 through 2005, the Secretary shall provide to each entity awarded a grant under this subsection an amount equal to $\frac{1}{4}$ of the amount of the grant.

“(4) FUNDING.—

“(A) IN GENERAL.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section, \$3,750,000 shall be made available for grants under this subsection for each of fiscal years 2002 through 2005.

“(B) AVAILABILITY.—The amounts made available pursuant to subparagraph (A) shall remain available until the end of fiscal year 2005.”.

TITLE III—WELFARE-TO-WORK PROGRAM ELIGIBILITY

SEC. 301. FLEXIBILITY IN ELIGIBILITY FOR PARTICIPATION IN WELFARE-TO-WORK PROGRAM.

(a) **HARD-TO-EMPLOY LONG-TERM RECIPIENTS.**—Section 403(a)(5)(C)(ii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(ii)) is amended—

(1) by striking “REQUIRED BENEFICIARIES.—” and inserting “HARD-TO-EMPLOY RECIPIENTS.—”;

(2) in the matter preceding subclause (I)—

(A) by striking “shall expend at least 70 percent of all” and inserting “may expend”; and

(B) by striking “, or for the benefit of noncustodial parents,”;

(3) in the matter preceding item (aa) of subclause (I)—

(A) by striking “At least 2” and inserting “Any”;

(B) by striking “apply” and inserting “applies”; and

(C) by striking “or the noncustodial parent”;

(4) in item (aa) of subclause (I), by striking “, and has low skills in reading or mathematics”;

(5) by adding at the end of subclause (I) the following:

“(dd) The individual has English reading, writing, or computing skills at or below the 8th grade level, or limited proficiency in written or spoken English.

“(ee) The individual is homeless.

“(ff) The individual has a disability.

“(gg) The individual has been a victim of domestic violence.”;

and

(6) in the matter preceding item (aa) of subclause (II), by striking “or the minor children of the non-custodial parent”.

(b) **NONCUSTODIAL PARENTS.**—

(1) **IN GENERAL.**—Section 403(a)(5)(C) of such Act (42 U.S.C. 603(a)(5)(C)) is amended—

(A) by redesignating clauses (iii) through (viii) as clauses (iv) through (ix), respectively; and

(B) by inserting after clause (ii) the following:

“(iii) **NONCUSTODIAL PARENTS.**—An entity that operates a project with funds provided under this paragraph may use the funds to provide services in a form described in clause (i) to noncustodial parents with respect to whom the requirements of the following subclauses are met:

“(I) The noncustodial parent is unemployed, underemployed, or having difficulty in paying child support obligations.

“(II) At least 1 of the following applies to a minor child of the noncustodial parent (with preference in the determination of the noncustodial parents to be provided services under this paragraph to be provided by the entity to those noncustodial parents with minor children who meet, or who have custodial parents who meet, the requirements of item (aa)):

“(aa) The minor child or the custodial parent of the minor child meets the requirements of clause (ii)(II).

“(bb) The minor child is eligible for, or is receiving, benefits under the program funded under this part.

“(cc) The minor child received benefits under the program funded under this part in the 12-month period preceding the date of the determination but no longer receives such benefits.

“(dd) The minor child is eligible for, or is receiving, assistance under the Food Stamp Act of 1977, benefits under the supplemental security income program under title XVI of this Act, medical assistance under title XIX of this Act, or child health assistance under title XXI of this Act.

“(III) In the case of a noncustodial parent who becomes enrolled in the project on or after the date of the enactment of this clause, the noncustodial parent is in compliance with the terms of an oral or written personal responsibility contract entered into among the noncustodial parent, the entity, and (unless the entity demonstrates to the Secretary that the entity is not capable of coordinating with such agency) the agency responsible for administering the State plan under part D, which was developed taking into account the employment and child support status of the noncustodial parent, which was entered into not later than 30 (or, at the option of the entity, not later than 90) days after the noncustodial parent was enrolled in the project, and which, at a minimum, includes the following:

“(aa) A commitment by the noncustodial parent to cooperate, at the earliest opportunity, in the establishment of the paternity of the minor child, through voluntary acknowledgement or other procedures, and in the establishment of a child support order.

“(bb) A commitment by the noncustodial parent to cooperate in the payment of child support for the minor child, which may include a modification of an existing support order to take into account the ability of the noncustodial parent to pay such support and the participation of such parent in the project.

“(cc) A commitment by the noncustodial parent to participate in employment or related activities that will enable the noncustodial parent to make regular child support payments, and if the noncustodial parent has not attained 20 years of age, such related activities may include completion of high school, a general equivalency degree, or other education directly related to employment.

“(dd) A description of the services to be provided under this paragraph, and a commitment by the noncustodial parent to participate in such services, that are designed to assist the noncustodial parent obtain and retain employment, increase earnings, and enhance the financial and emotional contributions to the well-being of the minor child.

In order to protect custodial parents and children who may be at risk of domestic violence, the preceding provisions of this subclause shall not be construed to affect any other provision of law requiring a custodial parent to cooperate in establishing the paternity of a child or establishing or enforcing a support order with respect to a child, or entitling a custodial parent to refuse, for good cause, to provide such cooperation as a condition of assistance or benefit under any program, shall not be construed to require such cooperation by the custodial parent as a condition of participation of either parent in the program authorized under this paragraph, and shall not be construed to require a custodial parent to cooperate with or participate in any activity under this clause. The entity operating a project under this clause with funds provided under this paragraph shall consult with domestic violence prevention and intervention organizations in the development of the project.”

(2) CONFORMING AMENDMENT.—Section 412(a)(3)(C)(ii) of such Act (42 U.S.C. 612(a)(3)(C)(ii)) is amended by striking “(vi)” and inserting “(viii)”.

(c) RECIPIENTS WITH CHARACTERISTICS OF LONG-TERM DEPENDENCY; CHILDREN AGING OUT OF FOSTER CARE.—

(1) IN GENERAL.—Subclause (II) of section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)(II)), as so redesignated by subsection (b)(1)(A) of this section, is amended to read as follows:

“(II) to children—

“(aa) who have attained 18 years of age but not 25 years of age; and

“(bb) who, before attaining 18 years of age, were recipients of foster care maintenance payments (as defined in section

475(4) under part E or were in foster care under the responsibility of a State.”.

(2) CONFORMING AMENDMENTS.—Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, is amended—

(A) in the heading by inserting “HARD TO EMPLOY” before “INDIVIDUALS”; and

(B) in the last sentence by striking “clause (ii)” and inserting “clauses (ii) and (iii) and, as appropriate, clause (v)”.

(d) CUSTODIAL PARENTS WITH INCOME BELOW POVERTY LINE WHO ARE NOT ON WELFARE.—

(1) IN GENERAL.—Section 403(a)(5)(C) of such Act (42 U.S.C. 603(a)(5)(C)), as amended by section 301(b)(1) of this Act, is amended—

(A) by redesignating clauses (vi) through (ix) as clauses (vii) through (x), respectively; and

(B) by inserting after clause (v) the following:

“(vi) CUSTODIAL PARENTS WITH INCOME BELOW POVERTY LINE WHO ARE NOT ON WELFARE.—An entity that operates a project with funds provided under this paragraph may use the funds to provide assistance in a form described in clause (i) to custodial parents—

“(I) whose income is less than 100 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved); and

“(II) who are not otherwise recipients of assistance under a State program funded under this part.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 403(a)(5)(C)(iv) of such Act (42 U.S.C. 603(a)(5)(C)(iv)), as so redesignated by subsection (b)(1)(A) of this section, and as amended by subsection (c)(2) of this section, is amended in the last sentence by striking “clause (v)” and inserting “clauses (v) and (vi)”.

(B) Section 412(a)(3)(C)(ii) of such Act (42 U.S.C. 612(a)(3)(C)(ii)), as amended by subsection (b)(2) of this section, is amended by striking “(viii)” and inserting “(ix)”.

SEC. 302. LIMITED VOCATIONAL EDUCATIONAL TRAINING INCLUDED AS ALLOWABLE ACTIVITY.

Section 403(a)(5)(C)(i) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(i)) is amended by inserting after subclause (VI) the following:

“(VII) Not more than 6 months of vocational educational training.”.

SEC. 303. CERTAIN GRANTEEES AUTHORIZED TO PROVIDE EMPLOYMENT SERVICES DIRECTLY.

Section 403(a)(5)(C)(i)(IV) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(i)(IV)) is amended by inserting “, or if the entity is not a private industry council or workforce investment board, the direct provision of such services” before the period.

SEC. 304. SIMPLIFICATION AND COORDINATION OF REPORTING REQUIREMENTS.

(a) ELIMINATION OF CURRENT REQUIREMENTS.—Section 411(a)(1)(A) of the Social Security Act (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting “(except for information relating to activities carried out under section 403(a)(5))” after “part”; and

(2) by striking clause (xviii).

(b) ESTABLISHMENT OF REPORTING REQUIREMENT.—Section 403(a)(5)(C) of the Social Security Act (42 U.S.C. 603(a)(5)(C)), as amended by subsections (b)(1) and (d)(1) of section 301 of this Act, is amended by adding at the end the following:

“(xi) REPORTING REQUIREMENTS.—The Secretary of Labor, in consultation with the Secretary of Health and Human Services, States, and organizations that represent State or local governments, shall establish requirements for the collection and maintenance of financial and participant information and the reporting of such information by entities carrying out activities under this paragraph.”.

SEC. 305. USE OF STATE INFORMATION TO AID ADMINISTRATION OF WELFARE-TO-WORK GRANT FUNDS.

(a) AUTHORITY OF STATE AGENCIES TO DISCLOSE TO PRIVATE INDUSTRY COUNCILS THE NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF POTENTIAL WELFARE-TO-WORK PROGRAM PARTICIPANTS.—

(1) STATE IV-D AGENCIES.—Section 454A(f) of the Social Security Act (42 U.S.C. 654a(f)) is amended by adding at the end the following:

“(5) PRIVATE INDUSTRY COUNCILS RECEIVING WELFARE-TO-WORK GRANTS.—Disclosing to a private industry council (as defined in section 403(a)(5)(D)(ii)) to which funds are provided under section 403(a)(5) the names, addresses, telephone numbers, and identifying case number information in the State program funded under part A, of noncustodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under section 403(a)(5).”

(2) STATE TANF AGENCIES.—Section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)) is amended by adding at the end the following:

“(K) INFORMATION DISCLOSURE.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing to a private industry council the names, addresses, telephone numbers, and identifying case number information in the State program funded under this part, of noncustodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under this paragraph.”

(b) SAFEGUARDING OF INFORMATION DISCLOSED TO PRIVATE INDUSTRY COUNCILS.—Section 403(a)(5)(A)(ii)(I) of such Act (42 U.S.C. 603(a)(5)(A)(ii)(I)) is amended—

(1) by striking “and” at the end of item (dd);

(2) by striking the period at the end of item (ee) and inserting “; and”; and

(3) by adding at the end the following:

“(ff) describes how the State will ensure that a private industry council to which information is disclosed pursuant to section 403(a)(5)(K) or 454A(f)(5) has procedures for safeguarding the information and for ensuring that the information is used solely for the purpose described in that section.”

TITLE IV—ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS

SEC. 401. ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS.

(a) IN GENERAL.—Section 455(a) of the Social Security Act (42 U.S.C. 655(a)) is amended by adding at the end the following:

“(5)(A)(i) If—

“(I) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27), and that the State has made and is continuing to make a good faith effort to so comply; and

“(II) the State has submitted to the Secretary, not later than April 1, 2000, a corrective compliance plan that describes how, by when, and at what cost the State will achieve such compliance, which has been approved by the Secretary, then the Secretary shall not disapprove the State plan under section 454, and the Secretary shall reduce the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the fiscal year by the penalty amount.

“(ii) All failures of a State during a fiscal year to comply with any of the requirements of section 454B shall be considered a single failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27) during the fiscal year for purposes of this paragraph.

“(B) In this paragraph:

“(i) The term ‘penalty amount’ means, with respect to a failure of a State to comply with subparagraphs (A) and (B)(i) of section 454(27)—

“(I) 4 percent of the penalty base, in the case of the 1st fiscal year in which such a failure by the State occurs (regardless of whether a penalty is imposed in that fiscal year under this paragraph with respect to the failure), except as provided in subparagraph (C)(ii) of this paragraph;

“(II) 8 percent of the penalty base, in the case of the 2nd such fiscal year;

“(III) 16 percent of the penalty base, in the case of the 3rd such fiscal year;

“(IV) 25 percent of the penalty base, in the case of the 4th such fiscal year; or

“(V) 30 percent of the penalty base, in the case of the 5th or any subsequent such fiscal year.

“(ii) The term ‘penalty base’ means, with respect to a failure of a State to comply with subparagraphs (A) and (B)(i) of section 454(27) during a fiscal year, the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the preceding fiscal year.

“(C)(i) The Secretary shall waive all penalties imposed against a State under this paragraph for any failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27) if the Secretary determines that, before April 1, 2000, the State has achieved such compliance.

“(ii) If a State with respect to which a reduction is required to be made under this paragraph with respect to a failure to comply with subparagraphs (A) and (B)(i) of section 454(27) achieves such compliance on or after April 1, 2000, and on or before September 30, 2000, then the penalty amount applicable to the State shall be 1 percent of the penalty base with respect to the failure involved.

“(D) The Secretary may not impose a penalty under this paragraph against a State for a fiscal year for which the amount otherwise payable to the State under paragraph (1)(A) of this subsection is reduced under paragraph (4) of this subsection for failure to comply with section 454(24)(A).”

(b) INAPPLICABILITY OF PENALTY UNDER TANF PROGRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C. 609(a)(8)(A)(i)(III)) is amended by striking “section 454(24)” and inserting “paragraph (24), or subparagraph (A) or (B)(i) of paragraph (27), of section 454”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

TITLE V—FINANCING PROVISIONS

SEC. 501. USE OF NEW HIRE INFORMATION TO ASSIST IN COLLECTION OF DEFAULTED STUDENT LOANS AND GRANTS.

(a) IN GENERAL.—Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended by adding at the end the following:

“(6) INFORMATION COMPARISONS AND DISCLOSURE FOR ENFORCEMENT OF OBLIGATIONS ON HIGHER EDUCATION ACT LOANS AND GRANTS.—

“(A) FURNISHING OF INFORMATION BY THE SECRETARY OF EDUCATION.—The Secretary of Education shall furnish to the Secretary, on a quarterly basis or at such less frequent intervals as may be determined by the Secretary of Education, information in the custody of the Secretary of Education for comparison with information in the National Directory of New Hires, in order to obtain the information in such directory with respect to individuals who—

“(i) are borrowers of loans made under title IV of the Higher Education Act of 1965 that are in default; or

“(ii) owe an obligation to refund an overpayment of a grant awarded under such title.

“(B) REQUIREMENT TO SEEK MINIMUM INFORMATION NECESSARY.—The Secretary of Education shall seek information pursuant to this section only to the extent essential to improving collection of the debt described in subparagraph (A).

“(C) DUTIES OF THE SECRETARY.—

“(i) INFORMATION COMPARISON; DISCLOSURE TO THE SECRETARY OF EDUCATION.—The Secretary, in cooperation with the Secretary of Education, shall compare information in the National Directory of New Hires with information in the custody of the Secretary of Education, and disclose information in that Directory to the Secretary of Education, in accordance with this paragraph, for the purposes specified in this paragraph.

“(ii) CONDITION ON DISCLOSURE.—The Secretary shall make disclosures in accordance with clause (i) only to the extent that the Secretary determines that such disclosures do not interfere with the effective operation of the program under this part. Support collection under section 466(b) shall be given priority over collection of any defaulted student loan or grant overpayment against the same income.

“(D) USE OF INFORMATION BY THE SECRETARY OF EDUCATION.—The Secretary of Education may use information resulting from a data match pursuant to this paragraph only—

“(i) for the purpose of collection of the debt described in subparagraph (A) owed by an individual whose annualized wage level (determined by taking into consideration information from the National Directory of New Hires) exceeds \$16,000; and

“(ii) after removal of personal identifiers, to conduct analyses of student loan defaults.

“(E) DISCLOSURE OF INFORMATION BY THE SECRETARY OF EDUCATION.—

“(i) DISCLOSURES PERMITTED.—The Secretary of Education may disclose information resulting from a data match pursuant to this paragraph only to—

“(I) a guaranty agency holding a loan made under part B of title IV of the Higher Education Act of 1965 on which the individual is obligated;

“(II) a contractor or agent of the guaranty agency described in subclause (I);

“(III) a contractor or agent of the Secretary; and

“(IV) the Attorney General.

“(ii) PURPOSE OF DISCLOSURE.—The Secretary of Education may make a disclosure under clause (i) only for the purpose of collection of the debts owed on defaulted student loans, or overpayments of grants, made under title IV of the Higher Education Act of 1965.

“(iii) RESTRICTION ON REDISCLOSURE.—An entity to which information is disclosed under clause (i) may use or disclose such information only as needed for the purpose of collecting on defaulted student loans, or overpayments of grants, made under title IV of the Higher Education Act of 1965.

“(F) REIMBURSEMENT OF HHS COSTS.—The Secretary of Education shall reimburse the Secretary, in accordance with subsection (k)(3), for the additional costs incurred by the Secretary in furnishing the information requested under this subparagraph.”

(b) PENALTIES FOR MISUSE OF INFORMATION.—Section 402(a) of the Child Support Performance and Incentive Act of 1998 (112 Stat. 669) is amended in the matter added by paragraph (2) by inserting “or any other person” after “officer or employee of the United States”.

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1999.

SEC. 502. ELIMINATION OF SET-ASIDE OF PORTION OF WELFARE-TO-WORK FUNDS FOR SUCCESSFUL PERFORMANCE BONUS.

(a) IN GENERAL.—Section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) is amended by striking subparagraph (E) and redesignating subparagraphs (F) through (K) (as added by section 305(a)(2) of this Act) as subparagraphs (E) through (J), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 403(a)(5)(A)(i) of such Act (42 U.S.C. 603(a)(5)(A)(i)) is amended by striking “subparagraph (I)” and inserting “subparagraph (H)”.

(2) Subclause (I) of each of subparagraphs (A)(iv) and (B)(v) of section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)(A)(iv)(I) and (B)(v)(I)) is amended—
(A) in item (aa)—

(i) by striking “(I)” and inserting “(H)”; and

(ii) by striking “(G), and (H)” and inserting “and (G)”; and

(B) in item (bb), by striking “(F)” and inserting “(E)”.

(3) Section 403(a)(5)(B)(v) of such Act (42 U.S.C. 603(a)(5)(B)) is amended in the matter preceding subclause (I) by striking “(I)” and inserting “(H)”.

(4) Subparagraphs (E) and (F) of section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)(E) and (F)), as so redesignated by subsection (a) of this section, are each amended by striking “(I)” and inserting “(H)”.

(5) Section 412(a)(3)(A) of such Act (42 U.S.C. 612(a)(3)(A)) is amended by striking “403(a)(5)(I)” and inserting “403(a)(5)(H)”.

(c) FUNDING AMENDMENT.—Section 403(a)(5)(H)(i) of such Act (42 U.S.C. 603(a)(5)(H)(i)), as so redesignated by subsection (a) of this section, is amended by striking “\$1,500,000,000” and all that follows and inserting “for grants under this paragraph—

“(I) \$1,500,000,000 for fiscal year 1998; and

“(II) \$1,400,000,000 for fiscal year 1999.”.

TITLE VI—MISCELLANEOUS

SEC. 601. CHANGE DATES FOR EVALUATION.

(a) IN GENERAL.—Section 403(a)(5)(G)(iii) of the Social Security Act (42 U.S.C. 603(a)(5)(G)(iii)), as so redesignated by section 502(a) of this Act, is amended by striking “2001” and inserting “2005”.

(b) INTERIM REPORT REQUIRED.—Section 403(a)(5)(G) of such Act (42 U.S.C. 603(a)(5)(G)), as so redesignated, is amended by adding at the end the following:

“(iv) INTERIM REPORT.—Not later than January 1, 2002, the Secretary shall submit to the Congress a interim report on the evaluations referred to in clause (i).”.

SEC. 602. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed due to a change in address. The report shall include an estimate of the total amount of such undistributed child support and the average length of time it takes for such child support to be distributed. The Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undistributed child support.

SEC. 603. SENSE OF THE CONGRESS.

