

NLWJC - Kagan

Counsel - Box 038 - Folder 002

Conference Report [Binder] [1]

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IMPLEMENTATION OF 1977 AMENDMENT; SAVINGS PROVISION; AVAILABILITY OF APPROPRIATED FUNDS; REPORT

Section 1303 of Pub. L. 95-113, as amended by Pub. L. 97-375, title I, § 103(a), Dec. 21, 1982, 96 Stat. 1819, provided that:

"(a) The Secretary of Agriculture shall implement the Food Stamp Act of 1977 (this chapter as amended by Pub. L. 95-113) as expeditiously as possible consistent with the efficient and effective administration of the food stamp program. The provisions of the Food Stamp Act of 1964, as amended [this chapter prior to amendment by Pub. L. 95-113], which are relevant to current regulations of the Secretary governing the food stamp program, shall remain in effect until such regulations are revoked, superseded, amended, or modified by regulations issued pursuant to the Food Stamp Act of 1977. Coupons issued pursuant to the Food Stamp Act of 1964, as amended, and in general use as of the effective date of the Food Stamp Act of 1977 (Oct. 1, 1977), shall continue to be usable to purchase food, and all other liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1964, as amended, shall continue in force until finally resolved or terminated by administrative or judicial action, or otherwise.

"(b) Pending proceedings under the Food Stamp Act of 1964, as amended, shall not be abated by reason of any provision of the Food Stamp Act of 1977, but shall be disposed of pursuant to the applicable provisions of the Food Stamp Act of 1964, as amended, in effect prior to the effective date of the Food Stamp Act of 1977 (Oct. 1, 1977).

"(c) Appropriations made available to carry out the Food Stamp Act of 1964, as amended, shall be available to carry out the provisions of the Food Stamp Act of 1977.

"(d) [Repealed. Pub. L. 97-375, title I, § 103(a), Dec. 1, 1982, 96 Stat. 1819.]"

§ 2012. Definitions

As used in this chapter, the term:

(a) "Allotment" means the total value of coupons a household is authorized to receive during each month.

(b) "Authorization card" means the document issued by the State agency to an eligible household which shows the allotment the household is entitled to be issued.

(c) "Certification period" means the period for which households shall be eligible to receive authorization cards. Except as provided in section 2015(c)(1)(C) of this title, for those households that are required to submit periodic reports under section 2015(c)(1) of this title, the certification period shall be at least six months but no longer than twelve months except that the foregoing limits on the certification period may, with the approval of the Secretary, be waived by a State agency for certain categories of households where such waiver will improve the administration of the program. For households that are not required to submit periodic reports, the certification period shall be determined as follows:

(1) In the case of a household all of whose members are included in a federally aided public assistance or general assistance grant, the period shall coincide with the period of such grant.

(2) In the case of all other households, the period shall be not less than three months: Provided, That such period may be up to twelve months for any household consisting entirely of unemployable or elderly or pri-

marily self-employed persons, or as short as circumstances require for those households as to which there is a substantial likelihood of frequent changes in income or household status, and for any household on initial certification, as determined by the Secretary. The maximum limit of twelve months for such period under the foregoing proviso may be waived by the Secretary where such waiver will improve the administration of the program.

(d) "Coupon" means any coupon, stamp, or type of certificate issued pursuant to the provisions of this chapter.

(e) "Coupon issuer" means any office of the State agency or any person, partnership, corporation, organization, political subdivision, or other entity with which a State agency has contracted for, or to which it has delegated functional responsibility in connection with, the issuance of coupons to households.

(f) "Drug addiction or alcoholic treatment and rehabilitation program" means any such program conducted by a private nonprofit organization or institution, or a publicly operated community mental health center, under part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.) to provide treatment that can lead to the rehabilitation of drug addicts or alcoholics.

(g) "Food" means (1) any food or food product for home consumption except alcoholic beverages, tobacco, and hot foods or hot food products ready for immediate consumption other than those authorized pursuant to clauses (3), (4), (5), (7), (8), and (9) of this subsection, (2) seeds and plants for use in gardens to produce food for the personal consumption of the eligible household, (3) in the case of those persons who are sixty years of age or over or who receive supplemental security income benefits or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act [42 U.S.C. 301 et seq., 401 et seq., 1201 et seq., 1351 et seq., 1381 et seq.], and their spouses, meals prepared by and served in senior citizens' centers, apartment buildings occupied primarily by such persons, public or private nonprofit establishments (eating or otherwise) that feed such persons, private establishments that contract with the appropriate agency of the State to offer meals for such persons at concessional prices, and meals prepared for and served to residents of federally subsidized housing for the elderly, (4) in the case of persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise so disabled that they are unable adequately to prepare all of their meals, meals prepared for and delivered to them (and their spouses) at their home by a public or private nonprofit organization or by a private establishment that contracts with the appropriate State agency to perform such services at concessional prices, (5) in the case of narcotics addicts or alcoholics, and their children, served by drug addiction or alcoholic treatment and rehabilitation programs, meals prepared and served under such programs, (6) in the case of certain eligible households living in Alaska, equipment for pro-

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THE WHITE HOUSE

WASHINGTON

August 22, 1996

MEMORANDUM FOR THE SECRETARY OF AGRICULTURE

SUBJECT: Eligibility of Aliens for Food Stamps

Under the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which today I signed into law, aliens receiving food stamps as of the date of enactment will continue to receive benefits until recertification of their eligibility, which shall take place not more than 1 year after enactment of the law. The results of the certification, including decisions as to an individual's immigration classification, veteran status, or work history, will determine whether the individual remains eligible for benefits under the Food Stamp program. Implementation of these new procedures will pose a substantial challenge for all involved Federal and State agencies.

To ensure that eligibility determinations are made fairly, accurately, and effectively, I direct you to take the steps necessary under your authority to permit the State agencies to extend the certification periods of currently participating aliens, provided that no certification period is extended to longer than 12 months, or up to 24 months if all adult household members are elderly or disabled, and provided that in no event shall certifications be extended beyond August 22, 1997.

I further direct you to notify the States of the actions you have taken.

William S. Clinton

Not directly in conflict

Telecon - Chris Shrader 9/4/94

CA - don't have start of an act.

2 diff constraints

Essentially
incl. →

1. 1996 Act 402 - re f.s.

relied on for ED

~~c.p. shall not exceed 12 mos. period~~

2. 7 usc 2012(c) -

(3c)

defines certif period

c.p. shall not exceed 12 mos.

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Then-waiver auth - allowing Secy to waive those for
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3. 8/801 - amending abur

c.p. shall not exceed 12 mos.

no waiver auth part this.

no suggestion that
starting receipts
over. This is not a
stand-alone; it amends
existing program -

Bill doesn't think he has a
start act.

Aug -

not unclear to say
date on which cp
begins is date of

enactment

~~cross~~ but then wouldn't have

needed 402-phase-in.

(says receipts could
be done sometime prior
to that time)

Also - has to revise
directive?

Conf report -
expected p to
go off at various
times during year
depending on when certif
period expires

FROM RANDY

§272.3

(iii) The requirements of paragraph (f)(1)(i)(B) of this section may be waived by FCS provided that:

(A) No different limitation or approval requirement may be imposed; and,

(B) FCS shall not permit a transfer which would cause any Federal appropriation, or part, thereof, to be used for purpose other than those intended.

(2) *Authorized funds exceeding State agency needs.* When it becomes apparent that the funds authorized by the Letter of Credit will exceed the needs of the State agency, FCS will make appropriate adjustments in the Letter of Credit in accordance with part 277.

(3) *Method of requesting approvals.* When requesting approval for budget revisions, State agencies shall use the same format as the Budget Projection Statement used in the previous submission. However, State agencies may request by letter the approvals required by paragraph (f)(1)(i)(D) of this section.

(4) *Notification of approval or disapproval.* Within 30 days from the date of receipt of the request for budget revisions, FCS shall review the request and notify the State agency whether or not the budget revisions have been approved. If the revision is still under consideration at the end of 30 days, FCS shall inform the State agency in writing as to when the decision will be made.

[Amdt. 156, 46 FR 6315, Jan. 21, 1981]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §272.3, see the List of CFR Sections Affected appearing in the Finding Aids section of this volume.

§272.3 Operating guidelines and forms.

(a) *Coverage of operating guidelines.* State agencies shall prepare and provide to staff responsible for administering the Program written operating procedures. In those States which have State regulations that outline these Operating Procedures, these are equivalent to Operating Guidelines. Other examples of Operating Guidelines are manuals, instructions, directives or transmittal memos. The following categories shall be included in the Operating Guidelines:

(1) Certification of households, including but not limited to:

(i) Application processing;
(ii) Nonfinancial eligibility standards;

(iii) Financial criteria and the eligibility determination;

(iv) Actions resulting from eligibility determinations;

(v) Determining eligibility of special situation households as specified in §273.11;

(vi) Additional certification functions such as processing changes during certification periods and reporting requirements for households;

(vii) Lost benefits/claims against households;

(viii) Fair/fraud hearings;

(ix) A list of Federal and State energy assistance programs that qualify for the resource and income exclusions discussed in §273.8(e)(14) and §273.9(c)(11) and how these payments are identified as being eligible for the exemption;

(x) Work registration and employment and training requirements.

(2) Issuance, accountability, and reconciliation;

(3) The Performance Reporting System, including instructions or directives for conducting quality control and management evaluation reviews and the quality control sample plan;

(4) A description of the training program, including a listing of the organizational component which conducts training, to whom and how often training is provided;

(5) The fair/fraud hearing procedures if not included in the Certification Handbook.

(6) The consultation process (where applicable) with the tribal organization of an Indian reservation about the State Plan of Operation and Operating Guidelines in terms of the special needs of members of the tribe and the method to be used for incorporating the comments from the tribal organization into the State Plan of Operations and Operating Guidelines.

(b) *Submittal of operating guidelines and forms.* (1) State agencies shall develop the necessary forms, except the Application for Food Stamps, and other operating guidelines to implement the provisions of the Food Stamp Act and regulations. In accordance with §273.2(b) and §273.12(b)(1) State

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Food and Consumer

agencies shall use Application for Food FCS-approved deviat

(2) State agencies operating guidelines amendments to these for review and audit neous with distrib States.

(3) State agencies FCS review and pro their operating guid any amendments to prior to distribution within the State.

(4) If deficiencies State agency's ma provide the State a notification.

(c) *Waivers.* (1) Th the Food and Consum ty Administrator tion Programs may to deviate from spec visions. Requests f approved only in t tions:

(1) The specific r cannot be impleme dinary temporary s sudden increase in the loss of SSI cash

(ii) FCS determin would result in a m ficient administrat or

(iii) Unique geol conditions within i fective implemen regulatory provisio ternate procedure; of fee agents in many of the duties tification of house ducting the intervi

(2) FCS shall not waivers when:

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(ii) The waiver v rial impairment regulatory rights potential participant

(3) FCS shall a period not to exc the waiver is for a If the waiver is than a year, app shall be required

Food and Consumer Service, USDA

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agencies shall use the FCS-designed Application for Food Stamps or an FCS-approved deviation.

(2) State agencies shall submit their operating guidelines and forms and amendments to these materials to FCS for review and audit purposes simultaneous with distribution within the States.

(3) State agencies may request that FCS review and provide comments on their operating guidelines, forms and any amendments to these materials prior to distribution of the materials within the State.

(4) If deficiencies are discovered in a State agency's materials, FCS shall provide the State agency with written notification.

(c) Waivers. (1) The Administrator of the Food and Consumer Service or Deputy Administrator for Family Nutrition Programs may authorize waivers to deviate from specific regulatory provisions. Requests for waivers may be approved only in the following situations:

(i) The specific regulatory provision cannot be implemented due to extraordinary temporary situations such as a sudden increase in the caseload due to the loss of SSI cash-out status;

(ii) FCS determines that the waiver would result in a more effective and efficient administration of the program; or

(iii) Unique geographic or climatic conditions within a State preclude effective implementation of the specific regulatory provision and require an alternate procedure; for example, the use of fee agents in Alaska to perform many of the duties involved in the certification of households including conducting the interviews.

(2) FCS shall not approve requests for waivers when:

(i) The waiver would be inconsistent with the provisions of the Act; or

(ii) The waiver would result in material impairment of any statutory or regulatory rights of participants or potential participants.

(3) FCS shall approve waivers for a period not to exceed one year unless the waiver is for an on-going situation. If the waiver is requested for longer than a year, appropriate justification shall be required and FCS will deter-

mine if a longer period is warranted and if so, the duration of the waiver. Extensions may be granted provided that States submit appropriate justification as part of the State Plan of Operation.

(4) When submitting requests for waivers, State agencies shall provide compelling justification for the waiver in terms of how the waiver will improve the efficiency and effectiveness of the administration of the Program. At a minimum, requests for waivers shall include but not necessarily be limited to:

(i) Reasons why the waiver is needed;

(ii) The portion of caseload or potential caseload which would be affected and the characteristics of the affected caseload such as geographic, urban, or rural concentration;

(iii) Anticipated impact on service to participants or potential participants who would be affected;

(iv) Anticipated time period for which the waiver is needed; and

(v) Thorough explanation of the proposed alternative provision to be used in lieu of the waived regulatory provision.

(5) Notwithstanding the preceding paragraphs, waivers of the certification period timeframes as described in §272.10(f) may be granted by the Administrator of the Food and Consumer Service or the Deputy Administrator for Family Nutrition Programs as provided in section 3(c) of the Act. Waivers authorized by this paragraph are not subject to the public comment provisions of §272.3(d).

(6) Notwithstanding the preceding paragraphs, waivers may be granted by the Administrator of the Food and Consumer Service or the Deputy Administrator for Family Nutrition Programs as provided in section 5(f) of the Act. Waivers authorized by this paragraph are not subject to the public comment provisions of §272.3(d).

(7) Notwithstanding the preceding paragraphs, waivers may be granted by the Administrator of the Food and Consumer Service or the Deputy Administrator for Family Nutrition Programs as provided in section 6(c) of the Act. Waivers authorized by this paragraph are not subject to the public comment provisions of §272.3(d).

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(vi) A household member who changes jobs but continues to work for the same employer shall be considered as still receiving income from the same source. A migrant farmworker's source of income shall be considered to be the grower for whom the migrant is working at a particular point in time, and not the crew chief. A migrant who travels with the same crew chief but moves from one grower to another shall be considered to have moved from a terminated income source to a new source.

(vii) The above procedures shall apply at initial application and at recertification, but only for the first month of each certification period. At recertification, income from a new source shall be disregarded in the first month of the new certification period if income of more than \$25 will not be received from this new source by the 10th calendar day after the date of the household's normal issuance cycle.

(4) Thrifty Food Plan (TFP) and Maximum Food Stamp Allotments.

(i) Maximum food stamp allotment level. Maximum food stamp allotments shall be based on the TFP as defined in § 271.2, and they shall be uniform by household size throughout the 48 contiguous States and the District of Columbia. The TFP for Hawaii shall be the TFP for the 48 States and DC adjusted for the price of food in Honolulu. The TFPs for urban, rural I, and rural II parts of Alaska shall be the TFP for the 48 States and DC adjusted by the price of food in Anchorage and further adjusted for urban, rural I, and rural II Alaska as defined in § 272.7(c). The TFPs for Guam and the Virgin Islands shall be adjusted for changes in the cost of food in the 48 States and DC, provided that the cost of these TFPs may not exceed the cost of the highest TFP for the 50 States. The TFP amounts and maximum allotments in each area are adjusted annually and will be prescribed in a General Notice published in the FEDERAL REGISTER.

(ii) *Adjustment.* (A) Effective October 1, 1982, the Thrifty Food Plan amounts shall be adjusted to the nearest lower dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers for the cost of food during the twenty-one month period

ending June 30, 1982, less one percent of the adjusted Thrifty Food Plan.

(B) Effective October 1, 1983, and October 1, 1984, the Thrifty Food Plan amounts shall be adjusted to the nearest lower dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers for the cost of food during the twelve month period ending on the preceding June 30, less one percent of the adjusted Thrifty Food Plan.

(C) Effective October 1, 1985, October 1, 1986, and October 1, 1987, the Thrifty Food Plan amounts shall be adjusted to the nearest lower dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers for the cost of food during the twelve month period ending on the preceding June 30.

(D) Effective October 1, 1988, maximum food stamp allotments shall be based on 100.65 percent of the cost of the TFP for the preceding June, rounded to the nearest lower dollar increment.

(E) Effective October 1, 1989, maximum food stamp allotments shall be based on 102.05 percent of the cost of the TFP for the preceding June, rounded to the nearest lower dollar increment.

(F) Effective October 1, 1990 and each October 1, thereafter, maximum food stamp allotments shall be based on 103 percent of the cost of the TFP for the preceding June, rounded to the nearest lower dollar increment.

(g) *Certification periods.* The State agency shall establish a definite period of time within which a household shall be eligible to receive benefits. At the expiration of each certification period, entitlement to food stamp benefits ends. Further eligibility shall be established only upon a recertification based upon a newly completed application, an interview, and verification as required by § 273.2(f). Under no circumstances shall benefits be continued beyond the end of a certification period without a new determination of eligibility.

(i) Certification periods shall conform to calendar months, except where FCS has approved the use of fiscal months. At initial application, the first month in the certification period shall generally be the month of application, even if the household's eligibility is

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not determined until a subsequent month. For example, if a household files an application in January and the application is not processed until February, a 6-month certification period would include January through June. Upon recertification, the certification period will begin with the month following the last month of the previous certification period.

(2) Households consisting of a parent(s) with at least one minor child which are granted separate household status in accordance with §273.1(a)(2)(1)(C) or (D) shall be assigned a certification period not to exceed six months.

(3) Households in which all members are contained in a single PA grant, or in a single GA grant where GA and food stamp applications are processed jointly in accordance with §273.2(j), should have their food stamp recertifications, to the extent possible, at the same time they are redetermined for PA/GA. State agencies shall assign these households certification periods in accordance with this section. If such households do have their food stamp recertifications scheduled for the same time as their PA/GA redetermination, and the PA/GA redeterminations are not completed timely, the State agency shall ensure that the food stamp recertifications are timely completed. In no event shall food stamp benefits be continued beyond the end of a certification period.

(4) Households shall be assigned the longest certification periods possible based on the predictability of the household's circumstances. Households shall be certified for at least 3 months, except as follows:

(i) Households eligible for a certification period of 3 months or less shall, at the time of certification, have their certification periods increased by 1 month, if the certification process is completed after the 15th day of the month of application and the household's circumstances warrant the longer certification period. For example, if a household which is eligible for a 3-month certification period makes application in June and is not certified until late June or early July, the certification period would include June through September.

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(ii) Households shall be certified for 1 or 2 months, as appropriate, when the household cannot reasonably predict what its circumstances will be in the near future, or when there is a substantial likelihood of frequent and significant changes in income or household status; for example, day laborers and migrant workers if income is uncertain and subject to large fluctuations during the work season due to the uncertainty of continuous employment or due to bad weather and other circumstances.

(iii) If a State agency opts to effect the Social Security/SSI cost-of-living increase through the process of recertification, the affected cases shall be assigned certification periods that ensure that they are due for recertification in accordance with §273.12(e)(3)(ii). Households entitled to a certification period of up to 12 months as discussed in paragraph (f)(5) of this section shall, on a one-time basis, be certified for less than a year in order to comply with this provision.

(5) Households shall be certified for up to 6 months if there is little likelihood of changes in income and household status; for example, households with a stable income record and for which major changes in income, deductions, or composition are not anticipated.

(6) Households consisting entirely of unemployable or elderly persons with very stable income shall be certified for up to 12 months provided other household circumstances are expected to remain stable; for example, social security recipients, SSI recipients and persons who receive pensions or disability payments.

(7) Households whose primary source of income is from self-employment (including self-employed farmers) or from regular farm employment with the same employer shall be certified for up to 12 months, provided income can be readily predicted and household circumstances are not likely to change. Annual certification periods may be assigned to farmworkers who are provided their annual salaries on a scheduled monthly basis which does not change as the amount of work changes.

(8) Households required to submit monthly reports in accordance with

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§273.21(b) shall be certified for less than six months and no more than 12 months. The limit of 12 months shall be waived for these households if the State agency can demonstrate that such a waiver would result in a certification period of less than six months minimum for households subject to more than monthly reporting. If a State agency can demonstrate that a waiver would result in a certification period of less than six months minimum for households subject to more than monthly reporting, the State agency shall provide the following information:

(g) Certification notice
(1) Initial applications. shall provide applicants following written notice of determination is made within 30 days after the initial application:

(i) Notice of eligibility. If certification is approved, the State agency shall provide the household with notice of the amount and the beginning date of the certification. The household shall also be notified of changes in the benefit schedule anticipated at the time of certification. If the household receives benefits for both the current certification period and the current certification period, the notice shall include the initial allotment for the first month's benefits, and the amount of the monthly allotment for the remainder of the certification period. The notice shall also advise the household of its right to a telephone number of the State agency (a toll-free number where collect calls will be made for households outside the area), and, if possible, the person to contact for information. If there is an organization available to provide legal representation, the State agency shall also advise the household of the availability of the services. The notice may also include a reminder of the household's obligation to report changes in circumstances and the need to reapply for certification at the end of the certification period. Other information that would be useful to the household shall also be included.

a spouse or a parent of the alien (without the active participation of the alien in the battery or cruelty); or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, and the alien did not actively participate in such battery or cruelty, but only if (in the opinion of the Attorney General, which opinion is not subject to review by any court) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) who meets the requirement of clause (ii) of subparagraph (A).

This subsection shall not apply to an alien during any period in which the individual responsible for such battery or cruelty resides in the same household or family eligibility unit as the individual subjected to such battery or cruelty.

SEC. 502. PILOT PROGRAMS ON LIMITING ISSUANCE OF DRIVER'S LICENSES TO ILLEGAL ALIENS.

(a) **IN GENERAL.**—Pursuant to guidelines prescribed by the Attorney General not later than 6 months after the date of the enactment of this Act, all States may conduct pilot programs within their State to determine the viability, advisability, and cost-effectiveness of the State's denying driver's licenses to aliens who are not lawfully present in the United States. Under a pilot program a State may deny a driver's license to aliens who are not lawfully present in the United States. Such program shall be conducted in cooperation with relevant State and local authorities.