It is the sense of the Congress that the States may use funds provided under the program of block grants for temporary assistance for needy families under part A of title IV of the Social Security Act to promote fatherhood activities of the type described in section 403A of such Act, as added by this Act.

SEC. 604. ADDITIONAL FUNDING FOR WELFARE EVALUATION STUDY.

Section 414(b) of the Social Security Act (42 U.S.C. 614(b)) is amended by striking “appropriated \$10,000,000” and all that follows and inserting “appropriated—

- “(1) \$10,000,000 for each of fiscal years 1996 through 1999;
- “(2) \$12,300,000 for fiscal year 2000;
- “(3) \$17,500,000 for fiscal year 2001;
- “(4) \$15,500,000 for fiscal year 2002; and
- “(5) \$4,000,000 for fiscal year 2003.”.

SEC. 605. TRAINING IN CHILD ABUSE AND NEGLECT PROCEEDINGS.

(a) IN GENERAL.—Section 474(a)(3) of the Social Security Act (42 U.S.C. 674(a)(3)) is amended—

- (1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and
- (2) by inserting after subparagraph (B) the following:

“(C) 75 percent of so much of such expenditures as are for the short-term training (including cross-training with personnel employed by, or under contract with, the State or local agency administering the plan in the political subdivision, training on topics relevant to the legal representation of clients in proceedings conducted by or under the supervision of an abuse and neglect court, and training on related topics such as child development and the importance of achieving safety, permanency, and well-being for a child) of judges, judicial personnel, law enforcement personnel, agency attorneys, attorneys representing a parent in proceedings conducted by, or under the supervision of, an abuse and neglect court, attorneys representing a child in such proceedings, guardians ad litem, and volunteers who participate in court-appointed special advocate programs, to the extent the training is related to the court’s role in expediting adoption procedures, implementing reasonable efforts, and providing for timely permanency planning and case reviews, except that any such training shall be offered by the State or local agency administering the plan, either directly or through contract, in collaboration with the appropriate judicial governing body operating in the State.”.

(b) DEFINITIONS.—Section 475 of such Act (42 U.S.C. 675) is amended by adding at the end the following:

- “(8) The term ‘abuse and neglect courts’ means the State and local courts that carry out State or local laws requiring proceedings (conducted by or under the supervision of the courts)—

“(A) that implement part B or this part, including preliminary disposition of such proceedings;

“(B) that determine whether a child was abused or neglected;

“(C) that determine the advisability or appropriateness of placement in a family foster home, group home, or a special residential care facility; or

“(D) that determine any other legal disposition of a child in the abuse and neglect court system.

“(9) The term ‘agency attorney’ means an attorney or other individual, including any government attorney, district attorney, attorney general, State attorney, county attorney, city solicitor or attorney, corporation counsel, or privately retained special prosecutor, who represents the State or local agency administering the programs under part B and this part in a proceeding conducted by, or under the supervision of, an abuse and neglect court, including a proceeding for termination of parental rights.

“(10) The term ‘attorney representing a child’ means an attorney or a guardian ad litem who represents a child in a proceeding conducted by, or under the supervision of, an abuse and neglect court.

“(11) The term ‘attorney representing a parent’ means an attorney who represents a parent who is an official party to a proceeding conducted by, or under the supervision of, an abuse and neglect court.”.

(c) CONFORMING AMENDMENTS—

(1) Section 473(a)(6)(B) of such Act (42 U.S.C. 673(a)(6)(B)) is amended by striking “474(a)(3)(E)” and inserting “474(a)(3)(F)”.

(2) Section 474(a)(3)(E) of such Act (42 U.S.C. 674(a)(3)(E)) (as so redesignated by subsection (a)(1)(A) of this section) is amended by striking “subparagraph (C)” and inserting “subparagraph (D)”.

(3) Section 474(c) of such Act (42 U.S.C. 674(c)) is amended by striking “subsection (a)(3)(C)” and inserting “subsection (a)(3)(D)”.

(d) SUNSET.—Effective on October 1, 2004—

(1) section 474(a)(3) of the Social Security Act (42 U.S.C. 674(a)(3)) is amended by striking subparagraph (C) and redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively;

(2) section 475 of such Act (42 U.S.C. 675) is amended by striking paragraphs (8) through (11);

(3) section 473(a)(6)(B) of such Act (42 U.S.C. 673(a)(6)(B)) is amended by striking “474(a)(3)(F)” and inserting “474(a)(3)(E)”.

(4) section 474(a)(3)(E) of such Act (42 U.S.C. 674(a)(3)(E)) (as so redesignated by subsection (a)(1)(A) of this section) is amended by striking “subparagraph (D)” and inserting “subparagraph (C)”; and

(5) section 474(c) of such Act (42 U.S.C. 674(c)) is amended by striking “subsection (a)(3)(D)” and inserting “subsection (a)(3)(C)”.

SEC. 606. USE OF NEW HIRE INFORMATION TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

(a) IN GENERAL.—Section 453(j) of the Social Security Act (42 U.S.C. 653(j)), as amended by section 501(a) of this Act, is further amended by adding at the end the following:

“(7) INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.—

“(A) IN GENERAL.—If a State agency responsible for the administration of an unemployment compensation program under Federal or State law transmits to the Secretary the name and social security account number of an individual, the Secretary shall, if the information in the National Directory of New Hires indicates that the individual may be employed, disclose to the State agency the name and address of any putative employer of the individual, subject to this paragraph.

“(B) CONDITION ON DISCLOSURE.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

“(C) USE OF INFORMATION.—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1999.

SEC. 607. IMMIGRATION PROVISIONS.

(a) ALIENS INELIGIBLE TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION FOR NONPAYMENT OF CHILD SUPPORT.—

(1) IN GENERAL.—Section 212(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)) is amended by adding at the end the following:

“(F) NONPAYMENT OF CHILD SUPPORT.—

“(i) IN GENERAL.—Any alien is inadmissible who is legally obligated under a judgment, decree, or order to pay child support (as defined in section 459(i) of the Social Security Act), and whose failure to pay such child support has resulted in an arrearage exceeding \$5,000, until child support payments under the judgment, decree, or order are satisfied or the alien is in compliance with an approved payment agreement.

“(ii) WAIVER AUTHORIZED.—The Attorney General may waive the application of clause (i) in the case of an alien, if the Attorney General—

“(I) has received a request for the waiver from the court or administrative agency having jurisdiction over the judgment, decree, or order obligating the alien to pay child support that is referred to in such clause; or

“(II) determines that there are prevailing humanitarian or public interest concerns.”

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect 180 days after the date of the enactment of this Act.

(b) AUTHORIZATION TO SERVE LEGAL PROCESS IN CHILD SUPPORT CASES ON CERTAIN ARRIVING ALIENS.—

(1) IN GENERAL.—Section 235(d) of the Immigration and Nationality Act (8 U.S.C. 1225(d)) is amended by adding at the end the following:

“(5) AUTHORITY TO SERVE PROCESS IN CHILD SUPPORT CASES.—

“(A) IN GENERAL.—To the extent consistent with State law, immigration officers are authorized to serve on any alien who is an applicant for admission to the United States legal process with respect to any action to enforce or establish a legal obligation of an individual to pay child support (as defined in section 459(i) of the Social Security Act).

“(B) DEFINITION.—For purposes of subparagraph (A), the term ‘legal process’ means any writ, order, summons or other similar process, which is issued by—

“(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States; or

“(ii) an authorized official pursuant to an order of such a court or agency or pursuant to State or local law.”

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to aliens applying for admission to the United States on or after 180 days after the date of the enactment of this Act.

(c) AUTHORIZATION TO SHARE CHILD SUPPORT ENFORCEMENT INFORMATION TO ENFORCE IMMIGRATION AND NATURALIZATION LAW.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 of the Social Security Act (42 U.S.C. 652) is amended by adding at the end the following:

“(m) If the Secretary receives a certification by a State agency, in accordance with section 454(32), that an individual who is a nonimmigrant alien owes arrearages of child support in an amount exceeding \$5,000, the Secretary may, at the request of the State agency, the Secretary of State, or the Attorney General, or on the Secretary’s own initiative, provide such certification to the Secretary of State and the Attorney General information in order to enable them to carry out their responsibilities under sections 212(a)(10) and 235(d) of the Immigration and Nationality Act.”

(2) STATE AGENCY RESPONSIBILITY.—Section 454 of the Social Security Act (42 U.S.C. 654) is amended—

(A) by striking “and” at the end of paragraph (32);

(B) by striking the period at the end of paragraph (33) and inserting “; and”; and

(C) by inserting after paragraph (33) the following:

“(34) provide that the State agency will have in effect a procedure for certifying to the Secretary, in such format and accompanied by such supporting documentation as the Secretary may require, determinations for purposes of section 452(m) that nonimmigrant aliens owe arrearages of child support in an amount exceeding \$5,000.”

I. INTRODUCTION

A. PURPOSE AND SCOPE

The Fathers Count Act of 1999 is designed to prevent children from being reared in fatherless families by supporting projects that help fathers meet their responsibilities as husbands, parents, and providers. The bill is aimed at promoting marriage among parents, helping poor and low-income fathers establish positive relationships with their children and the children's mothers, promoting responsible parenting including the payment of child support, and increasing family income by strengthening the father's earning power. The legislation aims to accomplish these goals by awarding grants to governmental and nongovernmental organizations that apply to the Secretary of the Department of Health and Human Services; grants will be awarded on a competitive basis. The legislation reserves 75 percent of its grant funds for nongovernmental, especially community-based, organizations.

Preference is given to projects that promote payment of child support, coordinate with other public and private agencies, enroll a high percentage of recipients near the time of the child's birth, and explain in detail how fathers will be recruited.

The bill also expands eligibility for services under the Welfare-to-Work program, provides a new penalty procedure for States that fail to meet the October 1, 1999 deadline for establishing a State Disbursement Unit in their Child Support Enforcement program, provides for new uses of the New Hire Directory in the Child Support Enforcement program to reduce fraud, eliminates the performance bonus in the Welfare-to-Work program, provides additional funding for a major study of the effects of the 1996 welfare reform law (P.L. 104-193), and expands training funds for court personnel in the child protection program funded under Title IV-E of the Social Security Act.

B. BACKGROUND AND NEED FOR LEGISLATION

The results of the 1996 welfare reform law (P.L. 104-193), which originated in this Committee, have been encouraging. The combination of the welfare reform law, recent increases in the Earned Income Credit, and a strong economy has led to a decline in the welfare rolls, increased employment of poor and low-income mothers, and reduced child poverty.

However, much remains to be done. As stated clearly in the purpose section of the 1996 reform legislation, increasing the number and percentage of American children living in two-parent families is vital if the nation is to make serious and permanent progress against poverty. Thus, public policy should aim to reduce the number of nonmarital births, promote marriage, and increase the employment prospects of low-income fathers.

So far, the goal of increasing personal responsibility by emphasizing more work and fewer births outside marriage has focused almost entirely on mothers. But single parenting, in addition to being associated with a very difficult and stressful family life, will inevitably produce lots of financial hardship. Even with the impressive array of work services and income supplements that have increased

dramatically in recent years, a significant fraction of single parent families will always face economic hardship. Moreover, a large and growing body of scientific research, which has been summarized by numerous witnesses at our hearings, shows that children reared in single-parent families are less likely to perform well in school, less likely to graduate, more likely to commit crimes, more likely to have children outside marriage, and more likely to be on welfare as adults than children reared in two-parent families.

Thus, the Committee is now following the 1996 reforms with its next major step in creating a set of policies and programs aimed at reducing poverty and increasing child well being. More specifically, the Committee hopes by this legislation to increase marriage, improve parenting, and increase the income of fathers. To achieve these goals, we want to encourage governmental and nongovernmental, including faith based, organizations to develop programs that help fathers significantly improve their contribution to family life by helping them improve their relations with their children and the children's mothers and by increasing their employment and earnings. Over the next six years, this legislation would fund a host of demonstration programs that would develop projects aimed at helping fathers in these ways. By carefully evaluating these new projects, we hope to learn how to design and implement effective programs for fathers and their families.

This legislation also addresses several additional problems. One of the most important of these is that States and localities have been unable to fully implement the 1997 Welfare-to-Work legislation. The goal of this legislation was to provide work programs for the most disadvantaged and least job-ready adults—including both mothers and fathers—whose children are on welfare. Thus, Congress drafted a very restrictive definition of eligibility for Welfare-to-Work benefits. So restrictive, in fact, that program operators have had great difficulty finding people qualified for the program. To correct this problem, the Committee bill loosens the definition of who is eligible for Welfare-to-Work services while still retaining the focus on the most disadvantaged and least job-ready.

Another important problem addressed by this legislation is that several States now face a devastating penalty for failing to meet Federal requirements in their Child Support Enforcement program. When this penalty—the complete loss of Federal funds in both the Child Support Enforcement and Temporary Assistance for Needy Families programs—was enacted by Congress, it was thought that only States that were willfully defying Federal requirements would face the penalty. But just as was the case last year when the Committee enacted legislation to prevent the imposition of this strong penalty against several States that had failed to build effective automatic data processing systems in their child support program, we once again face a choice of whether to allow States to be hit by such a penalty. Now at least eight States appear to have failed to develop a State Disbursement Unit (SDU) to collect and distribute child support payments by October 1, 1999 as required by Federal law. Our hearings have shown that these States appear to be making a good faith effort to implement their SDU and that most will be able to do so within the next several months. Hence, this legislation provides an alternative penalty that will maintain the incen-

tive for States to finish their SDUs as soon as possible while avoiding the crisis that would occur if all Federal funds were cut in both the child support and cash welfare programs.

C. LEGISLATIVE HISTORY

Committee bill

The Fathers Count Act of 1999, as written by Chairman Nancy Johnson and Ranking Member Ben Cardin, was considered by the Subcommittee on Human Resources and ordered favorably reported to the full Committee, as amended, on October 13, 1999 by a voice vote, with a quorum present. The bill was then introduced on October 14, 1999, as H.R. 3073, by Chairman Nancy Johnson and Ranking Member Cardin. The full Committee on Ways and Means considered the Subcommittee reported bill on October 21, 1999 and ordered it favorably reported, as amended, on Thursday, October 21, 1999, by voice vote.

Legislative hearings

The Subcommittee on Human Resources held a hearing on October 5, 1999, to receive comments on the Fathers Count Act of 1999 (later introduced as H.R. 3073), the bipartisan legislation written by Chairman Nancy Johnson and Ranking Member Cardin. Testimony at the hearing was presented by scholars, program administrators, foundation executives, and Members of the U.S. House of Representatives and the U.S. Senate. The Subcommittee also conducted hearings on April 27, 1999 and July 30, 1998 on fatherhood programs, which included testimony from the Administration, researchers, advocates, individuals who have designed and conducted programs for low-income fathers, and young fathers whose children are on welfare.

II. EXPLANATION OF PROVISIONS

SEC. 1. SHORT TITLE

Present law

No provision.

Explanation of provision

This Act may be cited as the “Fathers Count Act of 1999”.

Reason for change

Not applicable.

TITLE I. FATHERHOOD GRANT PROGRAM

SEC. 101. FATHERHOOD GRANTS

Present law

No provision.

Explanation of provision

The Fatherhood Grant Programs would be added as Sec. 403A of the Social Security Act.

Reason for change

Based on extensive information, including testimony presented to the Subcommittee on Human Resources in three hearings over a 2-year period, a major reason for poverty in the United States is the rise of single-parent families, especially those created by nonmarital births. In addition, research presented in our hearings shows that marriage is good for both adults and children. While the Committee lauds the hard work of single parents in raising their children, we recognize that research suggests that children reared in such families are more likely to fail in school, be arrested, have children outside marriage, and go on welfare themselves than children reared in two-parent families. Thus, programs that work directly with poor fathers and that emphasize marriage, parenting, and employment may be able to have an impact on both the number of children being reared in single-parent families and, where marriage is not a possibility, to strengthen the relationship between single fathers and their children, including through the payment of child support. In drafting this legislation, the Committee also is aware that the welfare reform legislation of 1996, and indeed most Federal and State social programs, are aimed primarily at helping single mothers. The Fathers Count Act specifically extends a public commitment to low-income fathers by designing programs that attempt to help fathers improve their financial independence and strengthen their ability to support a family.

1. Purpose

Present law

No provision.

Explanation of provision

The purposes of the Fatherhood Grant Programs are to:

- (1) promote marriage through counseling, mentoring, disseminating information about the advantages of marriage, enhancing relationship skills, teaching how to control aggression, and other methods;
- (2) promote successful parenting through counseling, mentoring, disseminating information about good parenting practices, training parents in money management, encouraging child support payments, encouraging regular visitation between fathers and their children, and other methods; and
- (3) help fathers improve their economic status and thereby help their families avoid welfare by providing work first services, job search, job training, subsidized employment, career-advancing education, job retention, job enhancement, and other methods.

Reason for change

The approach taken by the Committee in this legislation is to fund demonstration projects to determine the extent to which model programs can help reverse the negative impacts of single-parent families on both adults and children. The most straightforward solution to these negative impacts is to increase the incidence of marriage. Whether marriage occurs or not, a second ap-

proach to reducing the problems associated with single-parent families is to promote the involvement of single fathers with their children. Even if fathers do not live with their children, they still have a responsibility to participate in the child's rearing and to work as a team with the mother to provide a solid foundation for the child's development. An important part of the father's responsibility is the provision of economic support. Since many poor fathers have a weak and sporadic commitment to the labor force, programs should aim to increase both the number of employed fathers and the work skills of employed fathers so they can qualify for higher paying jobs. The Committee selected these three goals—increased marriage, better parenting (including payment of child support), economic improvement—because they all can contribute in fundamental ways to helping families avoid poverty and helping children develop into competent adults.

2. Fatherhood Grants

a. Applications

Present law

No provision.

Explanation of provision

An entity desiring to carry out a project may submit to the Secretary an application that contains the following:

- (1) a description of the project and how the project will be carried out;
- (2) a description of how the project will address all three purposes;
- (3) a commitment that the project will enroll individuals who are the father of a child who is, or in the past 24 months has been, a recipient of benefits from the Temporary Assistance for Needy Families or the Welfare-to-Work programs or a father or expectant or married father with income below 150 percent of the poverty line after paying court-ordered child support; and
- (4) a commitment that the project will obtain support from non-Federal sources (including in-kind contributions) equal in value to 20 percent of the grant. The Secretary may reduce this match requirement to as low as 10 percent if the project demonstrates it has limited ability to raise funds or obtain resources.

Reason for change

The Committee expects that entities wishing to conduct fatherhood projects will submit applications that provide thorough information on how many fathers (and in many cases, mothers) will be enrolled, how they will be recruited, how long they will be enrolled, the specific types of activities in which they will participate, the type of staff and facilities that will be required to conduct the project, the types of private and public organizations that will participate in the project, and other information deemed necessary by the Secretary. Sponsoring entities are expected to make a substantial commitment either in cash or in kind to the conduct of the

project. However, we are aware that some sponsoring entities, especially those supported by community-based organizations in poor areas, may have difficulty raising money or resources to provide the required match. Thus, we are providing authority for the Secretary to reduce the match to as low as 10 percent if the entity sponsoring the project presents adequate justification in its application. Because projects can count in-kind contributions such as volunteer time (which should be valued at the typical wage for work of that type in the local area) and use of donated materials and facilities, we believe most projects should be able to accumulate the resources needed to provide the necessary match.

b. Consideration of Applications by Interagency Panels

Present law

No provision.

Explanation of provision

Two, 10-member Panels are established to review applications and make recommendations to the Secretary regarding which applicants should be awarded grants. Each bipartisan Panel is appointed by the Administration and by Congress, serves without compensation, and must be terminated within 6 months of the last member's appointment. Appointments for each Panel are made by the Secretary (2 appointments), the Secretary of Labor (2), the Chairman of Ways and Means (2), the Ranking Member of Ways and Means (1), the Chairman of the Committee on Finance (2), and the Ranking Member of the Committee on Finance (1).