(b) **REPORT.**—Not later than 3 years after the date of the enactment of this Act, the Attorney General shall submit a report to the Judiciary Committees of the House of Representatives and of the Senate on the results of the pilot programs conducted under subsection (a).

SEC. 503. INELIGIBILITY OF ALIENS NOT LAWFULLY PRESENT FOR SOCIAL SECURITY BENEFITS.

(a) **IN GENERAL.**—Section 202 of the Social Security Act (42 U.S.C. 402) is amended by adding at the end the following new subsection:

Limitation on Payments to Aliens

(y) Notwithstanding any other provision of law, no monthly benefit under this title shall be payable to any alien in the United States for any month during which such alien is not lawfully present in the United States as determined by the Attorney General.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to benefits for which applications are filed on or after the first day of the first month that begins at least 60 days after the date of the enactment of this Act.

SEC. 504. PROCEDURES FOR REQUIRING PROOF OF CITIZENSHIP FOR FEDERAL PUBLIC BENEFITS.

Section 432(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642) is amended

(1) by inserting "(1)" after the dash, and

(2) by adding at the end the following:

(2) Not later than 18 months after the date of the enactment of this Act, the Attorney General, in consultation with the Secretary of Health and Human Services, shall also establish procedures for a person applying for a Federal public benefit (as defined in section 401(c)) to provide proof of citizenship in a fair and nondiscriminatory manner.

SEC. 505. LIMITATION ON ELIGIBILITY FOR PREFERENTIAL TREATMENT OF ALIENS NOT LAWFULLY PRESENT ON BASIS OF RESIDENCE FOR HIGHER EDUCATION BENEFITS.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, an alien who is not lawfully present in the United States shall not be eligible on the basis of residence within a State (or a political subdivision) for any postsecondary edu-

cation benefit unless a citizen or national of the United States is eligible for such a benefit (in no less an amount, duration, and scope) without regard to whether the citizen or national is such a resident.

(b) **EFFECTIVE DATE.**—This section shall apply to benefits provided on or after July 1, 1998.

SEC. 506. STUDY AND REPORT ON ALIEN STUDENT ELIGIBILITY FOR POST-SECONDARY FEDERAL STUDENT FINANCIAL ASSISTANCE.

(a) **GAO STUDY AND REPORT.**—

(1) **STUDY.**—The Comptroller General shall conduct a study to determine the extent to which aliens who are not lawfully admitted for permanent residence are receiving postsecondary Federal student financial assistance.

(2) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit a report to the appropriate committees of the Congress on the study conducted under paragraph (1).

(b) **REPORT ON COMPUTER MATCHING PROGRAM.**

(1) **IN GENERAL.**—Not later than one year after the date of the enactment of this Act, the Secretary of Education and the Commissioner of Social Security shall jointly submit to the appropriate committees of the Congress a report on the computer matching program of the Department of Education under section 484(p) of the Higher Education Act of 1965.

(2) **REPORT ELEMENTS.**—The report under paragraph (1) shall include the following:

(A) An assessment by the Secretary and the Commissioner of the effectiveness of the computer matching program, and a justification for such assessment.

(B) The ratio of successful matches under the program to inaccurate matches.

(C) Such other information as the Secretary and the Commissioner jointly consider appropriate.

(c) **APPROPRIATE COMMITTEES OF THE CONGRESS.**—For purposes of this section the term "appropriate committees of the Congress" means the Committee on Economic and Educational Opportunities and the Committee on the Judiciary of the House of Representatives and the Committee on Labor and Human Resources and the Committee on the Judiciary of the Senate.

SEC. 507. VERIFICATION OF IMMIGRATION STATUS FOR PURPOSES OF SOCIAL SECURITY AND HIGHER EDUCATIONAL ASSISTANCE.

(a) **SOCIAL SECURITY ACT, STATE INCOME AND ELIGIBILITY VERIFICATION SYSTEMS.**—Section 1137(d)(4)(B)(i) of the Social Security Act (42 U.S.C. 1320b-7(d)(4)(B)(i)) is amended to read as follows:

"(i) the State shall transmit to the Immigration and Naturalization Service either photostatic or other similar copies of such documents, or information from such documents, as specified by the Immigration and Naturalization Service, for official verification."

(b) **ELIGIBILITY FOR ASSISTANCE UNDER HIGHER EDUCATION ACT OF 1965.**—Section 484(p)(4)(B)(i) of the Higher Education Act of 1965 (20 U.S.C. 1091(p)(4)(B)(i)) is amended to read as follows:

"(i) the institution shall transmit to the Immigration and Naturalization Service either photostatic or other similar copies of such documents, or information from such documents, as specified by the Immigration and Naturalization Service, for official verification."

SEC. 508. NO VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS.

Section 432 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642) is amended by adding at the end the following new subsection:

"(d) **NO VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS.**—Subject to subsection (a), a nonprofit charitable organization, in providing any Federal public

benefit (as defined in section 401(c)) or any State or local public benefit (as defined in section 411(c)), is not required under this title to determine, verify, or otherwise require proof of eligibility of any applicant for such benefits."

SEC. 509. GAO STUDY OF PROVISION OF MEANS-TESTED PUBLIC BENEFITS TO ALIENS WHO ARE NOT QUALIFIED ALIENS ON BEHALF OF ELIGIBLE INDIVIDUALS.

Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the Committees on the Judiciary of the House of Representatives and of the Senate and to the Inspector General of the Department of Justice a report on the extent to which means-tested public benefits are being paid or provided to aliens who are not qualified aliens (as defined in section 431(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) in order to provide such benefits to individuals who are United States citizens or qualified aliens (as so defined). Such report shall address the locations in which such benefits are provided and the incidence of fraud or misrepresentation in connection with the provision of such benefits.

SEC. 510. TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS UNDER THE FOOD STAMP PROGRAM.

Effective as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, subclause (I) of section 402(a)(2)(D)(ii) (8 U.S.C. 1612(a)(2)(D)(ii)) is amended to read as follows:

"(I) **IN GENERAL.**—With respect to the specified Federal program described in paragraph (3)(B), ineligibility under paragraph (1) shall not apply until April 1, 1997, to an alien who received benefits under such program on the date of enactment of this Act, unless such alien is determined to be ineligible to receive such benefits under the Food Stamp Act of 1977. The State agency shall recertify the eligibility of all such aliens during the period beginning April 1, 1997, and ending August 22, 1997."

Subtitle B—Public Charge Exclusion
SEC. 511. GROUND FOR EXCLUSION.

(a) **IN GENERAL.**—Paragraph (4) of section 212(a) (8 U.S.C. 1182(a)) is amended to read as follows:

"(4) **PUBLIC CHARGE.**—

"(A) **IN GENERAL.**—Any alien who, in the opinion of the consular officer at the time of application for a visa, or in the opinion of the Attorney General at the time of application for admission or adjustment of status, is likely at any time to become a public charge is excludable.

"(B) **FACTORS TO BE TAKEN INTO ACCOUNT.**—(i) In determining whether an alien is excludable under this paragraph, the consular officer or the Attorney General shall at a minimum consider the alien's

"(I) age;

"(II) health;

"(III) family status;

"(IV) assets, resources, and financial status; and

"(V) education and skills.

"(ii) In addition to the factors under clause (i), the consular officer or the Attorney General may also consider any affidavit of support under section 213A for purposes of exclusion under this paragraph.

"(C) **FAMILY-SPONSORED IMMIGRANTS.**—Any alien who seeks admission or adjustment of status under a visa number issued under section 201(b)(2) or 203(a) is excludable under this paragraph unless

"(i) the alien has obtained

"(I) status as a spouse or a child of a United States citizen pursuant to clause (ii), (iii), or (iv) of section 204(a)(1)(A), or

"(II) classification pursuant to clause (ii) or (iii) of section 204(a)(1)(B); or

"(ii) the person petitioning for the alien's admission (including any additional sponsor required under section 213A(f)) has executed an

a spouse or a parent of the alien (without the active participation of the alien in the battery or cruelty), or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, and the alien did not actively participate in such battery or cruelty, but only if (in the opinion of the Attorney General, which opinion is not subject to review by any court) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

"(B) who meets the requirement of clause (ii) of subparagraph (A).

This subsection shall not apply to an alien during any period in which the individual responsible for such battery or cruelty resides in the same household or family eligibility unit as the individual subjected to such battery or cruelty."

SEC. 502. PILOT PROGRAMS ON LIMITING ISSUANCE OF DRIVER'S LICENSES TO ILLEGAL ALIENS.

(a) **IN GENERAL.**—Pursuant to guidelines prescribed by the Attorney General not later than 6 months after the date of the enactment of this Act, all States may conduct pilot programs within their State to determine the viability, advisability, and cost-effectiveness of the State's denying driver's licenses to aliens who are not lawfully present in the United States. Under a pilot program a State may deny a driver's license to aliens who are not lawfully present in the United States. Such program shall be conducted in cooperation with relevant State and local authorities.

(b) **REPORT.**—Not later than 3 years after the date of the enactment of this Act, the Attorney General shall submit a report to the Judiciary Committee of the House of Representatives and of the Senate on the results of the pilot programs conducted under subsection (a).

SEC. 503. INELIGIBILITY OF ALIENS NOT LAWFULLY PRESENT FOR SOCIAL SECURITY BENEFITS.

(a) **IN GENERAL.**—Section 202 of the Social Security Act (42 U.S.C. 402) is amended by adding at the end the following new subsection:

"Limitation on Payments to Aliens

"(y) Notwithstanding any other provision of law, no monthly benefit under this title shall be payable to any alien in the United States for any month during which such alien is not lawfully present in the United States as determined by the Attorney General."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply with respect to benefits for which applications are filed on or after the first day of the first month that begins at least 60 days after the date of the enactment of this Act.

SEC. 504. PROCEDURES FOR REQUIRING PROOF OF CITIZENSHIP FOR FEDERAL PUBLIC BENEFITS.

Section 432(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642) is amended—

(1) by inserting "(1)" after the dash, and

(2) by adding at the end the following:

"(2) Not later than 18 months after the date of the enactment of this Act, the Attorney General, in consultation with the Secretary of Health and Human Services, shall also establish procedures for a person applying for a Federal public benefit (as defined in section 401(c)) to provide proof of citizenship in a fair and nondiscriminatory manner."

SEC. 505. LIMITATION ON ELIGIBILITY FOR PREFERENTIAL TREATMENT OF ALIENS NOT LAWFULLY PRESENT ON BASIS OF RESIDENCE FOR HIGHER EDUCATION BENEFITS.

(a) **IN GENERAL.**—Notwithstanding any other provision of law, an alien who is not lawfully present in the United States shall not be eligible on the basis of residence within a State (or a political subdivision) for any postsecondary edu-

cation benefit unless a citizen or national of the United States is eligible for such a benefit (in no less an amount, duration, and scope) without regard to whether the citizen or national is such a resident.

(b) **EFFECTIVE DATE.**—This section shall apply to benefits provided on or after July 1, 1998.

SEC. 506. STUDY AND REPORT ON ALIEN STUDENT ELIGIBILITY FOR POSTSECONDARY FEDERAL STUDENT FINANCIAL ASSISTANCE.

(a) **GAO STUDY AND REPORT.**—

(1) **STUDY.**—The Comptroller General shall conduct a study to determine the extent to which aliens who are not lawfully admitted for permanent residence are receiving postsecondary Federal student financial assistance.

(2) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit a report to the appropriate committees of the Congress on the study conducted under paragraph (1).

(b) **REPORT ON COMPUTER MATCHING PROGRAM.**—

(1) **IN GENERAL.**—Not later than one year after the date of the enactment of this Act, the Secretary of Education and the Commissioner of Social Security shall jointly submit to the appropriate committees of the Congress a report on the computer matching program of the Department of Education under section 484(p) of the Higher Education Act of 1965.

(2) **REPORT ELEMENTS.**—The report under paragraph (1) shall include the following:

(A) An assessment by the Secretary and the Commissioner of the effectiveness of the computer matching program, and a justification for such assessment.

(B) The ratio of successful matches under the program to inaccurate matches.

(C) Such other information as the Secretary and the Commissioner jointly consider appropriate.

(c) **APPROPRIATE COMMITTEES OF THE CONGRESS.**—For purposes of this section the term "appropriate committees of the Congress" means the Committee on Economic and Educational Opportunities and the Committee on the Judiciary of the House of Representatives and the Committee on Labor and Human Resources and the Committee on the Judiciary of the Senate.

SEC. 507. VERIFICATION OF IMMIGRATION STATUS FOR PURPOSES OF SOCIAL SECURITY AND HIGHER EDUCATIONAL ASSISTANCE.

(a) **SOCIAL SECURITY ACT STATE INCOME AND ELIGIBILITY VERIFICATION SYSTEMS.**—Section 1137(a)(4)(B)(i) of the Social Security Act (42 U.S.C. 1320b-7(d)(4)(B)(i)) is amended to read as follows:

"(i) The State shall transmit to the Immigration and Naturalization Service either photostatic or other similar copies of such documents; or information from such documents, as specified by the Immigration and Naturalization Service, for official verification."

(b) **ELIGIBILITY FOR ASSISTANCE UNDER HIGHER EDUCATION ACT OF 1965.**—Section 484(a)(4)(B)(i) of the Higher Education Act of 1965 (20 U.S.C. 1091(g)(4)(B)(i)) is amended to read as follows:

"(i) the institution shall transmit to the Immigration and Naturalization Service either photostatic or other similar copies of such documents, or information from such documents, as specified by the Immigration and Naturalization Service, for official verification."

SEC. 508. NO VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS.

Section 432 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642) is amended by adding at the end the following new subsection:

"(d) **NO VERIFICATION REQUIREMENT FOR NONPROFIT CHARITABLE ORGANIZATIONS.**—Subject to subsection (a), a nonprofit charitable organization, in providing any Federal public

benefit (as defined in section 401(c)) or any State or local public benefit (as defined in section 411(c)), is not required under this title to determine, verify, or otherwise require proof of eligibility of any applicant for such benefits."

SEC. 509. GAO STUDY OF PROVISION OF MEANS-TESTED PUBLIC BENEFITS TO ALIENS WHO ARE NOT QUALIFIED ALIENS ON BEHALF OF ELIGIBLE INDIVIDUALS.

Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the Committees on the Judiciary of the House of Representatives and of the Senate and to the Inspector General of the Department of Justice a report on the extent to which means-tested public benefits are being paid or provided to aliens who are not qualified aliens (as defined in section 431(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) in order to provide such benefits to individuals who are United States citizens or qualified aliens (as so defined). Such report shall address the locations in which such benefits are provided and the incidence of fraud or misrepresentation in connection with the provision of such benefits.

SEC. 510. TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS UNDER THE FOOD STAMP PROGRAM.

Effective as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, subclause (1) of section 402(a)(2)(D)(ii) (8 U.S.C. 1612(a)(2)(D)(ii)) is amended to read as follows:

"(1) **IN GENERAL.**—With respect to the specified Federal program described in paragraph (3)(B), (ineligibility under paragraph (1) shall not apply until April 1, 1997, to an alien who received benefits under such program on the date of enactment of this Act, unless such alien is determined to be ineligible to receive such benefits under the Food Stamp Act of 1977. The State agency shall recertify the eligibility of all such aliens during the period beginning April 1, 1997, and ending August 22, 1997."

Subtitle B—Public Charge Exclusion

SEC. 511. GROUND FOR EXCLUSION.

(a) **IN GENERAL.**—Paragraph (4) of section 212(a) (8 U.S.C. 1182(a)) is amended to read as follows:

"(4) **PUBLIC CHARGE.**—

"(A) **IN GENERAL.**—Any alien who, in the opinion of the consular officer at the time of application for a visa, or in the opinion of the Attorney General at the time of application for admission or adjustment of status, is likely at any time to become a public charge is excludable.

"(B) **FACTORS TO BE TAKEN INTO ACCOUNT.**—

(i) In determining whether an alien is excludable under this paragraph, the consular officer or the Attorney General shall at a minimum consider the alien's—

- "(I) age;
- "(II) health;
- "(III) family status;
- "(IV) assets, resources, and financial status; and
- "(V) education and skills.

"(ii) In addition to the factors under clause (i), the consular officer or the Attorney General may also consider any affidavit of support under section 213A for purposes of exclusion under this paragraph.

"(C) **FAMILY-SPONSORED IMMIGRANTS.**—Any alien who seeks admission or adjustment of status under a visa number issued under section 201(b)(2) or 203(a) is excludable under this paragraph unless—

- "(i) the alien has obtained—
- "(I) status as a spouse or a child of a United States citizen pursuant to clause (ii), (iii), or (iv) of section 204(a)(1)(A), or
- "(II) classification pursuant to clause (ii) or (iii) of section 204(a)(1)(B); or
- "(ii) the person petitioning for the alien's admission (including any additional sponsor required under section 213A(f)) has executed an



EXPLANATION OF THE CONFERENCE AGREEMENT

PRINCIPAL COMPONENTS OF THE CONFERENCE AGREEMENT

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 puts in place the most fundamental reform of welfare since the program's inception. It promotes work over welfare and self-reliance over dependency, thereby showing true compassion for those in America who need a helping hand, not a handout. It takes the historic step of eliminating a Federal entitlement program — Aid to Families with Dependent Children — and replacing it with a block grant that restores the States' fundamental role in assisting needy families. It makes substantial reforms in the Food Stamp Program, cracking down on fraud and abuse and applying tough work standards. It reforms the Supplemental Security Income [SSI] disability program to strengthen eligibility requirements and eliminating incentives for coaching children to misbehave so they can qualify for benefits. It makes sweeping reforms relating to benefits for noncitizens, strengthening the principle that immigrants come to America to work, not to collect welfare benefits.

The legislation does not abandon those Americans who truly need a helping hand. It retains protections for those who experience genuine and intractable hardship. Above all, it recognizes the vulnerability of America's children. It guarantees that they will continue to receive the support they need. Indeed, by discouraging illegitimacy and promoting stable families, this bill vastly improves the prospects of children in welfare families. But for most, welfare should mean temporary assistance for those striving to return to self-sufficiency.

The legislation is the first of three reconciliation bills called for in the reconciliation directives contained in the fiscal year 1997 budget resolution (H.Con.Res. 178). The measure will slow the growth of Federal welfare spending, but still maintain sufficient increases to protect vulnerable populations. According to preliminary estimates, welfare spending would grow from approximately \$83 billion this year to about \$107 billion in 2002, excluding the effects of Earned Income Credit [EIC] outlays. When EIC outlays are included, the preliminary estimates show welfare spending growing from about \$99 billion this year to roughly \$128 billion in 2002. The Federal Government still will spend nearly \$600 billion on welfare programs not counting the EIC, and nearly \$700 billion when the EIC is included. Either way, when compared with Federal spending projections for the current welfare program, this legislation will reduce the Federal budget deficit by about \$55 billion to \$56 billion over 6 years.

The importance of these budgetary effects is matched by the historic transformation of the

welfare program embraced in this legislation. This measure rests on five principles that are the pillars of the welfare reform strategy in the 104th Congress:

- **WELFARE SHOULD NOT BE A WAY OF LIFE.** The legislation assures that welfare will be a helping hand, not a lifetime handout, by imposing a 5-year lifetime limit on benefits (although as many as 20 percent of families may be allowed exceptions for conditions of hardship).
- **WORK, NOT WELFARE.** For the first time ever, able-bodied welfare recipients will be required to work for their benefits. At least one person in every family must be working within 2 years after receiving welfare or lose benefits, and States are required to have at least half of their single-parent welfare recipients working by 2002.
- **NO MORE WELFARE FOR NONCITIZENS AND FELONS.** Most welfare (except emergency benefits) ends for most non-citizens during their first 5 years in the United States. Exceptions are made for refugees, persons who have worked and paid taxes in the United States for 10 years, and those who have served in the U. S. military. States will have the option of denying Medicaid eligibility to non-citizens who enter the United States after enactment. The legislation also terminates benefits for fugitive felons fleeing from prosecution or imprisonment or violating parole, and offers financial incentives to local corrections authorities to report persons incarcerated in their jails who are improperly receiving welfare checks.
- **POWER AND FLEXIBILITY TO THE STATES.** The best welfare solutions come from those closest to the problems — not from bureaucrats in Washington. The legislation creates broad cash welfare and child care block grants providing maximum flexibility so that States can reform welfare in ways that are appropriate for them, and can move families into jobs.
- **ENCOURAGING PERSONAL RESPONSIBILITY TO HALT RISING ILLEGITIMACY RATES.** As a result of the current welfare system, which discourages two-parent families, today's illegitimacy rate among welfare families is almost 50 percent and is rising. This legislation seeks to reverse the trend by boosting efforts to establish paternity and make fathers pay child support. As an added incentive, States that reduce out-of-wedlock births will receive added cash grants.

This legislation reforms welfare to make it more consistent with fundamental American values — by rewarding work and self-reliance, encouraging personal responsibility, and restoring a sense of hope in the future.

Title I: Block Grant for Temporary Assistance for Needy Families

1. Findings

Present Law

No provision.

House Bill

Congress finds that marriage is the foundation of a successful society and an essential institution that promotes the interests of children. Promotion of responsible fatherhood and motherhood is integral to successful child-rearing and the well-being of children. It is the sense of Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important government interests and that the policy outlined in the provisions of this title is intended to address the crisis.

Senate Amendment

Adds that an effective strategy to combat teenage pregnancy must deal with the issue of male responsibility, including statutory rape culpability and prevention. Finds protection of teenage girls from pregnancy as well as predatory sexual behavior to be very important Government interests.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Reference to the Social Security Act

Present Law

No provision.

House Bill

Unless otherwise specified, any reference in this title to an amendment to or repeal of a section or other provision is to the Social Security Act.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Block Grant to States; Purpose

Present Law

Title IV-A of the Social Security Act, which provides grants to States for aid and services to needy families with children (AFDC), is designed to encourage care of dependent children in their own homes by enabling States to provide cash aid and services, maintain and strengthen family life, and help parents attain maximum self-support consistent with maintaining parental care and protection.