Reason for change

Given the bipartisan support for this legislation, and the substantial agreement on the purposes and methods that should be used to increase the involvement of poor fathers in the lives of their children and the children's mothers, the Committee is expecting that individuals selected to review project applications will work together on a harmonious basis. Those in the Administration and Congress making the selections for members of the Panel should attempt to select individuals who have knowledge of or experience with fatherhood projects and who have demonstrated the ability to work together with colleagues in a cooperative manner. We have authorized two Panels because we want to initiate fatherhood projects as rapidly as possible but we are also aware that the 2000 elections will change the membership of both the Administration and Congress. Thus, it seems reasonable to have one Panel appointed by those currently in Congress and the Administration and to have a second Panel appointed by the new Congress and the new Administration chosen by the American people in the 2000 elections.

c. Matching Grants

(1) Timing

Present law

No provision.

Explanation of provision

The first Panel will be appointed by 1 March, 2000 and will select projects to recommend to the Secretary for funding under the Title I Fatherhood Grant Program by 1 September, 2000. The projects would begin on or after 1 October, 2000 and would be funded at \$70 million over four years. The second Panel will be appointed between 1 January, 2001 and 1 March, 2001. This Panel will select projects to recommend to the Secretary for funding by 1 September, 2001. This second set of projects would begin on or after 1 October, 2001 and would be funded at \$70 million. Mothers are eligible for services on the same basis as fathers under the Fatherhood Grant Program because the Committee recognizes that some low-income mothers may benefit from these services.

Reason for change

The Committee realizes that the Panels will be operating on a tight schedule. However, the gravity of the problems being addressed by the fatherhood projects should provide the motivation needed to ensure that Congress and the Administration make Panel appointments in a timely fashion and that the Secretary move expeditiously to bring the Panels together and to provide them with the support that will be needed to function efficiently and effectively. Each Panel will recommend \$70 million in projects to the Secretary, but the number of projects funded and the amount of money per project is left entirely to the discretion of the Panels and the Secretary. The justification for this approach is that decisions will hinge in major part on the number and quality of project applications submitted. Only by examining the entire pool of applications can good decisions be made about which ones to fund and at what level. The Committee assumes that the Panels, if adequately prepared by the Secretary in advance, will be able to make their selections in one meeting.

(2) Preferences

Present law

No provision.

Explanation of provision

Preference must be given to projects that:

- (1) include policies to encourage payment of child support such as providing all collections on arrearages to families that have left welfare, having agreements with the State child support agency that the State will cancel child support arrearages owed by the father to the State in proportion to the length of time the father pays child support or resides with the child, and helping fathers improve their credit rating;
- (2) have written agreements of cooperation with other agencies, including the State or local Temporary Assistance for Needy Families program, the Workforce Investment Board, and the State or local Child Support Enforcement agency;
- (3) enroll a high percentage of participants within 6 months before or after the child's birth; or

(4) have a clear and practical plan for how fathers will be recruited.

Reason for change

In earlier drafts of this legislation, we included more requirements and fewer preferences to guide the selection of projects. But based on testimony at our hearing and other communications provided to the Committee, we have moved away from all but one requirement (see below) and adopted instead the approach of requiring the Panels and the Secretary to provide a preference for projects that display any or all of four characteristics. The Committee agrees on a bipartisan basis that each of these characteristics are exceptionally important to the successful operation of fatherhood projects. However, we are concerned that requiring projects, or a certain percentage of projects, to meet these requirements has the potential to greatly reduce the number of projects that could qualify for participation. The Committee hopes to attract a wide variety of entities to submit applications, including community-based entities that may not have extensive experience in meeting Federal requirements. In short, we face a trade-off between lots of requirements on the one hand and attracting many and varied entities able to meet the requirements on the other hand. The compromise we reached is to convert requirements to preferences and rely on the Panels and the Secretary to use good judgment in selecting projects that will maximize both the variety of sponsoring entities and the chances that the purposes of this legislation will be achieved.

The four specific preferences we included reflect both research brought to the Committee's attention and testimony presented in our various hearings. In the past, Child Support Enforcement agencies have functioned primarily to collect money from noncustodial parents, primarily fathers. Many of these agencies have adopted a very tough stance toward fathers who do not pay child support—a stance, we must point out, that is consistent with Federal child support statutes. But in recent years, a number of State and local child support agencies have started to work with fathers to help them solve problems that often interfered with their willingness and desire to pay child support. The 1996 welfare reform law facilitated this process by authorizing and funding Access and Visitation grants that are now being operated in every State. These projects have tried to help parents with custody and visitation issues by attempting to mediate agreements between mothers and fathers. Thus, the Committee wants the fatherhood projects to continue this movement toward cooperation between mothers, fathers, and child support agencies.

In addition, we have received extensive testimony that young poor fathers often have substantial child support arrearages by the time they are 20 or 21 years of age. If they enroll in a project at that time with the intent of playing a more responsible role in the life of their family, they are greatly handicapped by a child support debt that can be many thousands of dollars. Given the low income these poor fathers typically earn, it is often demoralizing for them to face such a large burden of debt. We have been pleasantly surprised that advocates for both mothers and fathers seem to agree

that if fathers will begin paying child support on a regular basis, the nonpayment of arrearages should not be a constant legal threat against the father. In fact, we strongly encourage projects that will actually forgive arrearages owed to the State in proportion to the length of time fathers pay child support or live with their children. The Committee strongly encourages applications that pursue additional methods of encouraging fathers to pay child support, including by helping fathers spend more time with their children.

This emphasis on child support demonstrates the importance of the Committee's second preference, namely, of funding entities that have working relationships with other agencies. Not only would it be advantageous for fatherhood projects to work with child support agencies, but it also would be useful to work with other private and government organizations that can help achieve the purposes of this legislation. Coordination with the Temporary Assistance for Needy Families (TANF) program and with local Workforce Investment Boards, for example, can help projects take advantage of programs that have a strong record of helping people get jobs and improve their job skills. In most cases, fathers participating in the fatherhood projects would qualify for work and training benefits under these other programs, thereby allowing the fatherhood project to use their own resources to achieve other purposes. Despite the many advantages of coordination with these organizations, the Committee was made aware through testimony and other means that community-based projects often have difficulty making contact with and then establishing a working relationship with other agencies. For this reason, we do not want to make coordination a requirement of funding and thereby reduce the number of local entities that could qualify for funds.

The third preference is for projects that begin near the time of the child's birth. Recent research, called to the attention of the Subcommittee on Human Resources by many of our witnesses and summarized in the record of our April 27, 1999 hearing by Professor Sara McLanahan of Princeton University, shows that as many as half the parents of children born outside marriage are living together at the time of the birth. Equally impressive, up to 80 percent of the parents say they are in a serious relationship that could lead to marriage. Given this surprising and encouraging situation, it seems to make great sense to work with these young couples and help them maintain and perhaps even improve their relationship by providing them with role models of marriage, by helping them with finances and family planning, by assisting with parenting, and by providing other types of assistance. A vital part of this approach would be to help fathers improve their economic prospects so they can provide firm financial support to their family. The Committee has adopted the approach of encouraging projects to begin working with parents at the time of a nonmarital birth, but without imposing inflexible requirements on how many projects must adopt this strategy.

Finally, we heard repeatedly in testimony that fatherhood projects have had some difficulty in identifying and recruiting fathers. Thus, we want the Panels and the Secretary to carefully scrutinize the recruitment plan of entities submitting applications

and favor projects that have a well conceived plan and a record of attracting fathers to their programs.

(3) Minimum Percentage of Grants for Nongovernmental Organizations

Present law

No provision.

Explanation of provision

Not less than 75 percent of the organizations receiving funds must be nongovernmental (including faith-based) organizations. Governmental organizations that pass through at least 50 percent of their money to nongovernmental organizations count toward the 75 percent.

Reason for change

The requirement that 75 percent of the funded entities must be nongovernmental, including faith-based, organizations is one requirement the Committee is retaining from previous versions of the bill. Members of the Committee strongly believe that local organizations that have their roots in the community are best situated to gain the trust of fathers. The fact is that fatherhood programs are in the business of producing substantial changes in the behavior of fathers. To achieve this end, it is a requirement to gain the trust of fathers and to design programs that are tailored to the problems, needs, and traditions of local communities. In many cases, it may be possible to gain the benefits of community-based organizations and larger, more resource rich, and more experienced governmental organizations by designing cooperative projects in which community organizations and government agencies join forces to prepare grant proposals and conduct integrated projects.

(4) Diversity of Projects

Present law

No provision.

Explanation of provision

In determining which applications to award grants, the Secretary must attempt to achieve balance among projects to be conducted by entities of different sizes, in differing geographical regions, in urban vs. rural areas, and in employing differing methods of achieving the purposes of this program. The Committee is requiring the Secretary to present a brief report to the Committee on Ways and Means and the Committee on Finance within two months after each round of grants have been awarded. The report must summarize the types of projects funded and the Secretary's views on why diversity—especially a balance of urban and rural projects—has been achieved.

Reason for change

The Committee wants to be certain that small, community-based organizations are not placed at a disadvantage in the competition

for fatherhood funds under this legislation. Because large entities with big budgets and government agencies usually have an advantage in grant competitions, we want to take steps to be certain that a major portion of grant funds under this legislation supports community-based organizations. We are hopeful that prospective grantees will capture the advantages offered by both the smaller and less formal community organizations and those of bigger, better-connected, and more experienced governmental organizations by presenting collaborative projects. The Committee also believes it is important to have several projects that serve rural areas.

(5) Payment of Grant in Four Equal Annual Installments

Present law

No provision.

Explanation of provision

During the four fiscal years of each project awarded a grant, the Secretary must provide to each project an amount equal to $\frac{1}{4}$ th of the grant amount.

Reason for change

Regular payments will ensure that projects can pay their bills in a planned and consistent fashion.

d. Use of Funds

(1) In General

Present law

No provision.

Explanation of provision

Projects must use funds in accord with the application request, the requirements of this section, and the regulations prescribed in this section. Funds may be used to support community-wide initiatives to achieve the purposes of this part.

Reason for change

All projects receiving funds under the fatherhood grant program must operate in accord with the provisions established by their grant proposal and by the statute and the regulations that govern this program. The Committee wants to emphasize that all projects must address all three purposes of the legislation. We do not expect that all projects will provide equal weight to all three purposes, but the activities described in their application and their actual use of resources must reflect the projects' commitment to achieving all three purposes.

(2) Worker Nondisplacement

Present Law

The Temporary Assistance for Needy Families program prohibits participants engaging in a work activity from filling a job vacancy if any individual is on layoff from the same or an equivalent job

with that employer or if the employer has terminated the employment of any regular employee to create the vacancy.

Explanation of provision

The worker nondisplacement provision from the Temporary Assistance for Needy Families program, slightly modified, is applied to the Fatherhood Grant Program.

Reason for change

The purpose of including nondisplacement language is to ensure that currently-employed workers will not be replaced by workers participating in the fatherhood program.

(3) Rules of Construction

Present law

No provision.

Explanation of provision

Fathers participating in grant projects are not required by Federal law to leave the project if their economic circumstances change. The Secretary is not authorized to define marriage for the purposes of this program.

Reason for change

The Committee has approved two rules of construction. Once fathers have enrolled in the fatherhood program, they should not be required to leave the program if their economic circumstances improve. Particularly because a major program goal is to increase fathers' employment and income, it would make little sense to reward successful fathers by dropping them from the program if they are no longer poor. In many cases, even fathers who have improved their income may need assistance with the other purposes of this project. In addition, fathers economic circumstances may fall just as quickly as they improved. The Committee wishes to leave the definition of marriage to the States.

(4) Penalty for Misuse of Funds

Present law

No provision.

Explanation of provision

Projects that spend money for unauthorized purposes must forfeit all their remaining funds and remit to the Secretary an amount equal to the amount misused. In addition, the entity is ineligible for future grants.

Reason for change

There is no justification for misusing funds from the fatherhood grant program. Thus, any project that violates the Use of Funds requirements must repay all the money they misspent, remit all unused funds to the Secretary, and be ineligible for further participation in the program.

(5) Remittance of Unused Grant Funds

Present law

No provision.

Explanation of provision

Any funds remaining at the end of the 5th fiscal year ending after the initial grant award must be returned to the Secretary.

Reason for change

We are providing projects with four years of funding and a fifth year to spend any money that remains after the four years of project funding. It is our hope that entities funded by the fatherhood grant program may be able to use the fifth year as a transition period during which the project can secure State, local, or private funds to continue their activities.

*e. Authority of State Agencies to Exchange Information**Present law*

States must have in place a series of privacy protections in their Child Support Enforcement program. These protections include safeguards against unauthorized disclosure of information, including the release of addresses of individuals involved in the child support system.

Explanation of provision

State and local agencies administering the TANF program, the Welfare-to-Work program, and the Child Support Enforcement program may share information on fathers to determine their eligibility to participate in programs and to contact eligible fathers (subject to applicable privacy laws). The information that can be exchanged is the name, address, telephone number, and case number of the father or the father's child.

Reason for change

The Committee has received extensive information from State and local agencies conducting Welfare-to-Work programs as well as from private entities conducting fatherhood programs that it is often difficult to obtain information from government agencies. For projects trying to work with fathers of children on welfare, a major goal is to identify and contact these children's fathers so they can be invited to participate. For this reason, the Committee is granting authority to the TANF program, the Welfare-to-Work program, and the Child Support Enforcement program to grant only the name, address, telephone number, and case number of fathers for participation in projects under this legislation. We are carefully limiting access to only the information needed to contact fathers. Moreover, all applicable privacy laws apply to this provision, thereby insuring that any government agency and any individual violating these terms is subject to penalties.

*f. Evaluation**Present law*

No provision.

Explanation of provision

The Secretary must reserve \$6 million to conduct scientific evaluations of fatherhood projects funded under this title and under Title II: Projects of National Significance. Evaluation funds can be spent throughout the six years of the fatherhood grants (2001–2006) plus one additional year (2007).

Reason for change

A major goal of the fatherhood grant program is to discover whether high quality programs can increase marriage, improve parenting, and increase the employment or income of fathers. Thus, we are providing the Secretary with substantial resources to conduct a scientific evaluation of the best programs to determine whether they can in fact effect these and other outcomes of interest and, if so, what types of projects and activities are most likely to produce these outcomes. Funds for the evaluation begin the year before projects actually start in 2001 and can be spent throughout the life of both waves of fatherhood projects and then for one year afterward. It is the hope of the Committee that HHS or its contractor will proceed by studying high quality fatherhood programs funded both by Titles I and II of this legislation, by selecting the best projects for evaluation, by working with the projects to create random assignment studies where possible, and by collecting outcome information throughout the life of the project and perhaps even after fathers leave the project. This approach will ensure a maximum of information for Congress and others to determine whether the fatherhood projects have been effective.

*g. Regulations**Present law*

No provision.

Explanation of provision

The Secretary must prescribe such regulations as may be necessary to carry out this section.

Reason for change

If the Secretary deems that regulations are necessary to carry out the statutory provisions of this legislation, Congress provides her with the authority to create such regulations. Providing the Secretary with this authority is necessary to ensure the smooth implementation of most social programs enacted by Congress.

*h. Funding**Present law*

No provision.

Explanation of provision

A total of \$150,000 is made available in Fiscal Years 2000 and 2001 for the Interagency Panels. For the Fatherhood Grant project, \$17.5 million is made available for fiscal year 2001, \$35 million for fiscal years 2002 through 2004, and \$17.5 million for fiscal year 2005. For the evaluation, \$6 million is made available for the years 2000 through 2007. Projects that begin in fiscal year 2001 can spend funds through the end of fiscal year 2005; projects that begin in fiscal year 2002 can spend funds through the end of fiscal year 2006.

Reason for change

The Committee is allocating funds totaling about \$140 million in budget authority for the fatherhood grant program. This amount is believed to be sufficient to mount several dozen projects throughout the nation, in both urban and rural areas, to determine which fatherhood programs and approaches are most effective in achieving the purposes of promoting marriage, improving parenting, and increasing fathers' employment and earnings. A total of \$150,000 is set aside for the Panels, primarily to pay for travel expenses for the Panels to meet in some central location. The Committee believes each Panel should need one meeting to determine its recommendations to the Secretary. We assume that members of the Panels will be organized and provided with materials by the Secretary before meeting and that projects will be assigned to individual members of the Panels for review in order to facilitate efficient decisions about funding. The \$6 million in funding set aside for the evaluation is assumed, based on similar evaluations in the past, to be adequate to conduct the type of evaluation outlined above.

3. Authority to States To Pass Through Child Support Arrearages Collected Through Tax Refund Intercept to Families Who Have Ceased To Receive Cash Assistance; Federal Reimbursement of State Share of Such Passed Through Arrearages

Present law

States may retain both payments on current support and payments on arrearages made by noncustodial parents while the custodial parent is receiving cash payments under the Temporary Assistance for Needy Families (TANF) program. Once the custodial parent leaves TANF, however, payments on current support are given to custodial parents and payments on arrearages are generally split between the custodial parent, the State government, and the Federal government. More specifically, States may retain, and must split with the Federal government, arrearage payments obtained through the Federal tax intercept program. All payments on arrearages obtained through other means must be paid to the family.

Explanation of provision

Regardless of State policies with respect to the pass through of child support arrearages, the State may give the family both the State and Federal shares of arrearages paid by fathers participating in the Fatherhood Program (if the family does not receive

cash welfare). If the State elects this policy, the Federal Government will pay both the Federal share and the State share of arrearage payments obtained through tax offsets for fathers participating in the grant program.

Reason for change

In order to increase the incentive for States to pass through all arrearages, including those from the tax intercept program they are entitled to retain for themselves and the Federal government under current law, the Federal government will absorb the entire cost of the provision for fathers participating in a project funded by this legislation.

4. Applicability of Charitable Choice Provisions of Welfare Reform

Present law

Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, often referred to as “charitable choice”, authorizes States to administer and provide family assistance services through contracts with charitable, religious, or private organizations. Under this provision religious organizations are eligible on the same basis as any other private organization to provide assistance as contractors as long as their programs are implemented consistent with the Establishment Clause of the Constitution. A religious organization administering the program may not discriminate against beneficiaries on the basis of religious belief or refusal to participate in a religious practice. States must provide an alternative provider for a beneficiary who objects to the religious character of the designated organization.

Explanation of provision

The charitable choice provision of the 1996 welfare reform law applies to the Fatherhood Program.

Reason for change

The Committee believes that religious organizations have an important role to play in the nation’s social policy. We oppose any action that would provide an advantage in funding to faith-based organizations, but it seems unwise to eliminate them from the competition between entities that can design and conduct the best projects to promote marriage, promote better parenting, and help fathers increase their earnings. In fact, promoting marriage and better parenting, as well as solving some of the barriers to employment such as addictions, are issues that would seem to be reasonable for churches and other faith-based organizations to address. The goal of the Committee in adopting this provision is simply to level the playing field so that faith-based entities can have their applications considered on the same basis as secular entities.

TITLE II. FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE

SEC. 201. FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE

1. National Clearinghouse

Present law

No provision.

Explanation of provision

To establish a National Clearinghouse on Fatherhood, the Secretary must make a \$5 million grant to a nationally recognized nonprofit fatherhood promotion organization with at least four years experience in disseminating a national public education campaign and in providing consultation and training to community-based organizations interested in implementing fatherhood programs. The National Clearinghouse will:

- (1) develop a media campaign that encourages the involvement of both parents in the life of their children, and encourages responsible fatherhood and marriage;
- (2) collect, evaluate, and disseminate information to States about media campaigns promoting marriage and fatherhood programs;
- (3) develop and disseminate materials to help young adults manage their money and plan for future expenditures; and
- (4) compile and distribute a list of all the sources of public support for education and training for young adults.

Reason for change

The Committee hopes to establish a national movement of fatherhood projects addressed to helping young, especially poor, fathers become better husbands, parents, and providers. In addition to establishing a network of demonstration programs, it is our intent to initiate a national Clearinghouse that will produce, collect, and distribute information about fatherhood and fatherhood programs to State and local projects throughout the nation. Thus, we are providing funds for four years of operation for such a clearinghouse. In addition to collecting and distributing materials, we are directing the Clearinghouse to create a list of the education benefits provided by the State and Federal governments to young adults and adults paying for education and training beyond or in lieu of high school. The Committee has been impressed with the large number of programs that provide such education and training benefits, and with the near certainty that most young people do not know these benefits exist or how to gain access to them. Hence our requirement that the Clearinghouse produce and widely distribute the list.

It is the expectation of the Committee that the Clearinghouse will provide most material free of charge to those who need it. However, it may be appropriate for some consumers of Clearinghouse material to pay fees. The Committee expects the Secretary to determine circumstances under which fees would be appropriate and the level of fees the Clearinghouse could charge.