House Bill

Block grants for temporary assistance for needy families (TANF), which replace Title IV-A of the Social Security Act, are established to increase the flexibility of States in operating a program designed to provide assistance to needy families; end dependence on government benefits by promoting job preparation, work and marriage; prevent and reduce the incidence of out-of-wedlock pregnancies; and encourage the formation and maintenance of two-parent families.

This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

4. Eligible States - State Plan Requirements

Present Law

A State must have an approved State plan for aid and services to needy families containing 43 provisions, ranging from single-agency administration to overpayment recovery rules. State plans explain the aid and services that are offered by the State. Aid is defined as money payments. For most parents without a child under age 3, States must provide education, work, or training under the JOBS program to help needy families with children avoid long-term welfare dependence. Note: work and education requirements of JOBS are subject to two conditions -- State resources must permit them and the program must be available in the recipient's political subdivision. To receive Federal funds, States must share in program costs. The Federal share of costs (matching rate) varies among States and is inversely related to the square of State per capita income. For AFDC benefits and child care, the Medicaid matching rate is used. This rate now ranges from 50 percent to 78 percent among States and averages about 55 percent. For JOBS activities, the rate averages 60 percent; for administrative costs, 50 percent. The general JOBS participation rate, which expired September 30, 1995, required 20 percent of employable (nonexempt) adult recipients to participate in education, work, or training under JOBS, in

fiscal year 1995. In fiscal year 1996, at least one parent in 60 percent of unemployed-parent families must participate at least 16 hours weekly in an unpaid work experience or other work program. States must restrict disclosure of information to purposes directly connected to administration of the program and to any connected investigation, prosecution, legal proceeding or audit. Each State must offer family planning services to all "appropriate" cases, including minors considered sexually active. States may not require acceptance of these services. Regulations require that States determine need and amount of eligibility on an objective and equitable basis.

House Bill

An "eligible State" is a State that, during the 2-year period immediately preceding the fiscal year, has submitted a plan to the Secretary of HHS that the Secretary has found includes a written document describing how the State will:

1. conduct a program, designed to serve all political subdivisions in the State, that provides cash assistance to needy families with (or expecting) children, and that provides parents with work and support services to enable them to become self-sufficient;
2. require a parent or a caretaker receiving assistance to engage in work as defined by the State once the parent or caretaker has received assistance for 24 months (whether or not consecutive) or earlier;
3. ensure that parents and caretakers engage in work activities as described below;
4. take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about recipients of assistance attributable to funds provided by the Federal government.
5. no provision. (See purpose above.)

Further, the document must:

6. indicate whether the State intends to treat families moving into the State differently; and, if so, how.
7. indicate whether it intends to aid noncitizens.
8. set forth objective criteria for delivery of benefits and determinations of eligibility, and for fair and equitable treatment, including an explanation of how it will provide opportunities for adversely affected recipients to be heard in a State administrative or appeal process.
9. no provision;
10. no provision;
11. no provision.

Senate Amendment

1. Same.
2. Similar provision.
3. Same.
4. Same.
5. establish goals and take action to prevent and reduce the incidence of pregnancies outside marriage, and establish numerical goals for reducing the proportion of births out of wedlock for calendar years 1996 through 2005.

Further, the document must:

6. Same.

7. Same.

8. outline how the State intends to determine, on an objective and equitable basis, the needs of and amount of aid to be provided to needy families; and, except as allowed for incoming families and noncitizens (items 6 and 7) to treat families of similar needs and circumstances similarly.

9. outline how it will grant opportunity for a fair hearing to anyone adversely affected or whose application is not acted on promptly.

10. require, not later than 1 year after enactment, a parent or caretaker is not engaged in work or exempt from work requirements and who has received assistance for more than 2 months to participate in community service. States may opt out of this requirement by notifying the Secretary.

11. outline how the State will conduct a program, designed to reach States and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded to include men.

Conference Agreement

In general, the conference agreement follows the Senate amendment, except that the Senate recedes on requirements 2, 8, and 9. Requirement 10 is modified to provide that a State may opt out of this requirement by submitting a letter from the Governor to the Secretary.

5. Eligible States - Certifications

Present Law

States must have in effect an approved child support program. States must also have an approved plan for foster care and adoption assistance. States must have an income and verification system covering AFDC, Medicaid, unemployment compensation, food stamps, and -- in outlying areas -- adult cash aid.

House Bill

State plans must include the following certifications:

1. that the State will operate a child support enforcement program;
2. that the State will operate a child protection program under Title IV-B (child welfare services and family preservation);
3. specifying which State agency or agencies will administer and supervise the State plan, and assurances that local governments and private sector organizations have been consulted and have had an opportunity to submit comments on the plan; and
4. that the State will provide Indians with equitable access to assistance.
5. no provision.
6. no provision.

Senate Amendment

1. Same.
2. that the State will operate a foster care and adoption assistance program under Title IV-E and

ensure medical assistance for the children;

3. Same.

4. Same.

5. that the State has established standards to ensure against fraud and abuse.

6. that the State has established and is enforcing standards and procedures to screen for and identify recipients with a history of domestic violence, will refer them to counseling and supportive services, and will waive program requirements that would make it more difficult for these persons to escape violence.

Conference Agreement

The conference agreement generally follows the Senate amendment, except that the certification that the State establish and enforce standards and special procedures regarding recipients with a history of domestic violence is made a State option.

6. Eligible States - Public Availability of State Plan Summary

Present Law

Federal regulations require that State program manuals and other policy issuances, which reflect the State plan, be maintained in the State office and in each local and district office for examination on regular workdays.

House Bill

The State shall make available to the public a summary of the State plan.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

7. Grants to States - Family Assistance Grant

Present Law

AFDC entitles States to Federal matching funds. Current law provides permanent authority for appropriations without limit for grants to States for AFDC benefits, administration, and AFDC-related child care. Over the years, because of court rulings, AFDC has evolved into an entitlement for qualified individuals to receive cash benefits. In general, States must give AFDC to all persons whose income and resources are below State-set limits if they are in a class or category eligible under Federal rules.

House Bill

Each eligible State and Territory is entitled to receive a grant from the Secretary for each of 6 fiscal years (1996 through 2001) in an amount equal to the State family assistance grant for the fiscal year.

A State's family assistance grant is equal to the highest of former Federal payments to the State for AFDC benefits, AFDC Administration, Emergency Assistance, and JOBS during (1) fiscal years 1992 through 1994, on average; (2) fiscal year 1994 plus, under certain circumstances, 85 percent of increased fiscal year 1995 spending for emergency assistance, or (3) fiscal year 1995.

If a State fails to make qualified State expenditures for eligible families under all State programs equal to at least 75 percent of its fiscal year 1994 spending level (or at least 80 percent, if the State fails to meet its mandatory work requirements) for AFDC benefits, AFDC Administration, Emergency Assistance, JOBS, AFDC-related child care, and at-risk child care, its family assistance grant is reduced by the shortfall (see the discussion of penalties below).

Senate Amendment

Same, except raises required State expenditures to 80 percent of fiscal year 1994 level.

Conference Agreement

The conference agreement follows the House bill.

8. Grants to States - Grant to Reward States that Reduce Out-of-wedlock Births

Present Law

No provision.

House Bill

For each fiscal year beginning with 1998, a State's grant amount is increased by 5 or 10 percent if the State "illegitimacy ratio" is 1 or 2 percentage points, respectively, lower in that year than its 1995 illegitimacy ratio. Only States in which the rate of abortion falls below the 1995 level are eligible for these additional grants.

The term "illegitimacy ratio" means, during a fiscal year, the number of out-of-wedlock births that occurred in the State divided by the number of births. In calculating grants, the Secretary must disregard any difference in illegitimacy ratios or abortion rates attributable to a change in State methods of reporting data.

Senate Amendment

Follows the House bill, except that for each of 5 fiscal years (1999 through 2003) the Secretary shall make a grant of up to \$20 million for each of the 5 States that demonstrate the greatest decrease in out-

of-wedlock births during the most recent 2-year period for which the information is available. If fewer than 5 States are eligible, the amount of such grants shall be \$25 million.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that funds are available between 1999 and 2002.

9. Grants to States - Supplemental Grant for Population Increases and Low Federal Spending Per Poor Person in Certain States

Present Law

There is no adjustment for population growth. Instead, current law provides unlimited matching funds. When AFDC enrollment climbs, Federal funding automatically rises.

House Bill

Subject to the eligibility criteria below, each qualifying State (for purposes of this section, the term "State" is limited to the 50 States and the District of Columbia) is entitled to receive from the Secretary supplemental grants to assist in making cash welfare payments for 4 years, fiscal years 1997-2000. For fiscal year 1997 the supplemental grant equals 2.5 percent of Federal payments to the qualifying State during fiscal year 1994 for AFDC benefits, AFDC Administration, Emergency Assistance, JOBS and AFDC-related child care. For fiscal years 1998 through 2000, each qualifying State is entitled to receive an amount equal to the supplemental grant for the immediately preceding year plus, if it continues to meet the eligibility criteria below, an annual increase. States that no longer meet the qualification criteria are entitled to receive the prior year's grant without increase. A State is a qualifying State for a fiscal year if average Federal welfare spending per poor person is less than the national average and State population growth exceeds the average for all States. States must qualify during fiscal year 1997 in order to qualify during later years. Certain States (i.e. those in which Federal welfare spending per poor person for fiscal year 1994 was less than 35 percent of the fiscal year 1994 national average or in which population has increased by more than 10 percent from April 1, 1990 to July 1, 1994) are deemed to qualify for supplemental grants in each year between fiscal year 1997 and 2000. A total of \$800 million is appropriated for this purpose. If this sum is insufficient for full supplemental grants for all qualifying States, pro rata reductions will be made. (p 244)

Senate Amendment

Same except for change in years of possible supplemental grants: fiscal years 1998 through 2001 (instead of 1997 through 2000). States must qualify during fiscal year 1998 in order to do so in later years.

Conference Agreement

The conference agreement follows the Senate amendment.

10. Grants to States - Bonus to Reward High Performance States

Present Law

No provision.

House Bill

Certain "high performing" States (i.e. those most successful in achieving the purposes of the block grant program) are entitled to receive additional payments of up to five percent of their State family assistance grant. The formula for measuring State performance shall be developed by the Secretary in consultation with the National Governors' Association and the American Public Welfare Association. A total of \$0.5 billion is appropriated for high performance bonuses to States during 5 fiscal years, 1999 through 2003, and average annual performance bonuses are to equal \$100 million.

Note: In addition, required maintenance-of-effort spending is to be reduced for States that achieve performance scores above a threshold set by the Secretary.

Senate Amendment

Appropriates twice as much money for high performance bonuses -- \$1 billion -- and provides that average annual bonuses are to equal \$175 million for fiscal years 1999 through 2002 and \$300 million for fiscal year 2003.

Conference Agreement

The conference agreement follows the Senate amendment regarding funding (total of \$1 billion) and follows the House bill regarding the criteria for awarding bonuses to "high performance" States. The provision allowing certain high performance States to meet a lower maintenance of effort requirement is dropped (see below).

11. Grants to States - Contingency Fund for State Welfare Programs

Present Law

No provision. Current law provides unlimited matching funds.

House Bill

To assist States (for purposes of this section, the term "State" is limited to the 50 States and the District of Columbia) with increased welfare needs, the House proposal establishes a contingency fund for matching grants and appropriates up to \$2 billion over a total of 5 fiscal years (1997 through 2001) for the fund. Eligible States may receive contingency fund payments totaling up to 20 percent of their annual family assistance grant in any single year (in any single month, States cannot receive more than 1/12 of 20 percent of the annual family assistance grant). States are to submit requests for payment of contingency funds, and the Secretary of the Treasury must make payments to eligible States in the order

in which requests are received.

States are eligible to receive payments if State unemployment is high (at or above 6.5 percent in the most recent three-month period) and rising relative to previous years (at least 10 percent above the comparable level in either or both of two preceding years). States also are eligible to receive payments if food stamp participation in the State in the most recent three-month period has risen at least 10 percent from the average monthly number of recipients who would have participated in the comparable quarter of fiscal year 1994 or fiscal year 1995, as determined by the Secretary of Agriculture, if amendments made by this proposal to the food stamp program (including optional food stamp block grant provisions) and to eligibility of noncitizens had been in effect throughout fiscal year 1994 and 1995. States must maintain 100 percent of historic State welfare spending (generally, the amount of State funds spent in fiscal year 1994 for AFDC benefits and administration, AFDC-related child care, at-risk child care, Emergency Assistance, and JOBS) during years in which contingency fund payments are made, or repay an amount reflecting the shortfall. States must share in the cost of contingency funds at their fiscal year 1995 Medicaid matching rate. To smooth their transition to recovery, States that have been receiving contingency fund payments will continue to receive payments for one month after they no longer meet the criteria described above.

Senate Amendment

Contingency fund of \$2 billion covers 4 fiscal years (1998 through 2001) rather than 5. (Because of the Byrd rule, the provision specifying that the CBO baseline is to assume that no grant will be made after 2001 is deleted.)

Conference Agreement

The conference agreement follows the House bill, with the modification that, notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this subsection after fiscal year 2001.

12. Grants to States - Work Program Grant

Present Law

House Bill

To assist States in meeting the work requirements, eligible States may receive funds from a supplemental grant for the operation of work programs. To be eligible, a State's total expenditures for the fiscal year to meet work participation requirements must exceed its total jobs spending for fiscal year 1994, its TANF work programs must be coordinated with job training programs of Title II of the Job Training Partnership Act (JTPA), or its successor, and the State must need the extra funds to meet TANF work requirements or certify that it intends to exceed participation requirements. The Secretary is to issue regulations for equitable distribution of the grants. For these supplemental grants, \$3 billion is authorized for fiscal year 1999 (amounts appropriated are authorized to remain available until spent).

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment.

13. Use of Grants - In General

Present Law

AFDC and JOBS funds are to be used in conformity with State plans. A State may replace a caretaker relative with a protective payee or a guardian or legal representative.

House Bill

Grants may be used in any manner reasonably calculated to accomplish the purposes of this title, including activities now authorized under Titles IV-A and IV-F of the Social Security Act, or to provide low-income households with assistance in meeting home heating and cooling costs.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

14. Use of Grants - Limitation on Administrative Spending

Present Law

No provision.

House Bill

States may not use more than 15 percent of the family assistance grant for administrative purposes. However, this cap does not apply to spending for information technology and computerization needed to implement the tracking and monitoring required by this title.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

15. Use of Grants - Recipients Moving into the State from Another State

Present Law

The Social Security Act forbids the Secretary to approve a plan that denies AFDC eligibility to a child unless he has resided in the State for 1 year. The U.S. Supreme Court has invalidated some State laws that withheld aid from persons who had not resided there for at least 1 year. It has not ruled on the question of paying lower amounts of aid for incoming residents.

House Bill

States may impose program rules and benefit levels of the State from which a family moved if the family has lived in the State for fewer than 12 months.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

16. Use of Grants - Transfer of Funds

Present Law

No provision.

House Bill

States may transfer up to 30 percent of funds paid under this section to carry out a State program under Part B (child welfare and family preservation) or Part E (foster care and adoption assistance), the social services block grant, and the child care and development block grant. Of the 30 percent that may be transferred, not more than one-third (that is, not more than 10 percent of the total block grant) may be transferred into the Social Services Block Grant. Amounts transferred to the Social Services Block Grant must be spent on programs and services for children or their families.

Senate Amendment

States may transfer up to 30 percent of funds only to the child care and development block grant.

Conference Agreement

The conference agreement follows the House bill, except that the provision allowing transfers into the child protection block grant, which was deleted, is dropped. The conference agreement adds the modification that funds transferred into the Title XX Social Services Block Grant must be spent on families with incomes that do not exceed 200 percent of the poverty level (as determined annually by the Federal Office of Management and Budget).

17. Use of Grants - Reservation of Funds

Present Law

No provision.

House Bill

A State may reserve amounts paid to the State for any fiscal year for the purpose of providing assistance under this part. Reserve funds can be used in any fiscal year.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

18. Use of Grants - Authority to Operate an Employment Placement Program

Present Law

Required JOBS services include job development and job placement. The State agency may provide services directly or through arrangements or under contracts with public agencies or private organizations.

House Bill

States may use a portion of the family assistance grant to make payments (or provide job placement vouchers) to State-approved agencies that provide employment services to recipients of cash aid.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

19. Use of Grants - Implementation of Electronic Benefit Transfer System

Present Law

Regulations permit States to receive Federal reimbursement funds (50 percent administrative cost-sharing rate) for operation of electronic benefit systems. To do so, States must receive advance approval from HHS and must comply with automatic data processing rules.

House Bill

States are encouraged to implement an electronic benefit transfer (EBT) system for providing assistance under the State program funded under this part, and may use the grant for such purpose. (The food stamp title of the bill exempts any EBT system distributing need-tested benefits established or administered by a State from Federal Reserve Board rules known collectively as "Regulation E." The most important Regulation E provision requires that lost/stolen benefits be restored; individuals with accounts are responsible only for the first \$50 of any loss, when reported in a timely fashion.)

Senate Amendment

Same (in Miscellaneous chapter).

Conference Agreement

The conference agreement follows the House bill. Conferees also agreed to put comprehensive language on EBT and Regulation E in the food stamps section of this legislation.

20. Use of Grants - Individual Development Accounts

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Authorizes a State to use TANF funds to fund individual development accounts established by recipients for specified purposes: postsecondary educational expenses, first-home purchase, business capitalization. Terms include: contributions must be from earned income, withdrawals would be

allowed only for the above purposes, and Federal benefit programs must disregard funds in the account in determining eligibility and amount of aid.

Conference Agreement

The conference agreement follows the Senate amendment.

21. Administrative Provisions

Present Law

The Secretary pays AFDC funds to the State on a quarterly basis.

House Bill

The Secretary shall make each grant payable to a State in quarterly installments. The Secretary is to estimate each State's payment on the basis of a report about expected expenditures from the State and to certify to the Secretary of the Treasury the amount estimated, adjusted if needed for overpayments or underpayments for any past quarter. The Secretary must notify States not later than three months in advance of any quarterly payment that will be reduced to reflect payments made to Indian tribes in the State. Under certain circumstances, overpayments to individuals no longer receiving temporary family assistance will be collected from Federal income tax refunds and repaid to affected States.

Senate Amendment

Same, except the provision regarding "Collection of State Overpayments to Families from Federal Tax Refunds" was deleted because of the Byrd rule.

Conference Agreement

The conference agreement follows the Senate amendment.

22. Federal Loans for State Welfare Programs

Present Law

No provision. Instead, current law provides unlimited matching funds.

House Bill

The proposal establishes a \$1.7 billion revolving loan fund from which eligible States may borrow funds to meet the purposes of this title. States that have been penalized for misspending block grant funds as determined by an audit are ineligible for loans. Loans are to mature in 3 years, at the latest, and the cumulative amount of all loans to a State during fiscal years 1997 through 2001 cannot exceed 10 percent

of its basic block grant. The interest rate shall equal the current average market yield on outstanding U.S. securities with a comparable remaining maturity length. States face penalties for failing to make timely payments on their loan.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

23. Mandatory Work Requirements - Participation Rate Requirements

Present Law

The following minimum percentage of nonexempt AFDC families must participate in JOBS:

<u>Fiscal Year</u>	<u>Minimum Percentage</u>
1995	20
1996 and thereafter (no requirement).	0

The following minimum percentages of two-parent families receiving cash assistance must participate in specified work activities:

<u>Fiscal Year</u>	<u>Minimum Percentage</u>
1995	50
1996	60
1997	75
1998 (last year)	75
1999 and thereafter (no requirement).	0

House Bill

The following minimum percentages of all families receiving assistance funded by the family assistance grant (except those with a child under 1, if exempted by the State) must participate in work activities:

<u>Fiscal Year</u>	<u>Minimum Percentage</u>
1997	25
1998	30
1999	35
2000	40
2001	45
2002 or thereafter	50.

The following minimum percentages of two-parent families receiving cash assistance must participate in specified work activities:

<u>Fiscal Year</u>	<u>Minimum Percentage</u>
1996	50
1997	75
1998	75
1999 and thereafter	90.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

24. Mandatory Work Requirements - Calculation of Participation Rates

Present Law

Participation rates for all families are calculated for each month. A State's rate, expressed as a percentage, equals the number of actual JOBS participants divided by the number of AFDC recipients required to participate (nonexempt from JOBS). In calculating a State's overall JOBS participation rate, a standard of 20 hours per week is used. The welfare agency is to count as participants the largest number of persons whose combined and averaged hours in JOBS activities during the month equal 20 per week.

Participation rates for two-parent families for a month equal the number of parents who participate divided by the number of principal earners in AFDC-UP families (but excluding families who received aid for two months or less, if one parent engaged in intensive job search).

House Bill

1. The participation rate (for all families and for two-parent families) for a State for the fiscal year is the average of the participation rates for each month in the fiscal year. The monthly participation rate for a State is a percentage obtained by dividing the number of families receiving assistance that include an adult who is engaged in work by the number of families receiving assistance (not counting those subject to a recent sanction for refusal to work).

2. The required participation rate for a year is to be adjusted down one percentage point for each percentage point that the average monthly caseload is below fiscal year 1995 levels, unless the Secretary finds that the decrease was required by Federal law or results from changes in State eligibility criteria (which must be proved by the Secretary). The Secretary is to prescribe regulations for this adjustment.

3. States have the option of counting individuals receiving assistance under a tribal family assistance plan towards the State work participation requirement.
4. States have the option of not requiring single parents of children under age one to engage in work and may disregard these parents in determining work participation rates.

Senate Amendment

1. Same.
2. Same.
3. Same.
4. Allows a parent to receive this exemption only for a total of 12 months, whether or not consecutive.

Conference Agreement

The conference agreement follows the Senate amendment, with a modification. For item 1, the conference agreement includes minor heads of households along with adults in the calculation of State work participation rates (in both the numerator and denominator of the calculation).

25. Mandatory Work Requirements - Optional Individual Responsibility Plan

Present Law

States must make an initial assessment of the educational, child care, and other supportive service needs, and of the skills and employability of each JOBS participant. In consultation with the participant, the agency shall develop an employability plan for the participant, which shall not be considered a contract. After these steps, the State agency may require the participant to negotiate and enter into an agreement that specifies matters such as the participant's obligations, duration of participation, and services to be provided.