2. Multicity Fatherhood Projects

a. In General

Present law

No provision.

Explanation of provision

The Secretary must award a \$5 million grant to each of two nationally recognized nonprofit fatherhood promotion organizations to conduct projects aimed at achieving the purposes of this legislation (promoting marriage, promoting better parenting, and increasing fathers' income).

Reason for change

The Committee wants to ensure that some experienced and tested fatherhood organizations mount demonstration programs in major cities. Through our hearings and research, we have found that there are several organizations that have sponsored fatherhood programs in inner-city areas and that have experience working with Child Support Enforcement and other government agencies. We believe these organizations have the capacity and experience to design and conduct fatherhood programs that have a good chance of producing important outcomes. Thus, we are directing the Secretary to fund two such organizations to conduct model programs in three cities. The Committee also expects these model projects to provide information about their program to the Clearinghouse so that their programs and products can be disseminated throughout the nation.

b. Requirements

Present law

No provision.

Explanation of provision

To qualify for consideration, an entity submitting a grant application must have:

- (1) several years experience designing and conducting fatherhood programs;
- (2) experience simultaneously conducting fatherhood projects in more than one major city and in coordinating these programs with local government agencies and private, nonprofit agencies including State or local agencies responsible for Child Support Enforcement and agencies responsible for employment services;
- (3) a grant application that provides for projects to be conducted in three major cities; and
- (4) at least one of the organizations must have extensive experience in using married couples to deliver their program in the inner-city.

Reason for change

To create the greatest chance of having projects that produce measurable impacts on marriage, parenting, or fathers income, we

are establishing a fairly rigorous set of standards for projects that may submit an application and be approved by the Secretary. We believe this set of standards will result in the selection of highly competent organizations.

3. Payment of Grants in Four Equal Annual Installments

Present law

No provision.

Explanation of provision

For each of fiscal years 2002 through 2005, the Secretary must provide to each project awarded a grant an amount equal to ¼th of the grant amount.

Reason for change

Paying the grant in four equal parts assures that projects can plan the flow of funds into their budget while reducing the likelihood that projects will spend most of their funds before the year ends. In addition, quarterly payments will allow the recovery of more money if projects should lose their grant because of unauthorized expenditures.

4. Funding

Present law

No provision.

Explanation of provision

For each of fiscal years 2002 through 2005, \$3,750,000 is made available for grants for the National Clearinghouse and for the two multicounty projects.

Reason for change

Based on our understanding of the magnitude of the tasks at hand, as well as our review of the budget of some fatherhood projects, we assume that the national Clearinghouse can be operated for a little more than \$1 million per year and each of the two multicounty projects can be operated for a little more than \$400,000 per city per year or about \$1.25 million per project per year. The total cost of all three projects will be \$3.75 million per year.

TITLE III. WELFARE-TO-WORK PROGRAM ELIGIBILITY

SEC. 301. FLEXIBILITY IN ELIGIBILITY FOR PARTICIPATION IN WELFARE-TO-WORK PROGRAM (THIS TITLE AMENDS SEC. 403(a) OF THE SOCIAL SECURITY ACT)

1. Hard-To-Employ Long-Term Recipients

Present law

At least 70 percent of Welfare-to-Work funds must be spent on Temporary Assistance for Needy Families (TANF) recipients or noncustodial parents who meet each of the following requirements.

First, the recipient or the noncustodial parent must meet at least two of the following requirements:

- (1) be a school dropout or have no general equivalency degree, and have low skills in reading or math;
- (2) require substance abuse treatment for employment; and
- (3) have a poor work history.

Second, the recipient must either have received Aid to Families with Dependent Children (AFDC) or TANF for 30 months (not necessarily consecutive) or be within 12 months of losing eligibility because of a time limit.

Explanation of provision

Funds may be spent on TANF recipients who meet two sets of requirements. First, at least one of the following must apply to the TANF recipient:

- (1) be a school dropout with no GED;
- (2) requires substance abuse treatment for employment;
- (3) have a poor work history;
- (4) have English, reading, writing, or computing skills at or below 8th grade level;
- (5) be homeless;
- (6) be disabled;
- (7) be a victim of domestic violence; and

Second, the recipient must either have received AFDC/TANF for 30 months (not necessarily consecutive) or be within 12 months of losing eligibility because of a time limit.

Reason for change

Based on testimony during our hearings and both correspondence and telephone calls received by the Committee over the past year or so, many State and local governments have experienced great difficulty in finding individuals who are qualified to participate in the Welfare-to-Work program. When the Committee, on a bipartisan basis and in collaboration with the Administration, wrote the original participation requirements in 1997, everyone agreed that the criteria for participation in the Welfare-to-Work program should be very restrictive to ensure that only the most disadvantaged individuals and those with the most serious barriers to work would be qualified. It now appears that we were too successful in making the criteria for participation restrictive. Thus, we are loosening the criteria to enable more individuals to participate in the program. However, the criteria are still more restrictive than those for being accepted into the Temporary Assistance for Needy Families program. The Committee expresses its view that the original purpose of the Welfare-to-Work program—to help those with the most serious barriers to work—is still valid. The Secretary of Labor and State and local officials are urged to do everything possible to ensure that those with the most and most serious barriers to work receive services under this program.

2. Noncustodial Parents

Present Law

Same as “1” above.

Explanation of provision

To qualify for benefits, noncustodial parents must meet two sets of requirements. First, the noncustodial parent must be unemployed, underemployed, or having difficulty paying child support. Second, at least one of the following must apply to the noncustodial parent's child:

- (1) the minor child (or custodial parent) must have received assistance for 30 months or be within 12 months of a time limit that would result in loss of assistance;
- (2) the minor child must be eligible for or receiving TANF benefits;
- (3) the minor child must have left TANF within the past 12 months;
- (4) the minor child must be eligible for or receiving benefits from the Food Stamp program, the Supplemental Security Income program, the Medicaid program, or the State Children's Health Insurance Program.

In addition to these two requirements, in order to participate in the program the noncustodial parent must be in compliance with a written or oral personal responsibility contract developed in cooperation with the local Child Support Enforcement agency that includes a commitment by the noncustodial parent to:

- (1) cooperate in establishing paternity (if necessary) and a child support order;
- (2) pay child support (the order may be modified in accord with the father's ability to pay); and
- (3) work in order to make regular child support payments or, for those under age 20, participate in high school education or education directly related to employment.

The contract must also contain a description of services offered to the noncustodial parent and a commitment by the noncustodial parent to follow the agreement. This requirement applies only to individuals enrolled after the date of enactment of this legislation. The Secretary may waive the child support requirement if projects lack the capacity to coordinate with the child support agency. The project is also required to take various steps to protect parents and children against domestic violence.

Reason for change

The Committee has been delighted to learn through testimony and reports from the Department of Labor and the General Accounting Office that almost 40 or nearly one-fifth of projects funded with Welfare-to-Work funds involve the noncustodial parents of children on welfare. Thus, in rewriting the criteria for participants in the Welfare-to-Work program, we have elected to write a separate set of criteria for fathers. It is our intent to facilitate the participation of fathers in the Welfare-to-Work program by clarifying the entry criteria and by making them less restrictive than current standards.

3. Recipients with Characteristics of Long-Term Dependency; Children Aging Out of Foster Care

Present law

No provision.

Explanation of provision

Children who are 18 but not 25 years of age who have left foster care are eligible to participate in the Welfare-to-Work program. [Note: Former foster care youths can only be served with the portion of Welfare-to-Work funds set aside for individuals with characteristics associated with long-term welfare dependency (up to 30 percent of Welfare-to-Work funds).]

Reason for change

The Committee has passed separate legislation (H.R. 1802) this year designed to help children leaving foster care make the transition to self sufficiency. The overwhelming majority of children in foster care have characteristics that place them at risk for unemployment as young adults. In fact, the Committee has received extensive information that these young adults suffer from a host of bad outcomes, including high rates of unemployment and dropping out of the labor force. Thus, it is entirely appropriate to make them eligible for services under the Welfare-to-Work program.

4. Custodial Parents with Income Below Poverty Line Who Are Not on Welfare

Present law

No provision.

Explanation of provision

Custodial parents with incomes below the poverty level who are not receiving assistance under the Temporary Assistance for Needy Families (TANF) program are eligible to participate in the Welfare-to-Work program.

Reason for change

The Committee received requests from advocacy groups for the homeless to allow poor custodial parents not participating in the TANF program to qualify for services under the Welfare-to-Work program. Because work is one of the surest ways to avoid homelessness, the Committee is pleased to comply with this request.

SEC. 302. LIMITED VOCATIONAL EDUCATIONAL TRAINING AS ALLOWABLE ACTIVITY

Present law

Welfare-to-Work funds can be spent on the following activities:

- (1) Community service work or work experience;
- (2) Wage subsidies;
- (3) On-the-job training;
- (4) Public or private contracts for programs of job readiness, placement, and post-employment services;
- (5) Job vouchers;

(6) Job retention or other support services, if such services aren't otherwise available.

Explanation of provision

Vocational educational training for a maximum of 6 months is defined as an additional allowable Welfare-to-Work activity.

Reason for change

A host of State and local governments asked the Committee to broaden the education and work-related activities for which Welfare-to-Work funds can be used. The original legislation, developed on a bipartisan basis, defined allowable activities to include only those that actually involved work or were directly related to work. After discussion, the Committee is agreeing to add vocational education for a maximum of 6 months to the list of allowable activities. This action will provide Welfare-to-Work projects with a major new activity that many of them believe will lead to more and better employment for their participants, but will still retain most of the work first focus of the original legislation.

SEC. 303. CERTAIN GRANTEEES AUTHORIZED TO PROVIDE EMPLOYMENT SERVICES DIRECTLY

Present law

Job readiness, placement, and post-employment services must be provided for through contracts with public or private providers or vouchers; they cannot be provided directly by Workforce Investment Boards.

Explanation of provision

The Committee provision would allow entities other than Workforce Investment Boards that conduct Welfare-to-Work grant projects to provide direct services.

Reason for change

Congress does not want the Workforce Investment Boards to be involved in the direct provision of services. However, if other private or governmental agencies receive Welfare-to-Work grants, there should be no prohibition on direct services. The fundamental goal of the Workforce Investment Boards is to plan and coordinate. Other agencies do not necessarily have these primary missions. Thus, Congress does not wish to eliminate all organizations providing direct services from conducting Welfare-to-Work programs.

SEC. 304. SIMPLIFICATION AND COORDINATION OF REPORTING REQUIREMENTS

Present law

States are required to collect monthly and report quarterly data on families, adults, and children receiving TANF assistance. This report includes data elements for activities funded under the Welfare-to-Work program; the total amount expended during the month on the family for each welfare-to-work activity; wages paid and the amount of the wage subsidy paid by the Welfare-to-Work program for families engaged in subsidized employment and on-

the-job training; and if the family ended participation in the program due to a family member obtaining employment, the wage paid to the family members, and the reason participation in the program was terminated (for example, obtaining employment or increased wages).

Explanation of provision

The data reporting requirements imposed on entities carrying out Welfare-to-Work projects are repealed (TANF data reporting requirements are not affected by this provision). In their place, the Committee is requiring the Secretary of Labor, in consultation with the Secretary of HHS and State and local governments, to establish a new set of reporting requirements.

Reason for change

Based on testimony and direct discussions with State and local governments, as well as with the National Conference of State Legislatures and the American Public Human Services Association, the Committee has come to the conclusion that the data reporting requirement in the Welfare-to-Work legislation are too extensive and complex and would cost too much for entities conducting programs to meet. Thus, we are repealing the requirement and requiring the Secretary of Labor, in consultation with the Secretary of HHS and State and local governments, to develop a new and more reasonable and affordable data reporting requirement.

SEC. 305. USE OF STATE INFORMATION TO AID ADMINISTRATION OF WELFARE-TO-WORK FORMULA GRANT FUNDS

Present law

States are permitted to share and compare Child Support Enforcement information with other Federal and State programs to carry out the Child Support Enforcement program. TANF State plans are required to describe the steps the State deems necessary to restrict the disclosure of information about individuals and families receiving TANF assistance.

Explanation of provision

States are permitted to share Child Support Enforcement information with the Workforce Investment Boards that are conducting projects under the Welfare-to-Work program. The information that can be shared is limited to the name, address, phone numbers, and case identifying information of noncustodial parents residing in the Workforce Investment area. The authorized purpose of this information sharing is to allow the Workforce Investment Board to contact noncustodial parents about participation in a Welfare-to-Work program.

Reason for change

Through testimony and other forms of contact with entities conducting Welfare-to-Work projects, we have learned that many projects have difficulty locating and contacting noncustodial parents. Because the Committee strongly endorses the goal of including noncustodial parents in the Welfare-to-Work program, we are

authorizing Child Support Enforcement programs to share only identifying information with Welfare-to-Work projects being conducted by Workforce Investment Boards. Because of our concern with privacy of information held by the Child Support program, we are authorizing disclosure of only a modest amount of information and then only to Workforce Investment Boards. The Committee regrets not sharing this information with nongovernmental entities conducting projects, but privacy must be an overriding concern. The Committee admonishes all government entities that gain information from Child Support agencies to strictly observe State and Federal privacy laws in using this information.

TITLE IV. ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS

SEC. 401. ALTERNATIVE PENALTY PROCEDURE RELATING TO STATE DISBURSEMENT UNITS (THIS TITLE AMENDS SEC. 455(A) OF THE SOCIAL SECURITY ACT)

1. In General

Present law

The 1996 welfare reform law (P.L. 104–193) required States to establish and operate a State Disbursement Unit (SDU) to receive child support payments and distribute the money in accord with State child support distribution rules. States that processed receipt of child support payments through their courts at the time the 1996 welfare reform law was enacted had until October 1, 1999 to operate an SDU approved by the Secretary. States that did not process child support payments through the courts were required to be operating an approved SDU by October 1, 1998.

Explanation of provision

States that are not operating an approved State Disbursement Unit by October 1, 1999 may apply to the Secretary for an alternative penalty. To qualify for the alternative penalty, the Secretary must find that the State has made and is continuing to make a good faith effort to comply. In addition, the State must submit a corrective compliance plan by April 1, 2000 that describes how, by when, and at what cost the State will achieve compliance with all SDU requirements. If these conditions are fulfilled, the Secretary must not disapprove the State Child Support Enforcement plan. Instead, the Secretary must reduce the amount the State would otherwise have received in Federal child support payments by the penalty amount for the fiscal year.

Reason for change

When Congress originally enacted an exceptionally strong penalty as part of the Child Support Enforcement program (i.e., complete loss of Federal funds for Child Support Enforcement and Temporary Assistance for Needy Families), it was assumed that only States that willfully disregarded the Federal statutes would ever be subject to the penalty. However, events have now shown that even States that are making a good faith effort to meet Federal requirements are having difficulty meeting some Federal dead-

lines. Last year Congress instituted a new and less harsh penalty for the benefit of States that were having difficulty meeting the automatic data processing requirements of Federal law. Every State that missed the Federal deadline was determined by the Secretary to be making a good faith effort to complete their data systems. Now States are faced with an October 1, 1999 deadline on their State Disbursement Units (SDU). The best estimate we currently have from the Department of Health and Human Services is that up to eight States may miss the deadline. Reviewing the States in danger of missing the deadline demonstrates convincingly that even States with good Child Support Enforcement programs are at risk. Moreover, every indication is that all eight States are making good faith efforts to make the deadline or complete their SDUs as soon thereafter as possible. Thus, the Committee has designed an alternative penalty procedure, modeled on the procedure enacted last year for the automated data processing requirement, that will provide adequate incentive for States to complete their systems as soon as possible but without imposing the harsh penalties outlined above.

2. Penalty Amount

Present law

The penalty for not fulfilling the SDU requirement is termination of all Federal child support payments and the penalty described in "6" below.

Explanation of provision

The penalty amount is equal to:

- (1) 4 percent of the penalty base for violations in the first fiscal year;
- (2) 8 percent for violations that persist into the second fiscal year;
- (3) 16 percent for the third fiscal year;
- (4) 25 percent for the fourth fiscal year; and
- (5) 30 percent for the fifth and subsequent fiscal years.

Reason for change

These percentage penalties, identical to those used in last year's legislation, are believed by the Committee to be adequate for maintaining incentive by the States to complete the SDU requirement as soon as possible and yet avoid imposing penalties that are so stiff that they could damage State programs.

3. Penalty Base

Present law

No provision.

Explanation of provision

The penalty base is defined as the Federal administrative reimbursement (i.e., the 66 percent Federal matching funds) that otherwise would have been payable to the State in the previous fiscal year.

Reason for change

As in previous legislation, the base against which the penalty percentage amount is applied is the Federal 66 percent administrative financing. This is a substantial base which yields a serious but not debilitating penalty and which permits easy and objective calculation of penalty amounts.

4. Penalty Provision for States That Achieve Compliance During Fiscal Year 2000

Present law

No provision.

Explanation of provision

If a State that is subject to a penalty achieves compliance on or before April 1, 2000, the Secretary shall waive the penalty. If a State that is subject to a penalty achieves compliance after April 1, 2000, and on or before September 30, 2000, the penalty amount shall be 1 percent of the penalty base.

Reason for change

Committee hearings and information from the Secretary convinces us that the eight States that seem to be in greatest danger of missing the SDU deadline are working hard to complete their systems. To provide additional incentive for these States to finish as quickly as possible, the Committee has adopted the policy of complete penalty forgiveness for States that finish their system within 6 months of the deadline and a minimal 1 percent penalty for States that finish within 12 months.

5. Prohibition on Two Simultaneous Penalties

Present law

No provision.

Explanation of provision

The Secretary may not impose a penalty against a State for a fiscal year for which the State has already been penalized for non-compliance with the automated data processing system requirement.

Reason for change

The Committee does not want to impose crippling penalties against States that are making a good faith effort to meet all Federal requirements in establishing their child support system. As long as a State continues to make a good faith effort to complete its automatic data processing requirement and its SDU requirement, one penalty should be adequate to maintain the State's incentive to complete both systems at the earliest possible moment.

6. Inapplicability of Penalty Under TANF Program

Present law

States that do not have an approved Child Support Enforcement system—including an approved SDU—are not eligible for payments under the Temporary Assistance for Needy Families (TANF) block grant.

Explanation of provision

The TANF penalty for a finding by an audit that the State failed to substantially comply with one or more of the Child Support Enforcement (Title IV–D) requirements is not applicable with respect to the SDU requirements (or the automated systems requirement).

Reason for change

This provision is a conforming amendment to the TANF statute (Title IV–A) that must be made to avoid a double penalty.

TITLE V. FINANCING PROVISIONS

SEC. 501. USE OF NEW HIRE INFORMATION TO ASSIST IN COLLECTION OF DEFAULTED STUDENT LOANS AND GRANTS

Present law

No provision.

Explanation of provision

The Secretary must comply with any request from the Secretary of Education for information in the National Directory of New Hires on the address or employer of any individual who is in default on the payment of a student loan.

Reason for change

The New Hire data base consists of the name, address, Social Security number, and employer address of every worker hired in the United States. Employers in every State report this information to the State New Hire data base; the various State New Hire data bases then report to the Federal New Hire data base. Thus, the Federal repository of New Hire information is an extremely powerful set of employer addresses for most people in the United States who have been hired in recent years. These employer addresses can be used to locate individuals who are committing fraud against the United States government by refusing to pay various debts owed to U.S. taxpayers. The biggest of these sources of debt is the student loan program authorized under the Higher Education Act. By allowing the Secretary of Education to submit the names of student loan debtors to the Federal New Hire data base maintained by the Social Security Administration (under subcontract with the Department of Health and Human Services), and by returning employer address information to the Secretary of Education on individuals who are fraudulently overdue on their student loans, the Congressional Budget Office estimates that about \$135 million in overdue loans can be collected over 5 years. The Committee believes this to be an exceptionally constructive use of the New Hire information.

The Committee is determined to ensure that the New Hire information is not used for any purpose that could compromise individuals who have background information in the data base. Because information only on individuals who are fraudulently in debt to the Federal government is reported to the Secretary of Education, the procedure we have established ensures that privacy concerns will not be compromised. Information on all individuals who have not committed fraud will not leave the HHS data base. Furthermore, individuals and organizations that use the New Hire information for purposes other than those permitted by this legislation are subject to prosecution under Federal law. We are therefore confident that the information in the New Hire data base will remain secure.

SEC. 502. ELIMINATION OF SET-ASIDE OF PORTION OF WELFARE-TO-WORK FUNDS FOR SUCCESSFUL PERFORMANCE BONUS

Present law

The Welfare-to-Work Program authorized under Title IV–A of the Social Security Act provides for \$100 million in bonus payments for FY 2000 to be paid to States that achieve high performance in placing participants in work and other outcomes.

Explanation of provision

The \$100 million bonus is repealed.

Reason for change

Very few States and localities have spent all their funds under the Welfare-to-Work program. Thus, to be providing a performance bonus at this point, when so little of the program money has been spent, seems unwise. Furthermore, there is a billion dollars in bonus payments now being provided under the Temporary Assistance for Needy Families (TANF) block grant for the same performance goals and nearly the same population of needy individuals as the performance goals and individuals targeted by the Welfare-to-Work program. For both these reasons, the Committee believes little will be lost by repealing the performance bonus under the Welfare-to-Work program.

TITLE VI. MISCELLANEOUS

SEC. 601. CHANGE DATES FOR EVALUATION

Present law

Authorization of funds to pay for the evaluation of the Abstinence Education program expires at the end of FY 2001.

Explanation of provision

Authorization to spend funds on evaluation of the Abstinence Education Program is extended to 2005.

Reason for change

The Abstinence Education program authorized by the 1996 Welfare Reform Law (P.L. 104–193) is now being implemented around the nation. Nearly every State is mounting programs that promote abstinence among school-age students. The Secretary has selected

a noted policy research company to conduct the evaluation of these programs so that Congress can determine whether they are resulting in an increase in abstinence, a reduction in teen pregnancy, or in other impacts intended by the legislation. However, because many of the projects are now in only the early stages of implementation, and because effects of these programs on sexual behavior over a period of years is an important outcome, the Committee believes the evaluation should be allowed to follow children for an extended period. Since the funds end in FY 2001 under current law, we are granting a 4-year extension to 2005 to permit a longer period of follow-up by the evaluation.

SEC. 602. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS

Present law

No provision.

Explanation of provision

Within 6 months of enactment, the Secretary must prepare a report on the procedures States use to locate custodial parents for whom child support has been collected but not yet distributed due to a change in address. The report must include an estimate of how much money States hold in this fashion and the length of time for which it is held. The Secretary must include recommendations about whether additional Federal or State procedures should be established to expedite payment of undistributed child support.

Reason for change

In recent hearings as well as newspaper reports, the Committee has learned that States have possession of money collected in child support that for various reasons they do not immediately distribute to the family that has a legal right to the money. Apparently the reason for the failure to promptly pay this money to families is that the State does not have address information on the family or has inaccurate address information. Unfortunately, the information the Committee has received about this undistributed child support is sketchy. Thus, we are requiring the Secretary to look into this issue and prepare a report on its causes, magnitude, and potential Federal and State solutions. If appropriate, we urge the Secretary to recommend legislative actions Congress can take to reduce or eliminate this problem.

SEC. 603. SENSE OF THE CONGRESS

Present law

No provision.

Explanation of provision

It is the sense of the Congress that the States may use funds provided under the program of block grants for Temporary Assistance for Needy Families under part A of title IV of the Social Security Act to promote fatherhood programs of the type supported by this legislation.

Reason for change

The Committee is aware that this Sense of the Congress provision does not change TANF law in any way. However, we think it is useful to bring to the attention of States, advocates, and other interested parties the fact that TANF funds can be spent for fatherhood programs of the type supported by this legislation. Our hope in calling attention to this use of TANF funds is that States will begin to invest some of their TANF surpluses in fatherhood programs.

SEC. 604. ADDITIONAL FUNDING FOR WELFARE EVALUATION STUDY

Present law

The 1996 welfare reform law (P.L. 104–193) appropriated \$10 million per year for the Census Bureau to conduct a national study of the effects of welfare reform. Funds began in fiscal year 1996 and end in fiscal year 2002.

Explanation of provision

The Committee bill provides the Census Bureau with a total of \$19.3 million over the period of Fiscal Year 2000 to Fiscal Year 2003 to enhance the study of the effects of welfare reform.

Reason for change

In reconstituting two original waves of the Survey of Income and Program Participation (SIPP) as called for under the 1996 legislation in order to have a longitudinal sample to examine the well being of poor families before and after enactment of the 1996 welfare reform law, the Census Bureau has experienced an attrition rate of about 50 percent in the SIPP sample. Given that this attrition rate reduces the validity of findings from the study, the Committee asked the Census Bureau to devise and test methods by which the attrition could be reduced. As a result of this study, the Census Bureau believes it can substantially reduce attrition by locating some families who were previously dropped from the sample and by paying a cash fee to families that agree to continue their participation in the study. The Committee expects that most of the additional funds will be used for these and similar actions that will reduce the attrition rate. In addition, the Committee expects the Census Bureau to use some of the money to prepare the final round of interview data for use by the public.

SEC. 605. TRAINING IN CHILD ABUSE AND NEGLECT PROCEEDINGS

Present law

Title IV–E of the Social Security Act provides entitlement funds to train social workers, foster parents, adoptive parents, and others to better fulfill their responsibilities in the child protection system. Generally State or local governments plan and conduct the training, sometimes using private contractors. The Federal government reimburses States for 75 percent of the cost of approved training.

Explanation of provision

The Title IV–E training provision is expanded to cover court personnel.

Reason for change

Since enactment of the Adoption and Safe Families Act of 1997 (P.L. 105–89), the training of court personnel has become exceptionally important. Three major provisions of the 1997 law require careful and thorough implementation by the courts. These provisions are the requirement that child safety be the paramount goal of the child protection system; the provision that States may define and use exceptions to the Federal requirement that “reasonable efforts” must be made to help families before termination of parental rights can be considered; and the mandate that, with some exceptions, States begin proceedings to terminate parental rights after children have been in foster care for 15 months. Because these provisions, all of which are implemented primarily by the courts, are both new and complex, the Committee believes that training of court personnel and especially judges is essential to full implementation of the 1997 reforms.

SEC. 606. USE OF NEW HIRE INFORMATION TO ASSIST IN
ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS

Present law

The 1996 welfare reform law (P.L. 104–193) required all employers in the nation to report basic information on every newly-hired employee to the State. States were in turn required to collect all this information into the State Directory of New Hires, to use this information to locate noncustodial parents who owed child support and to send a wage withholding order to their employer, and to periodically report all information in their Directory to the Federal government. Information from all State New Hire Directories is then stored to create the National New Hire Directory data base. Because the State Directory of New Hires contains recent data on employment, the 1996 law also required State Employment Security Agencies to use the information to detect overpayments in the Unemployment Insurance program and to extract repayment by intercepting current wages.

Explanation of provision

State Employment Security Agencies are authorized to gain access to information in the Federal Directory of New Hires.

Reason for change

The provision of the 1996 welfare reform law that State Employment Security Agencies use data in the State New Hire Directory to recover Unemployment Insurance overpayments has worked well. States are saving millions of dollars each year by detecting these overpayments earlier and by using New Hire information to recover overpayments. However, the 1996 legislation did not grant State Employment Security Agencies access to information in the Federal New Hire Directory. The lack of access to this information means that States do not have access to information from workers

who have jobs in other States. In addition, the 1996 allows employers with offices in more than one State to report to a single State of their choice all the New Hire information from every State in which they have an office. Thus, State Employment Security Agencies lose all this information as well. By giving States access to the Federal New Hire Directory, both of these problems will be overcome and States will save millions of dollars each year in Unemployment Insurance overpayments that are avoided and recovered.

III. VOTES OF THE COMMITTEE

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee in its consideration of the bill, H.R. 3073.

MOTION TO REPORT THE BILL

The bill, H.R. 3073, as introduced, was ordered favorably reported by voice vote on October 21, 1999, with a quorum present.

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the following statement is made:

The Committee agrees with the estimate prepared by the Congressional Budget office (CBO) which is included below.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that although the Committee bill results in increased budget authority and outlays, the bill also provides for savings in budget authority and outlays so that the entire bill is deficit neutral over 5 years. The bill contains no new tax expenditures.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives requiring a cost estimate prepared by the Congressional Budget Office (CBO), the following report prepared by CBO is provided.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 27, 1999.

Hon. BILL ARCHER,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3073, the Fathers Count Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sheila Dacey.

Sincerely,

BARRY B. ANDERSON,
(For Dan L. Crippen, Director).

Enclosure.

H.R. 3073—Fathers Count Act of 1999

Summary: H.R. 3073 would establish a new grant program to promote responsible fatherhood, change eligibility rules and expand allowed activities in the Welfare-to-Work grant program, and provide an alternative penalty procedure for states that have failed to complete child support disbursement units on time. Other provisions in the bill would seek to improve collections on defaulted student loans, eliminate the Welfare-to-Work performance bonus, improve fraud detection procedures in the unemployment compensation program, and increase funding for welfare research and training about adoption procedures for court personnel.

H.R. 3073 would result in reduced direct spending in some years and increased spending in others, for an estimated net saving of \$138 million over the 2000–2009 period. It would also cause a reduction in revenues from unemployment taxes totaling about \$154 million over the 10-year period. Consequently, CBO estimates that this bill would increase the federal government's surplus by \$37 million in 2000 and by \$2 million over the 2000–2004 period. It would decrease the surplus by an estimated \$16 million over the 2000–2009 period. Because the bill would affect revenues and direct spending, pay-as-you-go procedures would apply.

H.R. 3073 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). New grant provisions, greater flexibility in the Welfare-to-Work program, and the alternative penalty procedure for compliance with child support requirements would benefit states, and in some cases, local and tribal governments. Some provisions would place additional grant conditions on states and would reduce financial assistance; however, these changes would not be mandates as defined in UMRA.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 3073 is shown in Table 1. The costs of this legislation fall within budget functions 370 (Commerce and Housing Credit), 500 (Education, Training, Employment, and Social Services), and 600 (Income Security).

Basis of estimate: The estimated budgetary impact of H.R. 3073, by provision, is shown in Table 2. Provisions with no estimated budgetary effect are excluded from this table.

Title I: Fatherhood Grant Program

Fatherhood Grants. Title I would establish a new program to make grants to public and private entities for projects designed to promote marriage, improve parenting, and help fathers and their families leave welfare.

Two interagency panels, funded at a total of \$150,000 for 2000 and 2001, would review applications and make recommendations to the Secretary of Health and Human Services. The Secretary would

award up to \$70 million in grants in each of 2001 and 2002. The funding would be available to grantees in four equal annual installments, and grantees would have to commit \$1 for every \$5 of federal grant funding. Grantees could provide services to fathers with incomes below 150 percent of poverty or fathers whose children received funds from the Temporary Assistance for Needy Families (TANF) program sometime in the most recent two-year period. CBO estimates that spending by grantees would initially be slow as the programs are phased in, but would speed up gradually in succeeding years. Spending would total \$86 million over the 2000–2004 period and \$140 million over the 2000–2009 period.

TABLE 1. FEDERAL BUDGETARY EFFECTS OF H.R. 3073

	By fiscal year, in millions of dollars—				
	2000	2001	2002	2003	2004
DIRECT SPENDING					
Spending Under Current Law:					
Fatherhood Grants	0	0	0	0	0
Child Support	1,790	1,940	2,140	2,450	2,730
TANF	12,600	13,150	14,150	15,250	15,950
Welfare-to-Work Grants	760	835	535	0	0
Student Loans	4,112	4,526	3,807	4,964	4,777
Bureau of the Census Study	10	10	10	3	1
Foster Care	5,296	5,768	6,253	6,751	7,255
Unemployment Compensation	22,622	24,741	26,355	27,654	28,704
Total	47,190	50,970	53,250	57,072	59,417
Proposed Changes:					
Fatherhood Grants	0	4	16	32	43
Child Support	0	2	2	2	2
TANF	0	0	1	1	2
Welfare-to-Work Grants	60	–35	–65	0	0
Student Loans	–95	–10	–10	–10	–10
Bureau of the Census Study	1	5	6	5	2
Foster Care	4	10	12	13	14
Unemployment Compensation	–7	–10	–12	–16	–17
Total	–37	–34	–50	26	36
Spending Under H.R. 3073:					
Fatherhood Grants	0	4	16	32	43
Child Support	1,790	1,942	2,142	2,452	2,732
TANF	12,600	13,150	14,151	15,251	15,952
Welfare-to-Work Grants	820	800	470	0	0
Student Loans	4,017	4,516	3,797	4,954	4,767
Bureau of the Census Study	11	15	16	8	3
Foster Care	5,300	5,778	6,265	6,764	7,269
Unemployment Compensation	22,615	24,732	26,343	27,638	28,687
Total	47,153	50,936	53,200	57,098	59,453
REVENUES					
Unemployment Taxes	0	–3	–13	–18	–24
DEFICIT (–) / SURPLUS (+)					
Net Effect	37	31	37	–44	–60

Note.—Components may not sum to totals because of rounding.

TABLE 2. ESTIMATED EFFECTS OF H.R. 3073 ON DIRECT SPENDING AND REVENUE, BY PROVISION

	By fiscal year, in millions of dollars—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
DIRECT SPENDING										
Title I, Fatherhood Grant Program:										
Panels:										
Estimated Budget Authority	(1)	(1)	0	0	0	0	0	0	0	0
Estimated Outlays	(1)	(1)	0	0	0	0	0	0	0	0
Fatherhood Grants:										
Estimated Budget Authority	0	18	35	35	35	18	0	0	0	0
Estimated Outlays	0	4	15	29	39	33	17	4	0	0
Option to Distribute More Child Care Arrearages to Participants' Families:										
Estimated Budget Authority	0	2	2	2	2	2	2	2	0	0
Estimated Outlays	0	2	2	2	2	2	2	2	0	0
Effect of Grant Program on TANF:										
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	1	1	2	2	1	0	0	0
Evaluation:										
Estimated Budget Authority	0	6	0	0	0	0	0	0	0	0
Estimated Outlays	0	1	1	1	1	1	2	0	0	0
Subtotal, Title I:										
Estimated Budget Authority	0	25	37	37	37	20	2	2	0	0
Estimated Outlays	0	6	18	33	43	39	22	6	0	0
Title II, Fatherhood Projects of National Significance:										
Estimated Budget Authority	0	0	4	4	4	4	0	0	0	0
Estimated Outlays	0	0	1	2	4	4	3	1	0	0
Title III, Welfare-to-Work Program Eligibility:										
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	80	5	-25	0	0	0	0	0	0	0
Title V, Financing Provisions:										
Use of New Hire Data to Collect Defaulted Student Loans:										
Estimated Budget Authority	-95	-10	-10	-15	-15	-15	-15	-15	-15	-15
Estimated Outlays	-95	-10	-10	-10	-10	-10	-10	-15	-15	-15
Elimination of Welfare-to-Work Performance Bonus:										
Estimated Budget Authority	-100	0	0	0	0	0	0	0	0	0
Estimated Outlays	-20	-40	-40	0	0	0	0	0	0	0
Subtotal, Title V:										
Estimated Budget Authority	-195	-10	-10	-15	-15	-15	-15	-15	-15	-15
Estimated Outlays	-113	-50	-50	-10	-10	-10	-10	-15	-15	-15
Title VI, Miscellaneous:										
Estimated Budget Authority	2	8	6	4	0	0	0	0	0	0
Estimated Outlays	1	5	6	5	2	0	0	0	0	0

TABLE 2. ESTIMATED EFFECTS OF H.R. 3073 ON DIRECT SPENDING AND REVENUE, BY PROVISION—Continued

	By fiscal year, in millions of dollars—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Training in Child Abuse and Neglect Proceedings:										
Estimated Budget Authority	5	11	12	13	14	0	0	0	0	0
Estimated Outlays	4	10	12	13	14	3	0	0	0	0
Use of New Hire Information for Unemployment Compensation Program:										
Estimated Budget Authority	-7	-10	-12	-16	-17	17	-18	-18	-19	-20
Estimated Outlays	-7	-10	-12	-16	-17	-17	-18	-18	-19	-20
Subtotal, Title VI:										
Estimated Budget Authority	0	9	6	1	-3	-17	-18	-18	-19	-20
Estimated Outlays	-2	6	6	1	-1	-14	-18	-18	-19	-20
Total:										
Estimated Budget Authority	-195	24	36	26	23	-9	-31	-32	-34	-35
Estimated Outlays	-37	-34	-50	26	36	19	-3	-26	-34	-35
	REVENUES									
Use of New Hire Information Program for Unemployment Compensation Program	0	-3	-13	-18	-24	-23	-18	-18	-19	-20
	DEFICIT (-)/SURPLUS (+)									
Net Effect	37	31	37	-44	-60	-41	-15	8	15	15

¹ Less than \$500,000.

Notes.—Components may not sum to totals due to rounding.

Child Support Arrearages. The bill would give states the option of sharing more child support collections with families of participants in fatherhood programs. When a family stops receiving welfare, states continue to collect and enforce the family's child support order. All amounts collected on time and some past-due amounts are sent directly to the family. The states keep some past-due child support—support collected through the federal tax offset program—to reimburse themselves and the federal government for past welfare payments. The bill would allow states to pay all past-due child support to the families of participants. The federal government would relinquish its share of such payments and would reimburse the state for the state's share of such payments.

CBO estimates that paying the additional child support to families would cost the federal government about \$2 million a year in administrative costs and the federal share of collections. The bulk of the cost would be administrative costs to reprogram computer systems, track participants in the fatherhood grant program, and apply the special distribution rules to those families. Based on information from state child support directors, CBO estimates that 50 percent of states would opt to share more child support collections with the families of participants at an administrative cost of about \$100,000 per state per year. The federal government would pay 66 percent of administrative costs for a total federal cost of \$1.7 million a year.

In addition, CBO estimates that about \$500,000 annually in collections would be paid to families instead of to state and federal governments. That estimate assumes that, in an average year, there would be 9,000 participants in states that opt to pass more child support collections through to families. CBO estimates, using data from the Survey of Income and Program Participation compiled by the Urban Institute and from the child support program, that additional payments to each family would be about \$50 per participant per year.

Effect of Grant Program on TANF Spending. The fatherhood grant program would affect spending under the TANF program. Some of the fatherhood grant money would be spent by government entities on families eligible for TANF. This spending could count as maintenance-of-effort spending in the TANF program and would be in addition to TANF spending by those entities under current law. CBO estimates that federal TANF outlays would increase by \$5 for every \$100 of fatherhood grant spending. The estimate assumes that entities contribute the 20-percent matching funds and that 25 percent of those funds would qualify as maintenance-of-effort spending. Additional spending would total \$4 million over the 2000–2004 period and \$7 million over the 2000–2009 period.

Evaluations. The Secretary would conduct an evaluation of selected fatherhood projects. The bill would make \$6 million available over the 2000–2006 period for that evaluation.

Title II: Fatherhood projects of national significance

The bill would establish a one-time grant of \$5 million for a non-profit organization to create a national clearinghouse to develop and distribute materials supporting marriage and responsible parenting. In addition, it would establish grants of \$5 million for each of two nonprofits to establish multicity projects to promote marriage and successful parenting and help fathers and their families leave welfare. The grants would be awarded in four equal, annual installments starting in 2002. Spending would total \$7 million over the 2000–2004 period and \$15 million over the 2000–2004 period.

Title III: Welfare-to-Work program eligibility

This bill would broaden the eligibility criteria for the Welfare-to-Work block grants, and would also allow funds to be spent on stand-alone vocational training. A survey of states indicated that these changes would make it easier for them to serve clients under the Welfare-to-Work program. CBO estimates that state grants, which have already been awarded, would spend more quickly than under current law. In addition, CBO estimates that overall spending would increase. Under current law, states have four years to spend the grant money, the last of which was provided at the end of fiscal year 1999. Under current law, CBO assumes that about \$300 million would go unspent, in part because of the difficulty states are having in enrolling eligible participants. CBO estimates that the expansion would increase overall spending by about \$60 million over the 2000–2002 period.

Title IV: Alternative penalty procedure relating to state disbursement units

H.R. 3073 would establish an alternative penalty procedure for states that fail to operate a statewide disbursement unit (SDU) by the required deadline. An SDU is a centralized, automated unit for collecting and disbursing child support payments. In general, states were required to operate an SDU for child support by October 1, 1998. Some states that distribute child support through their court system have a later deadline of October 1, 1999. A small number of states are believed to have missed that deadline.