House Bill

States are required to make an initial assessment of the skills, work experience, and employability of each recipient of assistance under the block grant who is over age 17 or has not completed high school or the equivalent, and is not attending secondary school. States may develop individual responsibility plans setting forth employment goals, obligations of the individual, and services the State will provide. In addition to other penalties that may apply, States may reduce assistance to families that include an individual who fails to comply with the terms of such plans.

Senate Amendment

Requires States to require TANF recipient families to enter into a personal responsibility agreement, as developed by the State. The agreement means a binding contract. It is to include a negotiated individual time limit for benefit eligibility, outline steps the family and State will take to move the family to self-sufficiency, provide for sanctions if the individual fails to sign the agreement or comply with its terms

and shall be invalid if the State fails to comply with its terms.

Conference Agreement

The conference agreement follows the House bill.

26. Mandatory Work Requirements - Engaged in Work

Present Law

Not relevant. (As discussed below, required activities in State JOBS programs are education, jobs skills training, job readiness, job development and job placement and two of these four: job search, on-the-job training, work supplementation, and community work experience, or other approved work experience. In general, to be counted as a JOBS participant, a person must be engaged in a JOBS activity for an average of 20 hours weekly.)

House Bill

To be counted as engaged in work for a month, a recipient must be participating for at least the minimum average number of hours per week shown in the table below in one or more of these activities: unsubsidized employment, subsidized (private or public) employment, work experience, on-the-job training, job search and job readiness assistance, community service programs, or vocational educational training (12 months maximum).

<u>Fiscal Year</u>	<u>Minimum Average Weekly Hours</u>
1996	20
1997	20
1998	20
1999	25
2000	30.

Exceptions to the above table: (1) to be considered engaged in work, an adult in a two-parent family must make progress in work activities at least 35 hours per week, with not fewer than 30 hours attributable to the work activities cited above; (2) an individual in job search may be counted as engaged in work for up to 8 weeks, no more than 4 of which may be consecutive; (3) a State may count a single parent with a child under age 11 as engaged in work for a month if the parent works an average of 20 hours weekly in all years (the hourly minimum does not rise for these parents); (4) not more than 20 percent of adults in all families and in two-parent families determined to be engaged in work in the State for a month may meet the work requirement through participation in vocational educational training; (5) teen parents (under age 20) who head their households are considered to be engaged in work if they maintain satisfactory attendance at secondary school or participate in work-related education for at least the minimum average number of hours in the table; and (6) no provision.

Senate Amendment

Changes list of work activities by substituting "educational training (not to exceed 24 months with respect to any individual)" for "vocational educational training (not to exceed 12 months with respect to

any individual)." (Also, as the table below shows, required weekly hours of work rise to 35 in fiscal year 2002 and thereafter.)

<u>Fiscal Year</u>	<u>Minimum Average Weekly Hours</u>
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002 and thereafter	35.

Exceptions to the above table: (1) an adult in a two-parent family is considered engaged in work if he/she works at least 35 hours weekly, with at least 30 hours attributable to one of the activities cited above, and, if the family receives federally-funded child care, the second parent makes satisfactory progress for at least 20 hours weekly in employment, work experience, on-the-job training, or community service; (2) an individual in job search may be counted as engaged in work for only 4 weeks (12 weeks if the State unemployment rate exceeds the national average); (3) same as House provision; (4) not more than 30 percent of adults in all families and in 2-parent families may meet the work activity requirement through participation in vocational educational training (note: bill language refers to vocational educational training, although references elsewhere are to educational training--see above); (5) teen parents (under age 20) who head their households are considered to be engaged in work if they maintain satisfactory attendance at secondary school or the equivalent during the month or participate in education directly related to employment for at least the minimum average number of hours per week in the table; and (6) a person participating in a community service program may be treated as being engaged in work if she provides child care services to another participant in the community service program for the period of time each week determined by the State.

Conference Agreement

The conference agreement follows the house bill and the Senate amendment as follows:

First, the conference agreement follows the House bill regarding vocational educational training as a work activity which is creditable for up to 12 months.

Second, the conference agreement follows the House bill regarding the minimum average weekly hours of work required.

Finally, regarding exceptions to the work hour requirements, the conference agreement: (1) follows the Senate amendment on hours of work for adults in a 2-parent family, with the modification exempting the second parent, if such parent is disabled or caring for a severely disabled child; (2) follows the Senate amendment regarding job search, with the modification that a total of 6 weeks is allowed, of which not more than 4 may be consecutive (and, in the case of States in which the unemployment rate is at least 50 percent above the national average, a total of 12 weeks is allowed); in addition an individual may count a partial week of job search as a full week of work limited to one occasion; (3) follows the House bill in permitting States to count certain single parents as engaged in work if the parent works for 20 hours per

week, with the modification that the parent's child must be under age 6 (however, the conference agreement follows the Senate amendment regarding the requirement that States may not disregard such an adult in calculating their work rates); (4) follows the House bill regarding the limitation on the number of parents countable if in vocational education; (5) follows the Senate amendment on teen parents and education, with the modification that teen parents meeting the work requirement in this way are counted towards the 20 percent limitation on vocational education (see above); and (6) follows the Senate amendment on persons providing child care, with the clarification that such hours spent providing child care count towards fulfillment of the hours of work required.

27. Mandatory Work Requirements - Work Activities Defined

Present Law

JOBS programs must include specified educational activities (high school or equivalent education, basic and remedial education, and education for those with limited English proficiency); job skills training, job readiness activities, and job development and placement. In addition, States must offer at least two of these four items: group and individual job search; on-the-job training; work supplementation or community work experience program (or another work experience program approved by the HHS Secretary). The State also may offer postsecondary education in "appropriate" cases.

House Bill

"Work activities" are defined as unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience if sufficient private sector employment is not available, on-the-job training, job search and job readiness assistance, community service programs, vocational educational training (1 year maximum), jobs skills training directly related to employment, education directly related to employment in the case of a recipient who lacks a high school diploma or equivalency, and satisfactory attendance at secondary school for a recipient who has not completed high school.

Senate Amendment

Same as House provision except for last two items in list of "work activities." These activities (work-related education and secondary school attendance) are creditable as "work" only for persons under age 20.

Conference Agreement

The conference agreement follows the House bill, with the modification to include the provision of child care services to an individual who is participating in a community service program.

28. Mandatory Work Requirements - Penalties Against Individuals

Present Law

For failure to meet JOBS requirements without good cause, AFDC benefits are denied to the offending parent and payments for the children are made to a third party. In a two-parent family, failure of one parent to meet JOBS requirements without good cause results in denial of benefits for both parents (unless the other parent participates) and third-party payment on behalf of the children. Repeated failures to comply bring potentially longer penalty periods.

House Bill

If an adult recipient refuses to engage in required work, the State shall reduce the amount of assistance to the family pro rata (or more, at State option) with respect to the period of work refusal, or shall discontinue aid, subject to good cause and other exceptions that the State may establish. In addition, if block grant recipients fail to meet any of the work requirements, States may terminate their coverage under the Medicaid program. A State may not penalize a single parent caring for a child under age eleven for refusal to work if the parent proves a demonstrated inability to obtain needed child care for specified reasons.

Senate Amendment

Same as House provision except that Senate does not provide that States may end Medicaid for block grant recipients who fail to meet any of the work requirements in the act.

Conference Agreement

The conference agreement follows the House bill with the modification that, if benefits are terminated under the work requirements of section 407 of this part, States may end Medicaid eligibility for adults made ineligible, but not children in the family. In addition, modifies the House bill and Senate amendment so that States may not penalize a single parent caring for a child under age 6 for refusal to work if the parent proves a demonstrated inability to obtain needed child care for specified reasons.

29. Mandatory Work Requirements - Nondisplacement in Work Activities

Present Law

Under JOBS law, no work assignment may displace any currently employed worker or position (including partial displacement such as a reduction in hours of non-overtime work, wages, or employment benefits). Nor may a JOBS participant fill a position vacant because of layoff or because the employer has reduced the workforce with the effect of creating a position to be subsidized.

House Bill

In general, an adult in a family receiving IV-A assistance may fill a work vacancy. However, no adult in a Title IV-A work activity shall be employed or assigned when another person is on layoff from the same

or a substantially equivalent job, or when the employer has terminated the employment of a regular worker or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy thus created with a subsidized worker. This provision does not preempt or supersede any State or local law providing greater protection from displacement.

Senate Amendment

In general, an adult in a family receiving IV-A assistance may fill a work vacancy. However, no IV-A work assignment may displace a currently employed worker (including any partial displacement such as a reduction in hours of overtime work, wages, or employment benefits), impair an existing contract or collective bargaining agreement, or result in ending a regular worker's employment. States must establish and maintain a grievance procedure, including hearing opportunity, for resolving complaints and providing remedies for violations. This section does not preempt or supersede any State or local law providing greater protection from displacement.

Conference Agreement

The conference agreement follows the House bill, with the modification to include a requirement that States establish a grievance procedure for workers adversely affected pursuant to this section.

30. Mandatory Work Requirements - Sense of the Congress that State Should Place a Priority on Placing Certain Parents in Work

Present Law

As a condition of receiving full matching funds, a State must use 55 percent of its JOBS spending for these target groups: persons who have received aid for any 36 of the 60 preceding months, parents under age 24 who failed to complete high school, and parents whose youngest child is within 2 years of becoming ineligible for aid (i.e., whose youngest child is, usually, at least 16).

House Bill

It is the sense of Congress that States should give highest priority to requiring adults in two-parent families and adults in single-parent families with children that are older than preschool age to engage in work activities.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

31. Mandatory Work Requirements - Sense of the Congress that States Should Impose Certain Requirements on Noncustodial, Nonsupporting Minor Parents

Present Law

No provision.

House Bill

It is the sense of the Congress that States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

32. Mandatory Work Requirements - Review of Implementation of State Work Programs

Present Law

No provision.

House Bill

During fiscal year 1999, the Committees on Ways and Means and Finance must hold hearings to review the implementation by States of the mandatory work requirements, and may introduce legislation to remedy any problems found.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

33. Prohibitions; Requirements - Families with No Minor Children

Present Law

Only families with dependent children (under age 18, or 19 at State option if the child is still in secondary school or in the equivalent level of vocational or technical training) can participate in the program.

House Bill

Only families with a minor child (who resides with a custodial parent or other adult caretaker relative of the child) or a pregnant individual may receive assistance under this part.

Senate Amendment

Adds prohibition against assistance to a family in which an adult already has received 60 months of assistance attributable to Federal funds. See also item 41.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment. Conferees note that the 5-year time limit on benefits applies only to benefits provided using Temporary Assistance for Needy Families (TANF) Block Grant funds. Other Federal funds, such as Title XX Social Services Block Grants and support through the expanded Child Care and Development Block Grant, are not restricted for families that have already received 5 years of TANF support.

34. Prohibitions; Requirements - No Additional Cash Assistance for Children Born to Families Receiving Assistance

Present Law

No provision.