Under current law, the penalty for not operating an SDU on time is disapproval of the state's child support state plan. The federal government will not pay the federal share of the expenses to run the state's child support program or TANF program without an approved state plan. However, there is an extensive period for hearings and appeals before a state plan is disapproved. CBO estimates that no state will have its state plan disapproved under current law, because all states will have an approved SDU before the appeals period ends.

The bill would establish an alternative to the severe penalty under current law. A state that opted for the alternative would receive no penalty if it finished by April 1, 2000. States finishing after that date would pay a penalty equal to some percentage of their federal share of administrative costs. The penalty would be 1 percent for states finishing by September 30, 2000, and would escalate up to 30 percent for states not finishing before September 30, 2004. A state that was already paying a penalty for failure to complete a child support computer system would be exempt from any additional penalty for failure to complete its SDU.

Only three states are expected to have completed a child support computer system, but not an SDU: Texas, Illinois, and Wyoming. CBO assumes that these states would not apply for the alternative penalty and would complete their SDUs before the Secretary disapproves their state plans.

Title V: Financing provisions

Use of New Hire Data to Collect Defaulted Student Loans. H.R. 3073 would give the Department of Education (ED) another wage garnishment tool to collect defaulted student loans. The ED would be able to obtain useful data from the Department of Health and Human Services's database on new hires. ED could use the acquired information only to collect debt owed by people whose new job paid more than \$16,000 annually.

CBO estimates that roughly one million "hard to collect" claims for defaults on student loans are outstanding. Based on discussions with organizations involved in the collection of such debt, CBO estimates that about 10 percent, or about 100,000 defaulters, would be affected by collectors accessing data retrieved through the new hire database. Most of the federal budgetary impact of this provision would result from bringing defaulters into repayment earlier and collecting more of their outstanding debt. CBO expects that only a few defaulters who would pay nothing under current collection measures would be brought into repayment by use of this new tool.

The budgetary impact of this provision is assessed under the requirements of credit reform. As such, the budget records all the collections associated with a new loan on a present-value basis in the year the loan is obligated. The present value of additional collections from all current outstanding loans is displayed in the year the bill is enacted—in this case 2000. On this basis, CBO estimates that the legislation would save \$95 million in fiscal year 2000, \$135 million over the 2000–2004 period, and \$200 million over the 2000–2009 period.

Elimination of the Performance Bonus. Section 502 would eliminate the \$100 million set-aside for Welfare-to-Work performance bonuses. These bonuses were to have been paid over the fiscal years 2000 through 2002. Therefore, eliminating the bonuses would save \$100 million over that period.

Title VI: Miscellaneous

Welfare Evaluation Study. Section 604 would increase the funding available to the Bureau of the Census to collect survey data on welfare recipients and other low-income families. An additional \$19.3 million would be provided over the 2000–2004 period. CBO estimates that the additional funding would be spent at the same rate as the current funding for the survey.

Training in Child Abuse and Neglect Proceedings. Section 605 would allow federal funds for training in the Foster Care and Adoption programs to be used to train court personnel in matters related to the court's role in expediting adoption procedures, implementing reasonable efforts, and providing for timely permanency planning and case reviews. The new authority would only be available over the 2000–2004 period. Under current law, funds are used only to train foster and adoptive parents or agency personnel, and the federal government pays 75 percent of all allowable training costs. Based on a survey of several foster care state directors, CBO estimates that the federal cost of the program would be \$4 million in 2000, \$10 million when it was fully implemented in 2001, and \$55 million over the 2000–2009 period.

Unemployment Compensation. Section 606 would allow states to use information from the national database of new hires to help detect fraud in the unemployment compensation system. Currently, most states may use the information that they send to the national registry. However, without access to the national information, a state may not receive important data regarding recent hires by employers that may report in other states. Only a few states have examined potential savings that could be realized if they had access to the national data, and their estimates of savings are small—about 0.1 percent of total benefits. Nevertheless, states generally believe that access to the national data would be a valuable tool in detecting fraud earlier, as the information on new hires is more current than that contained in quarterly wage reports upon which many states now rely. A recent survey by the Interstate Conference of State Employment Security Agencies indicated that 19 states currently were using the state-reported information on new hires, and another 20 states reported that they hoped to make use of this information in the near future.

For purposes of this estimate, CBO assumed that the states currently using their own information would make use of the national information in the year that it became available. The other interested states are assumed to take advantage of the national information within the next few years. CBO estimates that this provision would result in a reduction of \$154 million in spending for unemployment compensation over the 2000–2009 period. CBO assumes that this reduction in spending would be fully offset by reductions in state employment taxes. Consequently, the provision would have no net effect on the federal budget over the 10–year period.

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

TABLE 3. SUMMARY OF THE PAY-AS-YOU-GO EFFECTS OF H.R. 3073

	By fiscal year, in millions of dollars—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	–37	–34	–50	26	36	19	–3	–26	–34	–35
Changes in receipts	0	–3	–13	–18	–24	–23	–18	–18	–19	–20

Estimated impact on state, local, and tribal governments: The bill contains no intergovernmental mandates as defined in UMRA. New grant provisions, greater flexibility in the Welfare-to-Work program, and the alternative penalty procedure for compliance with child support requirements would benefit states, and in some cases, local and tribal governments. Some provisions would place additional grant conditions on states and would reduce financial assistance; however, these changes would not be mandates as defined in UMRA.

CBO estimates that the federal government would spend \$86 million over the 2000–2004 period for fatherhood grants, and some portion of those awards would likely go to state, local, or tribal governments. In order to receive fatherhood grants, those governments would have to provide \$1 for every \$5 in federal assistance.

The bill would allow states to share more child support payments with families of participants in fatherhood programs. Past-due funds collected by states as reimbursement for prior welfare payments could be disbursed to those families at the option of states. The federal government would reimburse states for the states' share of such payments. CBO estimates that states would incur some administrative costs if they chose to implement such a program and that the state share of those costs would total less than \$1 million per year.

CBO estimates that the change in the penalty procedure for state disbursement units would not result in any change in penalty collections associated with the child support program. However, the alternative procedure would reduce the threat that states could

lose child support enforcement and TANF funding if they are in noncompliance.

The bill would make a number of changes in the Welfare-to-Work program, broadening eligibility requirements, and expanding the ability of states to use grant funds for vocational training. By making it easier for states to serve clients, the proposed changes would result in an increase of about \$30 million in state spending in the Welfare-to-Work program over the 2000–2004 period. This state spending would be matched by \$60 million in federal assistance, as noted above. The elimination of Welfare-to-Work performance bonuses would decrease assistance to states by \$100 million over the 2000–2002 period. However, given the flexibility that states have to operate the program, this reduction would not be a mandate as defined in UMRA.

Finally, the bill would allow states to use funds from the Foster Care and Adoption program for training court personnel. CBO estimates that this option would result in greater spending, the state portion of which would total about \$18 million over the 2000–2004 period.

Estimated impact on the private sector: None.

Estimate prepared by: Federal costs: Sheila Dacey (fatherhood and child support), Deborah Kalcevic (student loans), Christina Hawley Sadoti (Welfare-to-Work Grants and Unemployment Compensation), and Robert Taylor (revenues); Impact on state, local, and tribal governments: Leo Lex.

Estimate approved by: Robert A. Sunshine, Assistant Director for Budget Analysis.

V. OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee reports that the need for this legislation was confirmed by the oversight hearings of the Subcommittee on Human Resources. The hearings were as follows:

The Subcommittee on Human Resources held a hearing on October 5, 1999, to receive comments on the Fathers Count Act of 1999 (later introduced as H.R. 3073), the bipartisan legislation written by Chairman Nancy Johnson and ranking member Rep. Ben Cardin. Testimony at the hearing was presented by scholars, program administrators, foundation executives, and Members of the U.S. House of Representatives and the U.S. Senate. The Subcommittee also conducted hearings on April 27, 1999 and July 30, 1998 on fatherhood programs, which included testimony from the Administration, researchers, advocates, individuals who have designed and conducted programs for low-income fathers, and young fathers whose children are on welfare.

B. SUMMARY OF FINDINGS AND RECOMMENDATIONS OF THE GOVERNMENT REFORM AND OVERSIGHT COMMITTEE

In compliance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee states that no oversight

findings or recommendations have been submitted to the Committee on Government Reform and Oversight regarding the subject of the bill.

C. CONSTITUTIONAL AUTHORITY STATEMENT

In compliance with clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, relating to Constitutional Authority, the Committee states that the Committee's action in reporting the bill is derived from Article I of the Constitution, Section 8 ("The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and to provide for * * * the general Welfare of the United States * * *").

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE IV OF THE SOCIAL SECURITY ACT

* * * * *

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

* * * * *

SEC. 403. GRANTS TO STATES.

(a) GRANTS.—

(1) FAMILY ASSISTANCE GRANT.—

(A) * * *

* * * * *

(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 such sums as are necessary for grants under this paragraph, and for fiscal years 2000 through 2006, such sums as are necessary to carry out section 403A.

* * * * *

(5) WELFARE-TO-WORK GRANTS.—

(A) FORMULA GRANTS.—

(i) ENTITLEMENT.—A State shall be entitled to receive from the Secretary of Labor a grant for each fiscal year specified in subparagraph [(I)] (H) of this paragraph for which the State is a welfare-to-work State, in an amount that does not exceed the lesser of—

(I) * * *

* * * * *

(ii) WELFARE-TO-WORK STATE.—A State shall be considered a welfare-to-work State for a fiscal year for purposes of this paragraph if the Secretary of Labor determines that the State meets the following requirements:

(I) The State has submitted to the Secretary of Labor and the Secretary of Health and Human Services (in the form of an addendum to the State plan submitted under section 402) a plan which—

(aa) * * *

* * * * *

(dd) contains assurances by the Governor of the State that the private industry council (and any alternate agency designated by the Governor under item (ee)) for a service delivery area in the State will coordinate the expenditure of any funds provided under this subparagraph for the benefit of the service delivery area with the expenditure of the funds provided to the State under section 403(a)(1); **[and]**

(ee) if the Governor of the State desires to have an agency other than a private industry council administer the funds provided under this subparagraph for the benefit of 1 or more service delivery areas in the State, contains an application to the Secretary of Labor for a waiver of clause (vii)(I) with respect to the area or areas in order to permit an alternate agency designated by the Governor to so administer the funds**【.】**; and

(ff) describes how the State will ensure that a private industry council to which information is disclosed pursuant to section 403(a)(5)(K) or 454A(f)(5) has procedures for safeguarding the information and for ensuring that the information is used solely for the purpose described in that section.

* * * * *

(iv) AVAILABLE AMOUNT.—As used in this subparagraph, the term “available amount” means, for a fiscal year, the sum of—

(I) 75 percent of the sum of—

(aa) the amount specified in subparagraph **【(I)】** (H) for the fiscal year, minus the total of the amounts reserved pursuant to subparagraphs (E), (F), **【(G), and (H)】** and (G) for the fiscal year; and

(bb) any amount reserved pursuant to subparagraph **【(F)】** (E) for the immediately pre-

ceding fiscal year that has not been obligated;
and

* * * * *

(B) COMPETITIVE GRANTS.—

(i) * * *

* * * * *

(v) FUNDING.—For grants under this subparagraph for each fiscal year specified in subparagraph [(I)] (H), there shall be available to the Secretary of Labor an amount equal to the sum of—

(I) 25 percent of the sum of—

(aa) the amount specified in subparagraph [(I)] (H) for the fiscal year, minus the total of the amounts reserved pursuant to subparagraphs (E), (F), [(G), and (H)] and (G) for the fiscal year; and

(bb) any amount reserved pursuant to subparagraph [(F)] (E) for the immediately preceding fiscal year that has not been obligated; and

(II) any amount available for grants under this subparagraph for the immediately preceding fiscal year that has not been obligated.

(C) LIMITATIONS ON USE OF FUNDS.—

(i) ALLOWABLE ACTIVITIES.—An entity to which funds are provided under this paragraph shall use the funds to move individuals into and keep individuals in lasting unsubsidized employment by means of any of the following:

(I) * * *

* * * * *

(IV) Contracts with public or private providers of readiness, placement, and post-employment services, or if the entity is not a private industry council or workforce investment board, the direct provision of such services.

* * * * *

(VII) Not more than 6 months of vocational educational training.

Contracts or vouchers for job placement services supported by such funds must require that at least 1/2 of the payment occur after an eligible individual placed into the workforce has been in the workforce for 6 months.

(ii) [REQUIRED BENEFICIARIES] HARD-TO-EMPLOY RECIPIENTS.—An entity that operates a project with funds provided under this paragraph [shall expend at least 70 percent of all] may expend funds provided to the project for the benefit of recipients of assistance under the program funded under this part of the State in which the entity is located[, or for the benefit of

noncustodial parents,] who meet the requirements of each of the following subclauses:

(I) [At least 2] Any of the following [apply] applies to the recipient [or the noncustodial parent]:

(aa) The individual has not completed secondary school or obtained a certificate of general equivalency[, and has low skills in reading or mathematics].

* * * * *

(dd) The individual has English reading, writing, or computing skills at or below the 8th grade level, or limited proficiency in written or spoken English.

(ee) The individual is homeless.

(ff) The individual has a disability.

(gg) The individual has been a victim of domestic violence.

(II) The recipient [or the minor children of the non-custodial parent]—

(aa) * * *

* * * * *

(iii) NONCUSTODIAL PARENTS.—An entity that operates a project with funds provided under this paragraph may use the funds to provide services in a form described in clause (i) to noncustodial parents with respect to whom the requirements of the following subclauses are met:

(I) The noncustodial parent is unemployed, underemployed, or having difficulty in paying child support obligations.

(II) At least 1 of the following applies to a minor child of the noncustodial parent (with preference in the determination of the noncustodial parents to be provided services under this paragraph to be provided by the entity to those noncustodial parents with minor children who meet, or who have custodial parents who meet, the requirements of item (aa)):

(aa) The minor child or the custodial parent of the minor child meets the requirements of clause (ii)(II).

(bb) The minor child is eligible for, or is receiving, benefits under the program funded under this part.

(cc) The minor child received benefits under the program funded under this part in the 12-month period preceding the date of the determination but no longer receives such benefits.

(dd) The minor child is eligible for, or is receiving, assistance under the Food Stamp Act of 1977, benefits under the supplemental security income program under title XVI of this Act, medical assistance under title XIX of this

Act, or child health assistance under title XXI of this Act.

(III) *In the case of a noncustodial parent who becomes enrolled in the project on or after the date of the enactment of this clause, the noncustodial parent is in compliance with the terms of an oral or written personal responsibility contract entered into among the noncustodial parent, the entity, and (unless the entity demonstrates to the Secretary that the entity is not capable of coordinating with such agency) the agency responsible for administering the State plan under part D, which was developed taking into account the employment and child support status of the noncustodial parent, which was entered into not later than 30 (or, at the option of the entity, not later than 90) days after the noncustodial parent was enrolled in the project, and which, at a minimum, includes the following:*

(aa) *A commitment by the noncustodial parent to cooperate, at the earliest opportunity, in the establishment of the paternity of the minor child, through voluntary acknowledgement or other procedures, and in the establishment of a child support order.*

(bb) *A commitment by the noncustodial parent to cooperate in the payment of child support for the minor child, which may include a modification of an existing support order to take into account the ability of the noncustodial parent to pay such support and the participation of such parent in the project.*

(cc) *A commitment by the noncustodial parent to participate in employment or related activities that will enable the noncustodial parent to make regular child support payments, and if the noncustodial parent has not attained 20 years of age, such related activities may include completion of high school, a general equivalency degree, or other education directly related to employment.*

(dd) *A description of the services to be provided under this paragraph, and a commitment by the noncustodial parent to participate in such services, that are designed to assist the noncustodial parent obtain and retain employment, increase earnings, and enhance the financial and emotional contributions to the well-being of the minor child.*

In order to protect custodial parents and children who may be at risk of domestic violence, the preceding provisions of this subclause shall not be construed to affect any other provision of law requiring a custodial parent to cooperate in estab-

lishing the paternity of a child or establishing or enforcing a support order with respect to a child, or entitling a custodial parent to refuse, for good cause, to provide such cooperation as a condition of assistance or benefit under any program, shall not be construed to require such cooperation by the custodial parent as a condition of participation of either parent in the program authorized under this paragraph, and shall not be construed to require a custodial parent to cooperate with or participate in any activity under this clause. The entity operating a project under this clause with funds provided under this paragraph shall consult with domestic violence prevention and intervention organizations in the development of the project.

[(iii)] *(iv) TARGETING OF HARD-TO-EMPLOY INDIVIDUALS WITH CHARACTERISTICS ASSOCIATED WITH LONG-TERM WELFARE DEPENDENCE.—An entity that operates a project with funds provided under this paragraph may expend not more than 30 percent of all funds provided to the project for programs that provide assistance in a form described in clause (i)—*

(I) * * *

[(II) to individuals—

[(aa) who are noncustodial parents of minors whose custodial parent is such a recipient; and

[(bb) who have such characteristics.]

(II) to children—

(aa) who have attained 18 years of age but not 25 years of age; and

(bb) who, before attaining 18 years of age, were recipients of foster care maintenance payments (as defined in section 475(4)) under part E or were in foster care under the responsibility of a State.

To the extent that the entity does not expend such funds in accordance with the preceding sentence, the entity shall expend such funds in accordance with **[clause (ii)] clauses (ii) and (iii) and, as appropriate, clauses (v) and (vi).**

[(iv)] *(v) AUTHORITY TO PROVIDE WORK-RELATED SERVICES TO INDIVIDUALS WHO HAVE REACHED THE 5 YEAR LIMIT.—An entity that operates a project with funds provided under this paragraph may use the funds to provide assistance in a form described in clause (i) of this subparagraph to, or for the benefit of, individuals who (but for section 408(a)(7)) would be eligible for assistance under the program funded under this part of the State in which the entity is located.*

(vi) CUSTODIAL PARENTS WITH INCOME BELOW POVERTY LINE WHO ARE NOT ON WELFARE.—An entity that operates a project with funds provided under this para-

graph may use the funds to provide assistance in a form described in clause (i) to custodial parents—

(I) whose income is less than 100 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved); and

(II) who are not otherwise recipients of assistance under a State program funded under this part.

[(v)] (vii) RELATIONSHIP TO OTHER PROVISIONS OF THIS PART.—

(I) RULES GOVERNING USE OF FUNDS.—The rules of section 404, other than subsections (b), (f), and (h) of section 404, shall not apply to a grant made under this paragraph.

(II) RULES GOVERNING PAYMENTS TO STATES.—The Secretary of Labor shall carry out the functions otherwise assigned by section 405 to the Secretary of Health and Human Services with respect to the grants payable under this paragraph.

(III) ADMINISTRATION.—Section 416 shall not apply to the programs under this paragraph.

[(vi)] (viii) PROHIBITION AGAINST USE OF GRANT FUNDS FOR ANY OTHER FUND MATCHING REQUIREMENT.—An entity to which funds are provided under this paragraph shall not use any part of the funds, nor any part of State expenditures made to match the funds, to fulfill any obligation of any State, political subdivision, or private industry council to contribute funds under section 403(b) or 418 or any other provision of this Act or other Federal law.

[(vii)] (ix) DEADLINE FOR EXPENDITURE.—An entity to which funds are provided under this paragraph shall remit to the Secretary of Labor any part of the funds that are not expended within 3 years after the date the funds are so provided.

[(viii)] (x) REGULATIONS.—Within 90 days after the date of the enactment of this paragraph, the Secretary of Labor, after consultation with the Secretary of Health and Human Services and the Secretary of Housing and Urban Development, shall prescribe such regulations as may be necessary to implement this paragraph.

(xi) REPORTING REQUIREMENTS.—*The Secretary of Labor, in consultation with the Secretary of Health and Human Services, States, and organizations that represent State or local governments, shall establish requirements for the collection and maintenance of financial and participant information and the reporting of such information by entities carrying out activities under this paragraph.*

* * * * *

[(E) SET-ASIDE FOR SUCCESSFUL PERFORMANCE BONUS.—

[(i) IN GENERAL.—The Secretary of Labor shall make a grant in accordance with this subparagraph to each successful performance State in fiscal year 2000.

[(ii) AMOUNT OF GRANT.—The Secretary of Labor shall determine the amount of the grant payable under this subparagraph to a successful performance State, which shall be based on the score assigned to the State under clause (iv)(I)(aa) for such prior period as the Secretary of Labor deems appropriate.

[(iii) FORMULA FOR MEASURING STATE PERFORMANCE.—Not later than 1 year after the date of the enactment of this paragraph, the Secretary of Labor, in consultation with the Secretary of Health and Human Services, the National Governors' Association, and the American Public Welfare Association, shall develop a formula for measuring—

[(I) the success of States in placing individuals in private sector employment or in any kind of employment, through programs operated with funds provided under subparagraph (A);

[(II) the duration of such placements;

[(III) any increase in the earnings of such individuals; and

[(IV) such other factors as the Secretary of Labor deems appropriate concerning the activities of the States with respect to such individuals.

The formula may take into account general economic conditions on a State-by-State basis.

[(iv) SCORING OF STATE PERFORMANCE; SETTING OF PERFORMANCE THRESHOLDS.—

[(I) IN GENERAL.—The Secretary of Labor shall—

[(aa) use the formula developed under clause (iii) to assign a score to each State that was a welfare-to-work State for fiscal years 1998 and 1999; and

[(bb) prescribe a performance threshold in such a manner so as to ensure that the total amount of grants to be made under this paragraph equals \$100,000,000.

[(II) AVAILABILITY OF WELFARE-TO-WORK DATA SUBMITTED TO THE SECRETARY OF HHS.—The Secretary of Health and Human Services shall provide the Secretary of Labor with the data reported by States under this part with respect to programs operated with funds provided under subparagraph (A).

[(v) SUCCESSFUL PERFORMANCE STATE DEFINED.—As used in this subparagraph, the term “successful performance State” means a State whose score assigned pursuant to clause (iv)(I)(aa) equals or exceeds the performance threshold prescribed under clause (iv)(I)(bb).

[(vi) SET-ASIDE.—\$100,000,000 of the amount specified in subparagraph (I) for fiscal year 1999 shall be reserved for grants under this subparagraph.]

[(F) (E) FUNDING FOR INDIAN TRIBES.—1 percent of the amount specified in subparagraph [(I)] (H) for fiscal year 1998 and of the amount so specified for fiscal year 1999 shall be reserved for grants to Indian tribes under section 412(a)(3).

[(G) (F) FUNDING FOR EVALUATIONS OF WELFARE-TO-WORK PROGRAMS.—0.6 percent of the amount specified in subparagraph [(I)] (H) for fiscal year 1998 and of the amount so specified for fiscal year 1999 shall be reserved for use by the Secretary to carry out section 413(j).

[(H) (G) FUNDING FOR EVALUATION OF ABSTINENCE EDUCATION PROGRAMS.—

(i) IN GENERAL.—0.2 percent of the amount specified in subparagraph (I) for fiscal year 1998 and of the amount so specified for fiscal year 1999 shall be reserved for use by the Secretary to evaluate programs under section 510, directly or through grants, contracts, or interagency agreements.

(ii) AUTHORITY TO USE FUNDS FOR EVALUATIONS OF WELFARE-TO-WORK PROGRAMS.—Any such amount not required for such evaluations shall be available for use by the Secretary to carry out section 413(j).

(iii) DEADLINE FOR OUTLAYS.—Outlays from funds used pursuant to clause (i) for evaluation of programs under section 510 shall not be made after fiscal year [2001] 2005.

(iv) INTERIM REPORT.—*Not later than January 1, 2002, the Secretary shall submit to the Congress a interim report on the evaluations referred to in clause (i).*

[(I) (H) APPROPRIATIONS.—

(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated [\$1,500,000,000 for each of fiscal years 1998 and 1999 for grants under this paragraph.] *for grants under this paragraph—*

(I) \$1,500,000,000 for fiscal year 1998; and

(II) \$1,400,000,000 for fiscal year 1999.

(ii) AVAILABILITY.—The amounts made available pursuant to clause (i) shall remain available for such period as is necessary to make the grants provided for in this paragraph.

[(J) (I) WORKER PROTECTIONS.—

(i) NONDISPLACEMENT IN WORK ACTIVITIES.—

(I) * * *

* * * * *

(J) INFORMATION DISCLOSURE.—*If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from fur-*

nishing to a private industry council the names, addresses, telephone numbers, and identifying case number information in the State program funded under this part, of non-custodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under this paragraph.

* * * * *

SEC. 403A. FATHERHOOD PROGRAMS.

(a) *PURPOSE.*—The purpose of this section is to make grants available to public and private entities for projects designed to—

(1) promote marriage through counseling, mentoring, disseminating information about the advantages of marriage, enhancing relationship skills, teaching how to control aggressive behavior, and other methods;

(2) promote successful parenting through counseling, mentoring, disseminating information about good parenting practices including family planning, training parents in money management, encouraging child support payments, encouraging regular visitation between fathers and their children, and other methods; and

(3) help fathers and their families avoid or leave cash welfare provided by the program under part A and improve their economic status by providing work first services, job search, job training, subsidized employment, career-advancing education, job retention, job enhancement, and other methods.

(b) *FATHERHOOD GRANTS.*—

(1) *APPLICATIONS.*—An entity desiring a grant to carry out a project described in subsection (a) may submit to the Secretary an application that contains the following:

(A) A description of the project and how the project will be carried out.

(B) A description of how the project will address all 3 of the purposes of this section.

(C) A written commitment by the entity that the project will allow an individual to participate in the project only if the individual is—

(i) a father of a child who is, or within the past 24 months has been, a recipient of assistance or services under a State program funded under this part;

(ii) a father, including an expectant or married father, whose income (net of court-ordered child support) is less than 150 percent of the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section, applicable to a family of the size involved); or

(iii) a parent referred to in paragraph (3)(A)(iii).

(D) A written commitment by the entity that the entity will provide for the project, from funds obtained from non-Federal sources, amounts (including in-kind contributions) equal in value to—

(i) 20 percent of the amount of any grant made to the entity under this subsection; or

(ii) such lesser percentage as the Secretary deems appropriate (which shall be not less than 10 percent) of such amount, if the application demonstrates that there are circumstances that limit the ability of the entity to raise funds or obtain resources.

(2) CONSIDERATION OF APPLICATIONS BY INTERAGENCY PANELS.—

(A) FIRST PANEL.—

(i) ESTABLISHMENT.—There is established a panel to be known as the “Fatherhood Grants Recommendations Panel” (in this subparagraph referred to as the “Panel”).

(ii) MEMBERSHIP.—

(I) IN GENERAL.—The Panel shall be composed of 10 members, as follows:

(aa) 2 members of the Panel shall be appointed by the Secretary.

(bb) 2 members of the Panel shall be appointed by the Secretary of Labor.

(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives.

(dd) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives.

(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Finance of the Senate.

(ff) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Finance of the Senate.

(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2000.

(iii) DUTIES.—

(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

(II) TIMING.—The Panel shall make such recommendations not later than September 1, 2000.

(iv) *TERM OF OFFICE.*—Each member appointed to the Panel shall serve for the life of the Panel.

(v) *PROHIBITION ON COMPENSATION.*—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

(vi) *TRAVEL EXPENSES.*—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(vii) *MEETINGS.*—The Panel shall meet as often as is necessary to complete the business of the Panel.

(viii) *CHAIRPERSON.*—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

(ix) *STAFF OF FEDERAL AGENCIES.*—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

(x) *OBTAINING OFFICIAL DATA.*—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this subparagraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

(xi) *MAILS.*—The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(xii) *TERMINATION.*—The Panel shall terminate on September 1, 2000.

(B) SECOND PANEL.—

(i) *ESTABLISHMENT.*—Effective January 1, 2001, there is established a panel to be known as the “Fatherhood Grants Recommendations Panel” (in this subparagraph referred to as the “Panel”).

(ii) *MEMBERSHIP.*—

(I) *IN GENERAL.*—The Panel shall be composed of 10 members, as follows:

(aa) 2 members of the Panel shall be appointed by the Secretary.

(bb) 2 members of the Panel shall be appointed by the Secretary of Labor.

(cc) 2 members of the Panel shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives.

(dd) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Ways and Means of the House of Representatives.

(ee) 2 members of the Panel shall be appointed by the Chairman of the Committee on Finance of the Senate.

(ff) 1 member of the Panel shall be appointed by the ranking minority member of the Committee on Finance of the Senate.

(II) CONFLICTS OF INTEREST.—An individual shall not be eligible to serve on the Panel if such service would pose a conflict of interest for the individual.

(III) TIMING OF APPOINTMENTS.—The appointment of members to the Panel shall be completed not later than March 1, 2001.

(iii) DUTIES.—

(I) REVIEW AND MAKE RECOMMENDATIONS ON PROJECT APPLICATIONS.—The Panel shall review all applications submitted pursuant to paragraph (1), and make recommendations to the Secretary regarding which applicants should be awarded grants under this subsection, with due regard for the provisions of paragraph (3), but shall not recommend that a project be awarded such a grant if the application describing the project does not attempt to meet the requirement of paragraph (1)(B).

(II) TIMING.—The Panel shall make such recommendations not later than September 1, 2001.

(iv) TERM OF OFFICE.—Each member appointed to the Panel shall serve for the life of the Panel.

(v) PROHIBITION ON COMPENSATION.—Members of the Panel may not receive pay, allowances, or benefits by reason of their service on the Panel.

(vi) TRAVEL EXPENSES.—Each member of the Panel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(vii) MEETINGS.—The Panel shall meet as often as is necessary to complete the business of the Panel.

(viii) CHAIRPERSON.—The Chairperson of the Panel shall be designated by the Secretary at the time of appointment.

(ix) STAFF OF FEDERAL AGENCIES.—The Secretary may detail any personnel of the Department of Health and Human Services and the Secretary of Labor may detail any personnel of the Department of Labor to the Panel to assist the Panel in carrying out its duties under this subparagraph.

(x) OBTAINING OFFICIAL DATA.—The Panel may secure directly from any department or agency of the United States information necessary to enable it to carry out this subparagraph. On request of the Chairperson of the Panel, the head of the department or agency shall furnish that information to the Panel.

(xi) MAILS.—The Panel may use the United States mails in the same manner and under the same condi-

tions as other departments and agencies of the United States.

(xii) *TERMINATION.*—The Panel shall terminate on September 1, 2001.

(3) *MATCHING GRANTS.*—

(A) *GRANT AWARDS.*—

(i) *IN GENERAL.*—The Secretary shall award matching grants, on a competitive basis, among entities submitting applications therefor which meet the requirements of paragraph (1), in amounts that take into account the written commitments referred to in paragraph (1)(D).

(ii) *TIMING.*—

(I) *FIRST ROUND.*—On October 1, 2000, the Secretary shall award not more than \$70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(A)(iii)(I).

(II) *SECOND ROUND.*—On October 1, 2001, the Secretary shall award not more than \$70,000,000 in matching grants after considering the recommendations submitted pursuant to paragraph (2)(B)(iii)(I).

(iii) *NONDISCRIMINATION.*—The provisions of this section shall be applied and administered so as to ensure that mothers, expectant mothers, and married mothers are eligible for benefits and services under projects awarded grants under this section on the same basis as fathers, expectant fathers, and married fathers.

(B) *PREFERENCES.*—In determining which entities to which to award grants under this subsection, the Secretary shall give preference to an entity—

(i) to the extent that the application submitted by the entity describes actions that the entity will take that are designed to encourage or facilitate the payment of child support, including but not limited to—

(I) obtaining agreements with the State in which the project will be carried out under which the State will exercise its authority under the last sentence of section 457(a)(2)(B)(iv) in every case in which such authority may be exercised;

(II) obtaining a written commitment by the agency responsible for administering the State plan approved under part D for the State in which the project is to be carried out that the State will voluntarily cancel child support arrearages owed to the State by the father as a result of the father providing various supports to the family such as maintaining a regular child support payment schedule or living with his children; and

(III) obtaining a written commitment by the entity that the entity will help participating fathers who cooperate with the agency in improving their credit rating;

(ii) to the extent that the application includes written agreements of cooperation with other private and governmental agencies, including the State or local program funded under this part, the local Workforce Investment Board, the State or local program funded under part D, and the State or local program funded under part E, which should include a description of the services each such agency will provide to fathers participating in the project described in the application;

(iii) to the extent that the application describes a project that will enroll a high percentage of project participants within 6 months before or after the birth of the child; or

(iv) to the extent that the application sets forth clear and practical methods by which fathers will be recruited to participate in the project.

(C) **MINIMUM PERCENTAGE OF RECIPIENTS OF GRANT FUNDS TO BE NONGOVERNMENTAL (INCLUDING FAITH-BASED) ORGANIZATIONS.**—Not less than 75 percent of the entities awarded grants under this subsection in each fiscal year (other than entities awarded such grants pursuant to the preferences required by subparagraph (B)) shall be awarded to—

(i) nongovernmental (including faith-based) organizations; or

(ii) governmental organizations that pass through to organizations referred to in clause (i) at least 50 percent of the amount of the grant.

(D) **DIVERSITY OF PROJECTS.**—

(i) **IN GENERAL.**—In determining which entities to which to award grants under this subsection, the Secretary shall attempt to achieve a balance among entities of differing sizes, entities in differing geographic areas, entities in urban versus rural areas, and entities employing differing methods of achieving the purposes of this section.

(ii) **REPORT TO THE CONGRESS.**—Within 90 days after each award of grants under subclause (I) or (II) of subparagraph (A)(ii), the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a brief report on the diversity of projects selected to receive funds under the grant program. The report shall include a comparison of funding for projects located in urban areas, projects located in suburban areas, and projects located in rural areas.

(E) **PAYMENT OF GRANT IN 4 EQUAL ANNUAL INSTALLMENTS.**—During the fiscal year in which a grant is awarded under this subsection and each of the succeeding 3 fiscal years, the Secretary shall provide to the entity awarded the grant an amount equal to $\frac{1}{4}$ of the amount of the grant.

(4) **USE OF FUNDS.**—

(A) *IN GENERAL.*—Each entity to which a grant is made under this subsection shall use grant funds provided under this subsection in accordance with the application requesting the grant, the requirements of this subsection, and the regulations prescribed under this subsection, and may use the grant funds to support community-wide initiatives to address the purposes of this section.

(B) *NONDISPLACEMENT.*—

(i) *IN GENERAL.*—An adult in a work activity described in section 407(d) which is funded, in whole or in part, by funds provided under this section shall not be employed or assigned—

(I) when any other individual is on layoff from the same or any substantially equivalent job; or

(II) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with such an adult.

(ii) *GRIEVANCE PROCEDURE.*—

(I) *IN GENERAL.*—Complaints alleging violations of clause (i) in a State may be resolved—

(aa) if the State has established a grievance procedure under section 403(a)(5)(J)(iv), pursuant to the grievance procedure; or

(bb) otherwise, pursuant to the grievance procedure established by the State under section 407(f)(3).

(II) *FORFEITURE OF GRANT IF GRIEVANCE PROCEDURE NOT AVAILABLE.*—If a complaint referred to in subclause (I) is made against an entity to which a grant has been made under this section with respect to a project, and the complaint cannot be brought to, or cannot be resolved within 90 days after being brought, by a grievance procedure referred to in subclause (I), then the entity shall immediately return to the Secretary all funds provided to the entity under this section for the project, and the Secretary shall immediately rescind the grant.

(C) *RULE OF CONSTRUCTION.*—This section shall not be construed to require the participation of a father in a project funded under this section to be discontinued by the project on the basis of changed economic circumstances of the father.

(D) *RULE OF CONSTRUCTION ON MARRIAGE.*—This section shall not be construed to authorize the Secretary to define marriage for purposes of this section.

(E) *PENALTY FOR MISUSE OF GRANT FUNDS.*—If the Secretary determines that an entity to which a grant is made under this subsection has used any amount of the grant in violation of subparagraph (A), the Secretary shall require the entity to remit to the Secretary an amount equal to the amount so used, plus all remaining grant funds, and the

entity shall thereafter be ineligible for any grant under this subsection.

(F) *REMITTANCE OF UNUSED GRANT FUNDS.*—Each entity to which a grant is awarded under this subsection shall remit to the Secretary all funds paid under the grant that remain at the end of the 5th fiscal year ending after the initial grant award.

(5) *AUTHORITY OF AGENCIES TO EXCHANGE INFORMATION.*—Each agency administering a program funded under this part or a State plan approved under part D may share the name, address, telephone number, and identifying case number information in the State program funded under this part, of fathers for purposes of assisting in determining the eligibility of fathers to participate in projects receiving grants under this section, and in contacting fathers potentially eligible to participate in the projects, subject to all applicable privacy laws.

(6) *EVALUATION.*—The Secretary, in consultation with the Secretary of Labor, shall, directly or by grant, contract, or interagency agreement, conduct an evaluation of projects funded under this section (other than under subsection (c)(1)). The evaluation shall assess, among other outcomes selected by the Secretary, effects of the projects on marriage, parenting, employment, earnings, and payment of child support. In selecting projects for the evaluation, the Secretary should include projects that, in the Secretary's judgment, are most likely to impact the matters described in the purposes of this section. In conducting the evaluation, random assignment should be used wherever possible.

(7) *REGULATIONS.*—The Secretary shall prescribe such regulations as may be necessary to carry out this subsection.

(8) *LIMITATION ON APPLICABILITY OF OTHER PROVISIONS OF THIS PART.*—Sections 404 through 410 shall not apply to this section or to amounts paid under this section, and shall not be applied to an entity solely by reason of receipt of funds pursuant to this section. A project shall not be considered a State program funded under this part solely by reason of receipt of funds paid under this section.

(9) *FUNDING.*—

(A) *IN GENERAL.*—

(i) *INTERAGENCY PANELS.*—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section for fiscal years 2000 and 2001, a total of \$150,000 shall be made available for the interagency panels established by paragraph (2) of this subsection.

(ii) *GRANTS.*—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section, there shall be made available for grants under this subsection—

(I) \$17,500,000 for fiscal year 2001;

(II) \$35,000,000 for each of fiscal years 2002 through 2004; and

(III) \$17,500,000 for fiscal year 2005.

(iii) *EVALUATION.*—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this sec-

tion for fiscal years 2000 through 2006, a total of \$6,000,000 shall be made available for the evaluation required by paragraph (6) of this subsection.

(B) AVAILABILITY.—

(i) GRANT FUNDS.—The amounts made available pursuant to subparagraph (A)(ii) shall remain available until the end of fiscal year 2005.

(ii) EVALUATION FUNDS.—The amounts made available pursuant to subparagraph (A)(iii) shall remain available until the end of fiscal year 2007.

(c) FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE.—

(1) NATIONAL CLEARINGHOUSE.—The Secretary shall award a \$5,000,000 grant to a nationally recognized, nonprofit fatherhood promotion organization with at least 4 years of experience in designing and disseminating a national public education campaign, including the production and successful placement of television, radio, and print public service announcements which promote the importance of responsible fatherhood, and with at least 4 years experience providing consultation and training to community-based organizations interested in implementing fatherhood outreach, support, or skill development programs with an emphasis on promoting married fatherhood as the ideal, to—

(A) develop, promote, and distribute to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that encourages the appropriate involvement of both parents in the life of any child of the parents, and encourages such organizations to develop or sponsor programs that specifically address the issue of responsible fatherhood and the advantages conferred on children by marriage;

(B) develop a national clearinghouse to assist States, communities, and private entities in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, and making available (through the Internet and by other means) to all interested parties, information regarding media campaigns and fatherhood programs;

(C) develop and distribute materials that are for use by entities described in subparagraph (A) or (B) and that help young adults manage their money, develop the knowledge and skills needed to promote successful marriages, plan for future expenditures and investments, and plan for retirement;

(D) develop and distribute materials that are for use by entities described in subparagraphs (A) and (B) and that list all the sources of public support for education and training that are available to young adults, including government spending programs as well as benefits under Federal and State tax laws.

(2) MULTICITY FATHERHOOD PROJECTS.—

(A) IN GENERAL.—The Secretary shall award a \$5,000,000 grant to each of 2 nationally recognized nonprofit fatherhood promotion organizations which meet the

requirements of subparagraph (B), at least 1 of which organizations meets the requirement of subparagraph (C).

(B) REQUIREMENTS.—The requirements of this subparagraph are the following:

(i) The organization must have several years of experience in designing and conducting programs that meet the purposes described in paragraph (1).

(ii) The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area and in coordinating such programs with local government agencies and private, nonprofit agencies, including State or local agencies responsible for conducting the program under part D and Workforce Investment Boards.

(iii) The organization must submit to the Secretary an application that meets all the conditions applicable to the organization under this section and that provides for projects to be conducted in 3 major metropolitan areas.

(C) USE OF MARRIED COUPLES TO DELIVER SERVICES IN THE INNER CITY.—The requirement of this subparagraph is that the organization has extensive experience in using married couples to deliver program services in the inner city.

(3) PAYMENT OF GRANTS IN 4 EQUAL ANNUAL INSTALLMENTS.—During each of fiscal years 2002 through 2005, the Secretary shall provide to each entity awarded a grant under this subsection an amount equal to 1/4 of the amount of the grant.

(4) FUNDING.—

(A) IN GENERAL.—Of the amounts made available pursuant to section 403(a)(1)(E) to carry out this section, \$3,750,000 shall be made available for grants under this subsection for each of fiscal years 2002 through 2005.

(B) AVAILABILITY.—The amounts made available pursuant to subparagraph (A) shall remain available until the end of fiscal year 2005.

* * * * *

SEC. 409. PENALTIES.

(a) IN GENERAL.—Subject to this section:

(1) * * *

* * * * *

(8) NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

(A) IN GENERAL.—If the Secretary finds, with respect to a State's program under part D, in a fiscal year beginning on or after October 1, 1997—

(i) * * *

* * * * *

(III) on the basis of the results of an audit or audits conducted under section 452(a)(4)(C) that a State failed to substantially comply with 1 or more of the re-

quirements of part D (other than [section 454(24)] paragraph (24), or subparagraph (A) or (B)(i) of paragraph (27), of section 454); and

* * * * *

SEC. 411. DATA COLLECTION AND REPORTING.

(a) QUARTERLY REPORTS BY STATES.—

(1) GENERAL REPORTING REQUIREMENT.—

(A) CONTENTS OF REPORT.—Each eligible State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part (*except for information relating to activities carried out under section 403(a)(5)*):

(i) * * *

* * * * *

SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

(a) GRANTS FOR INDIAN TRIBES.—

(1) * * *

* * * * *

(3) WELFARE-TO-WORK GRANTS.—

(A) IN GENERAL.—The Secretary of Labor shall award a grant in accordance with this paragraph to an Indian tribe for each fiscal year specified in section [403(a)(5)(I)] 403(a)(5)(H) for which the Indian tribe is a welfare-to-work tribe, in such amount as the Secretary of Labor deems appropriate, subject to subparagraph (B) of this paragraph.

* * * * *

(C) LIMITATIONS ON USE OF FUNDS.—

(i) * * *

(ii) WAIVER AUTHORITY.—The Secretary of Labor may waive or modify the application of a provision of section 403(a)(5)(C) (other than clause [(vii)] (ix) thereof) with respect to an Indian tribe to the extent necessary to enable the Indian tribe to operate a more efficient or effective program with the funds provided under this paragraph.

* * * * *

SEC. 414. STUDY BY THE CENSUS BUREAU.

(a) * * *

(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are [appropriated \$10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).] *appropriated—*

- (1) \$10,000,000 for each of fiscal years 1996 through 1999;
- (2) \$12,300,000 for fiscal year 2000;
- (3) \$17,500,000 for fiscal year 2001;
- (4) \$15,500,000 for fiscal year 2002; and

(5) \$4,000,000 for fiscal year 2003.

* * * * *

PART D—CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

* * * * *

DUTIES OF THE SECRETARY

SEC. 452. (a) * * *

* * * * *

(m) *If the Secretary receives a certification by a State agency, in accordance with section 454(32), that an individual who is a non-immigrant alien owes arrearages of child support in an amount exceeding \$5,000, the Secretary may, at the request of the State agency, the Secretary of State, or the Attorney General, or on the Secretary's own initiative, provide such certification to the Secretary of State and the Attorney General information in order to enable them to carry out their responsibilities under sections 212(a)(10) and 235(d) of the Immigration and Nationality Act.*

FEDERAL PARENT LOCATOR SERVICE

SEC. 453. (a) * * *

* * * * *

(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

(1) * * *

* * * * *

(6) *INFORMATION COMPARISONS AND DISCLOSURE FOR ENFORCEMENT OF OBLIGATIONS ON HIGHER EDUCATION ACT LOANS AND GRANTS.—*

(A) *FURNISHING OF INFORMATION BY THE SECRETARY OF EDUCATION.—The Secretary of Education shall furnish to the Secretary, on a quarterly basis or at such less frequent intervals as may be determined by the Secretary of Education, information in the custody of the Secretary of Education for comparison with information in the National Directory of New Hires, in order to obtain the information in such directory with respect to individuals who—*

- (i) *are borrowers of loans made under title IV of the Higher Education Act of 1965 that are in default; or*
- (ii) *owe an obligation to refund an overpayment of a grant awarded under such title.*

(B) *REQUIREMENT TO SEEK MINIMUM INFORMATION NECESSARY.—The Secretary of Education shall seek information pursuant to this section only to the extent essential to improving collection of the debt described in subparagraph (A).*

(C) *DUTIES OF THE SECRETARY.—*

- (i) *INFORMATION COMPARISON; DISCLOSURE TO THE SECRETARY OF EDUCATION.—The Secretary, in cooperation with the Secretary of Education, shall compare information in the National Directory of New Hires with information in the custody of the Secretary of Edu-*

cation, and disclose information in that Directory to the Secretary of Education, in accordance with this paragraph, for the purposes specified in this paragraph.

(i) *CONDITION ON DISCLOSURE.*—The Secretary shall make disclosures in accordance with clause (i) only to the extent that the Secretary determines that such disclosures do not interfere with the effective operation of the program under this part. Support collection under section 466(b) shall be given priority over collection of any defaulted student loan or grant overpayment against the same income.

(D) *USE OF INFORMATION BY THE SECRETARY OF EDUCATION.*—The Secretary of Education may use information resulting from a data match pursuant to this paragraph only—

(i) for the purpose of collection of the debt described in subparagraph (A) owed by an individual whose annualized wage level (determined by taking into consideration information from the National Directory of New Hires) exceeds \$16,000; and

(ii) after removal of personal identifiers, to conduct analyses of student loan defaults.

(E) *DISCLOSURE OF INFORMATION BY THE SECRETARY OF EDUCATION.*—

(i) *DISCLOSURES PERMITTED.*—The Secretary of Education may disclose information resulting from a data match pursuant to this paragraph only to—

(I) a guaranty agency holding a loan made under part B of title IV of the Higher Education Act of 1965 on which the individual is obligated;

(II) a contractor or agent of the guaranty agency described in subclause (I);

(III) a contractor or agent of the Secretary; and

(IV) the Attorney General.

(ii) *PURPOSE OF DISCLOSURE.*—The Secretary of Education may make a disclosure under clause (i) only for the purpose of collection of the debts owed on defaulted student loans, or overpayments of grants, made under title IV of the Higher Education Act of 1965.

(iii) *RESTRICTION ON REDISCLOSURE.*—An entity to which information is disclosed under clause (i) may use or disclose such information only as needed for the purpose of collecting on defaulted student loans, or overpayments of grants, made under title IV of the Higher Education Act of 1965.

(F) *REIMBURSEMENT OF HHS COSTS.*—The Secretary of Education shall reimburse the Secretary, in accordance with subsection (k)(3), for the additional costs incurred by the Secretary in furnishing the information requested under this subparagraph.

(7) *INFORMATION COMPARISONS AND DISCLOSURE TO ASSIST IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.*—

(A) *IN GENERAL.*—If a State agency responsible for the administration of an unemployment compensation program under Federal or State law transmits to the Secretary the name and social security account number of an individual, the Secretary shall, if the information in the National Directory of New Hires indicates that the individual may be employed, disclose to the State agency the name and address of any putative employer of the individual, subject to this paragraph.

(B) *CONDITION ON DISCLOSURE.*—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

(C) *USE OF INFORMATION.*—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).

* * * * *

STATE PLAN FOR CHILD AND SPOUSAL SUPPORT

SEC. 454. A State plan for child and spousal support must—

(1) * * *

* * * * *

(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d) shall be treated as a request by a State;

(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor); **[and]**

(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, or enforce support orders, or to enter support orders in accordance with child support guidelines established or adopted by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all collections pursuant to the functions performed by the tribe or organization to the State agency, or conversely,

by the State agency to the tribe or organization, which shall distribute such collections in accordance with such agreement[.]; and

(34) provide that the State agency will have in effect a procedure for certifying to the Secretary, in such format and accompanied by such supporting documentation as the Secretary may require, determinations for purposes of section 452(m) that nonimmigrant aliens owe arrearages of child support in an amount exceeding \$5,000.

SEC. 454A. AUTOMATED DATA PROCESSING.

(a) * * *

* * * * *

(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

(1) * * *

* * * * *

(5) PRIVATE INDUSTRY COUNCILS RECEIVING WELFARE-TO-WORK GRANTS.—Disclosing to a private industry council (as defined in section 403(a)(5)(D)(ii)) to which funds are provided under section 403(a)(5) the names, addresses, telephone numbers, and identifying case number information in the State program funded under part A, of noncustodial parents residing in the service delivery area of the private industry council, for the purpose of identifying and contacting noncustodial parents regarding participation in the program under section 403(a)(5).

* * * * *

PAYMENTS TO STATES

SEC. 455. (a)(1) * * *

* * * * *

(5)(A)(i) If—

(I) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27), and that the State has made and is continuing to make a good faith effort to so comply; and

(II) the State has submitted to the Secretary, not later than April 1, 2000, a corrective compliance plan that describes how, by when, and at what cost the State will achieve such compliance, which has been approved by the Secretary,

then the Secretary shall not disapprove the State plan under section 454, and the Secretary shall reduce the amount otherwise payable

to the State under paragraph (1)(A) of this subsection for the fiscal year by the penalty amount.

(ii) All failures of a State during a fiscal year to comply with any of the requirements of section 454B shall be considered a single failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27) during the fiscal year for purposes of this paragraph.

(B) In this paragraph:

(i) The term “penalty amount” means, with respect to a failure of a State to comply with subparagraphs (A) and (B)(i) of section 454(27)—

(I) 4 percent of the penalty base, in the case of the 1st fiscal year in which such a failure by the State occurs (regardless of whether a penalty is imposed in that fiscal year under this paragraph with respect to the failure), except as provided in subparagraph (C)(ii) of this paragraph;

(II) 8 percent of the penalty base, in the case of the 2nd such fiscal year;

(III) 16 percent of the penalty base, in the case of the 3rd such fiscal year;

(IV) 25 percent of the penalty base, in the case of the 4th such fiscal year; or

(V) 30 percent of the penalty base, in the case of the 5th or any subsequent such fiscal year.

(ii) The term “penalty base” means, with respect to a failure of a State to comply with subparagraphs (A) and (B)(i) of section 454(27) during a fiscal year, the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the preceding fiscal year.

(C)(i) The Secretary shall waive all penalties imposed against a State under this paragraph for any failure of the State to comply with subparagraphs (A) and (B)(i) of section 454(27) if the Secretary determines that, before April 1, 2000, the State has achieved such compliance.

(ii) If a State with respect to which a reduction is required to be made under this paragraph with respect to a failure to comply with subparagraphs (A) and (B)(i) of section 454(27) achieves such compliance on or after April 1, 2000, and on or before September 30, 2000, then the penalty amount applicable to the State shall be 1 percent of the penalty base with respect to the failure involved.

(D) The Secretary may not impose a penalty under this paragraph against a State for a fiscal year for which the amount otherwise payable to the State under paragraph (1)(A) of this subsection is reduced under paragraph (4) of this subsection for failure to comply with section 454(24)(A).

* * * * *

SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

(a) IN GENERAL.—Subject to subsections (e) and (f), an amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

(1) * * *

* * * * *

(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

(A) * * *

(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

(i) * * *

* * * * *

(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section (*except the last sentence of this clause*), any amount of support collected pursuant to section 464 shall be retained by the State to the extent past-due support has been assigned to the State as a condition of receiving assistance from the State, up to the amount necessary to reimburse the State for amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family. *Notwithstanding the preceding sentences of this clause, if the amount is collected on behalf of a family that includes a child of a participant in a project funded under section 403A and that has ceased to receive cash payments under a State program funded under section 403, then the State may distribute the amount collected pursuant to section 464 to the family, and the aggregate of the amounts otherwise required by this section to be paid by the State to the Federal government shall be reduced by an amount equal to the State share of the amount collected pursuant to section 464 that would otherwise be retained as reimbursement for assistance paid to the family.*

* * * * *

PART E—FEDERAL PAYMENTS FOR FOSTER CARE AND ADOPTION ASSISTANCE

* * * * *

ADOPTION ASSISTANCE PROGRAM

SEC. 473. (a)(1) * * *

* * * * *

(6)(A) * * *

(B) A State's payment of nonrecurring adoption expenses under an adoption assistance agreement shall be treated as an expenditure made for the proper and efficient administration of the State plan for purposes of section **474(a)(3)(E)** *474(a)(3)(F)*.

* * * * *

PAYMENTS TO STATES; ALLOTMENTS TO STATES

SEC. 474. (a) For each quarter beginning after September 30, 1980, each State which has a plan approved under this part shall be entitled to a payment equal to the sum of—

(1) * * *

* * * * *

(3) an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary for the provision of child placement services and for the proper and efficient administration of the State plan—

(A) * * *

* * * * *

(C) 75 percent of so much of such expenditures as are for the short-term training (including cross-training with personnel employed by, or under contract with, the State or local agency administering the plan in the political subdivision, training on topics relevant to the legal representation of clients in proceedings conducted by or under the supervision of an abuse and neglect court, and training on related topics such as child development and the importance of achieving safety, permanency, and well-being for a child) of judges, judicial personnel, law enforcement personnel, agency attorneys, attorneys representing a parent in proceedings conducted by, or under the supervision of, an abuse and neglect court, attorneys representing a child in such proceedings, guardians ad litem, and volunteers who participate in court-appointed special advocate programs, to the extent the training is related to the court's role in expediting adoption procedures, implementing reasonable efforts, and providing for timely permanency planning and case reviews, except that any such training shall be offered by the State or local agency administering the plan, either directly or through contract, in collaboration with the appropriate judicial governing body operating in the State,

[(C)] *(D) 50 percent of so much of such expenditures as are for the planning, design, development, or installation of statewide mechanized data collection and information retrieval systems (including 50 percent of the full amount of expenditures for hardware components for such systems) but only to the extent that such systems—*

(i) * * *

* * * * *

[(D)] *(E) 50 percent of so much of such expenditures as are for the operation of the statewide mechanized data collection and information retrieval systems referred to in subparagraph [(C)] (D); and*

[(E)] *(F) one-half of the remainder of such expenditures; plus*

* * * * *

(c) AUTOMATED DATA COLLECTION EXPENDITURES.—The Secretary shall treat as necessary for the proper and efficient administration of the State plan all expenditures of a State necessary in order for the State to plan, design, develop, install, and operate data collection and information retrieval systems described in subsection [(a)(3)(C)] (a)(3)(D), without regard to whether the systems may be used with respect to foster or adoptive children other than those on behalf of whom foster care maintenance payments or adoption assistance payments may be made under this part.

* * * * *

DEFINITIONS

SEC. 475. As used in this part or part B of this title:

(1) * * *

* * * * *

(8) *The term “abuse and neglect courts” means the State and local courts that carry out State or local laws requiring proceedings (conducted by or under the supervision of the courts)—*

(A) that implement part B or this part, including preliminary disposition of such proceedings;

(B) that determine whether a child was abused or neglected;

(C) that determine the advisability or appropriateness of placement in a family foster home, group home, or a special residential care facility; or

(D) that determine any other legal disposition of a child in the abuse and neglect court system.

(9) *The term “agency attorney” means an attorney or other individual, including any government attorney, district attorney, attorney general, State attorney, county attorney, city solicitor or attorney, corporation counsel, or privately retained special prosecutor, who represents the State or local agency administering the programs under part B and this part in a proceeding conducted by, or under the supervision of, an abuse and neglect court, including a proceeding for termination of parental rights.*

(10) *The term “attorney representing a child” means an attorney or a guardian ad litem who represents a child in a proceeding conducted by, or under the supervision of, an abuse and neglect court.*

(11) *The term “attorney representing a parent” means an attorney who represents a parent who is an official party to a proceeding conducted by, or under the supervision of, an abuse and neglect court.*

* * * * *

**SECTION 104 OF THE PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT OF 1996**

* * * * *

SEC. 104. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) * * *

* * * * *

(1) Notwithstanding the preceding provisions of this section, this section shall apply to any entity to which funds have been provided under section 403A of the Social Security Act in the same manner in which this section applies to States, and, for purposes of this section, any project for which such funds are so provided shall be considered a program described in subsection (a)(2).

* * * * *

SECTION 402 OF THE CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998

* * * * *

SEC. 402. SAFEGUARD OF NEW EMPLOYEE INFORMATION.

(a) PENALTY FOR UNAUTHORIZED ACCESS, DISCLOSURE, OR USE OF INFORMATION.—Section 453(l) of the Social Security Act (42 U.S.C. 653(l)) is amended—

(1) * * *

(2) by adding at the end the following:

“(2) PENALTY FOR MISUSE OF INFORMATION IN THE NATIONAL DIRECTORY OF NEW HIRES.—The Secretary shall require the imposition of an administrative penalty (up to and including dismissal from employment), and a fine of \$1,000, for each act of unauthorized access to, disclosure of, or use of, information in the National Directory of New Hires established under subsection (i) by any officer or employee of the United States or any other person who knowingly and willfully violates this paragraph.”.

* * * * *

TITLE II OF THE IMMIGRATION AND NATIONALITY ACT

* * * * *

TITLE II—IMMIGRATION

* * * * *

CHAPTER 2—QUALIFICATIONS FOR ADMISSION OF ALIENS; TRAVEL CONTROL OF CITIZENS AND ALIENS

* * * * *

GENERAL CLASSES OF ALIENS INELIGIBLE TO RECEIVE VISAS AND INELIGIBLE FOR ADMISSION; WAIVERS OF INADMISSIBILITY

SEC. 212. (a) CLASSES OF ALIENS INELIGIBLE FOR VISAS OR ADMISSION.—Except as otherwise provided in this Act, aliens who are inadmissible under the following paragraphs are ineligible to receive visas and ineligible to be admitted to the United States:

(1) * * *
* * * * *

(10) MISCELLANEOUS.—
(A) * * *

* * * * *

(F) NONPAYMENT OF CHILD SUPPORT.—

(i) *IN GENERAL.*—Any alien is inadmissible who is legally obligated under a judgment, decree, or order to pay child support (as defined in section 459(i) of the Social Security Act), and whose failure to pay such child support has resulted in an arrearage exceeding \$5,000, until child support payments under the judgment, decree, or order are satisfied or the alien is in compliance with an approved payment agreement.

(ii) *WAIVER AUTHORIZED.*—The Attorney General may waive the application of clause (i) in the case of an alien, if the Attorney General—

(I) has received a request for the waiver from the court or administrative agency having jurisdiction over the judgment, decree, or order obligating the alien to pay child support that is referred to in such clause; or

(II) determines that there are prevailing humanitarian or public interest concerns.

* * * * *

CHAPTER 4—INSPECTION, APPREHENSION, EXAMINATION,
EXCLUSION, AND REMOVAL

* * * * *

INSPECTION BY IMMIGRATION OFFICERS; EXPEDITED REMOVAL OF
INADMISSIBLE ARRIVING ALIENS; REFERRAL FOR HEARING

SEC. 235. (a) * * *

* * * * *

(d) AUTHORITY RELATING TO INSPECTIONS.—

(1) * * *

* * * * *

(5) AUTHORITY TO SERVE PROCESS IN CHILD SUPPORT
CASES.—

(A) *IN GENERAL.*—To the extent consistent with State law, immigration officers are authorized to serve on any alien who is an applicant for admission to the United States legal process with respect to any action to enforce or establish a legal obligation of an individual to pay child support (as defined in section 459(i) of the Social Security Act).

(B) *DEFINITION.*—For purposes of subparagraph (A), the term “legal process” means any writ, order, summons or other similar process, which is issued by—

(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States; or

(ii) an authorized official pursuant to an order of such a court or agency or pursuant to State or local law.