House Bill

1. Block grant funds may not be used to provide cash benefits for a child born to a recipient of cash welfare benefits or an individual who received cash benefits at any time during the 10-month period ending with the birth of the child. This prohibition does not apply to children born as a result of rape or incest. Block grant funds can be used to provide noncash (voucher) assistance for particular goods and services suitable for the care of the child.
2. States that pass a law specifically exempting their own programs from this national rule may use Federal funds to increase cash benefits for families that have additional children while on welfare.
3. If a State has a family cap policy under a section 1115 waiver on the date of enactment, it may continue terms of those family caps.

Senate Amendment

1. Same family cap provision except that Senate amendment does not explicitly provide for use of block grant funds to give voucher assistance for care of the excluded child. (This provision was deleted because of the Byrd rule.)
2. Same.
3. Same provision, but adds permission for States to continue terms of family caps resulting from State law passed within 2 years of enactment.

Conference Agreement

This provision was deleted due to the Byrd rule.

35. Prohibitions; Requirements - Noncooperation in Child Support

Present Law

As a condition of eligibility, applicants or recipients must cooperate in establishing paternity of a child born out-of-wedlock, in obtaining support payments, and in identifying any third party who may be liable to pay for medical care and services for the child.

House Bill

The State must stop paying the parent's share of the family welfare benefit if the parent fails to cooperate in establishing paternity, or in establishing, modifying or enforcing a child support order, and the individual does not qualify for a good cause or other exception; the State may deny benefits to the entire family for the parent's failure to cooperate.

Senate Amendment

If a parent fails to cooperate in establishing paternity or in establishing, modifying, or enforcing a child support order, and the individual does not qualify for a good cause or other exception, the State shall reduce the family's benefit by at least 25 percent. It may reduce the benefit to zero.

Conference Agreement

The conference agreement follows the Senate amendment.

36. Prohibitions; Requirements - Failure to Assign Certain Support Rights to the State

Present Law

As a condition of AFDC eligibility, applicants must assign child support and spousal support rights to the State.

House Bill

Block grant funds may not be used to provide cash benefits to a family with an adult who has not assigned to the State rights to child support or spousal support.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

37. Prohibitions; Requirements - School Attendance Required for Adults without a Diploma

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Prohibits any TANF-funded assistance to the family of an adult older than 20 but younger than 51 who has received IV-A aid or food stamps if the person does not have, or is not working toward, a secondary school diploma or its equivalent. An exception is made for a person determined to lack the capacity to successfully complete the course of study.

Conference Agreement

The conference agreement follows the Senate amendment.

38. Prohibitions; Requirements - School Attendance Required for Minor Children

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Prohibits any TANF-funded aid to a family that includes an adult who has received IV-A benefits or food stamps unless the adult ensures that the family's minor dependent children attend school as required by the law of their State.

Provides that a State shall not be prohibited from sanctioning a family with an adult who fails to meet this requirement.

Conference Agreement

The conference agreement follows the Senate amendment.

39. Prohibitions; Requirements - Unwed Minor Parent Not Attending High School or Not Living with an Adult

Present Law

States may require unwed parents under age 18 to live with an adult in order to receive AFDC. They must require a custodial parent who is under 20 years old and who has not completed high school to participate in an educational activity under the JOBS program.

House Bill

States have the option of using Federal funds to provide cash welfare payments to unmarried minors only under specified conditions. States may not use Federal family assistance grant funds to provide assistance to unwed parents under age 18 who have a child at least 12 weeks of age and did not complete high school unless they attend high school or an alternative educational or training program. States may not use Federal funds to provide assistance to unmarried parents under age 18 unless they live with a parent or in another adult-supervised setting; States may, under certain circumstances, use Federal funds to assist teen parents in locating and providing payment for a second chance home or other adult-supervised living arrangement.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

40. Prohibitions; Requirements - Medical Services

Present Law

States must assure that family planning services are offered to all AFDC recipients who request them. (The Secretary is to reduce AFDC payments by 1 percent for failure to offer and provide family planning services to those requesting them.)

House Bill

Federal family assistance grants may not be used to provide medical services; Federal funds may, however, be used to provide pre-pregnancy family planning services.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

41. Prohibitions; Requirements - Time-Limited Benefits

Present Law

No provision.

House Bill

Federal family assistance grants may not be used to provide assistance for the family of a person who has received block grant aid for 60 months (or fewer, at State option), whether or not consecutive. States may give hardship exemptions in a fiscal year to up to 20 percent of their average monthly caseload, including individuals who have been battered or subjected to sexual abuse (but States are not required to exempt these persons). When considering an individual's length of stay on welfare, States are to count only time during which the individual received assistance as the head of household or as the spouse of the household head. Any State funds spent to aid persons no longer eligible for TANF after 5 years of benefits may be counted toward the maintenance-of-effort requirement.

This part shall not be interpreted to prohibit a State from using State funds not originating with the Federal government to aid families that lose eligibility for the block grant program because of the 5-year time limit.

Senate Amendment

Same, except adds an exemption from the time limit for persons who live on a reservation of an Indian tribe with a population of at least 1,000 persons and with at least 50 percent of the adult population not

employed.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment on the time limit policy, and includes the Senate provision on exceptions for certain Indian populations and the House provision specifying States' authority to use State and local funds to provide support, including cash assistance, after 5 years. (For a description of other Federal funds that may be provided such families, see the conference agreement description of item 33 above.)

42. Prohibitions; Requirements - Fraudulent Misrepresentation of Residence in Two States

Present Law

No provision.

House Bill

Any person convicted in Federal court or State court of having fraudulently misrepresented residence in order to obtain benefits or services in two or more States from the family assistance grant, Medicaid, Food Stamps, or Supplemental Security Income programs is ineligible for family assistance grant aid for 10 years.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

43. Prohibitions; Requirements - Fugitive Felons and Probation and Parole Violators

Present Law

States may provide a recipient's address to a State or local law enforcement officer who furnishes the recipient's name and social security number and demonstrates that the recipient is a fugitive felon and that the officer's official duties include locating or apprehending the felon.

House Bill

No assistance may be provided to an individual who is fleeing to avoid prosecution, custody or confinement after conviction for a crime (or an attempt to commit a crime) that is a felony (or, in New

Jersey, a high misdemeanor), or who violates probation or parole imposed under Federal or State law.

Any safeguards established by the State against use or disclosure of information about individual recipients shall not prevent the agency, under certain conditions, from providing the address of a recipient to a law enforcement officer who is pursuing a fugitive felon or parole or probation violator. This provision applies also to a recipient sought by an officer not because he is a fugitive but because he has information that the officer says is necessary for his official duties. In both cases the officer must notify the State that location or apprehension of the recipient is within his official duties.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

44. Prohibitions; Requirements - Minor Children Absent From Home for a Significant Period

Present Law

Regulations allow benefits to continue for children who are "temporarily absent" from home.

House Bill

No assistance may be provided for a minor child who has been absent from the home for 45 consecutive days or, at State option, between 30 and 180 consecutive days. States may establish a good cause exemption as long as it is detailed in the State report to the Secretary. No assistance can be given to a parent or caretaker who fails to report a missing minor child within five days of the time when it is clear (to the parent) that the child will be absent for the specified time.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

45. Prohibitions; Requirements - Medical Assistance Required to be Provided for Families Becoming Ineligible for Assistance Due to Increased Earnings or Collection of Child Support

Present Law

States must continue Medicaid (or pay premiums for employer-provided health insurance) for 6 months to a family that loses AFDC eligibility because of hours of, or income from, work of the caretaker relative, or because of loss of the earned income disregard after 4 months of work. States must offer an additional 6 months of medical assistance, for which it may require a premium payment if the family's income after child care expenses is above the poverty guideline. For extended medical aid, families must submit specified reports. States must continue Medicaid for 4 months to those who lose AFDC because of increased child or spousal support.

House Bill

States must provide medical assistance for 1 year to families that become ineligible for block grant assistance because of increased earnings, provided they received cash block grant assistance in at least 3 of the 6 months before the month in which they became ineligible and their income is below the poverty line. For purposes of determining family income to compare with the Federal poverty line, States have the authority to set their own definition of income except that income from the Earned Income Tax Credit must be disregarded. States also must provide medical assistance for 4 months to families that leave welfare (after being enrolled for at least 3 of the previous 6 months) because of increased income from child support or spousal support.

Senate Amendment

Same as current law.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment, with the modification that income restrictions conform to current law. Transitional Medicaid coverage is extended through the life of the block grant.

46. Prohibitions; Requirements – Medicaid

Present Law

States must provide Medicaid to all AFDC recipients and to some AFDC-related groups who do not receive cash aid. Examples include persons who do not receive a monthly payment because the amount would be below \$10 (Federal law prohibits payments this small) and persons whose payments are reduced to zero in order to recover previous overpayments.

States must continue Medicaid for specified periods for certain families who lose AFDC benefits. If the family loses AFDC benefits because of increased earnings or hours of employment, Medicaid coverage must be extended for 12 months. (During the second 6 months a premium may be imposed, the scope of benefits may be limited, or alternate delivery systems may be used.) If the family loses AFDC because of increased child or spousal support, coverage must be extended for 4 months. States are also required to furnish Medicaid to certain two-parent families whose principal earner is unemployed and who are not receiving cash assistance because the State has set a time limit on their AFDC coverage.

House Bill

States must provide medical assistance to persons who would be eligible for AFDC cash benefits (under terms of July 16, 1996) if that program still were in effect.

A State may increase the AFDC income standard above that of July 16, 1996 by the percentage increase in the consumer price index for all urban consumers over the same period.

Senate Amendment

States must provide medical assistance to persons who would be eligible for AFDC (under terms of July 1, 1996) as if that program were still in effect. Simplifies standards to make it easier for States to administer. States would have the option to: (1) lower their income standard, but not below those in effect on May 1, 1988; and (2) use income and resource standards and methodologies that are less restrictive than those in effect on July 1, 1996.

In order to provide States additional flexibility, States may use 1 application form and may administer the program through either its title IV agency or its title XIX agency.

Families would receive transitional Medicaid benefits as under current law.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment, with the modification that States must retain the income and resource standards they had for AFDC eligibility on July 16, 1996. States may terminate Medicaid eligibility for an adult who is terminated from TANF because of failure to work. Conferees are concerned that the conference agreement may require States to maintain a dual-eligibility determination system. Conferees, however, lacked adequate information to determine the true nature and extent of this problem. Thus, conferees recommend that the Committees on Ways and Means, Commerce, and Finance conduct hearings in the next Congress to carefully examine this problem. If the committees determine that the dual-eligibility system does in fact impose additional administrative costs on the States, Congress should consider Federal-State cost-sharing schemes and other legislative solutions. In the meantime, conferees are establishing a fund of \$.5 billion in entitlement spending that will be distributed among States that experience additional administrative expenses directly attributable to conducting a dual-eligibility system.

47. Prohibitions; Requirements – State Disregard of Income Security Payments

Present Law

AFDC benefits may not be paid to a recipient of old-age assistance (predecessor to Supplemental Security Income (SSI) and now available only in Puerto Rico, Guam, and the U.S. Virgin Islands), SSI, or AFDC foster care payments.

House Bill

This provision allows States to disregard payments from old age and survivors' insurance (social security), disability insurance, old-age assistance, foster care, and Supplemental Security Income

in determining the amount of block grant cash assistance to be provided to a family.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment.

48. Prohibitions; Requirements – Nondiscrimination

Present Law

No explicit provision in current AFDC/JOBS law.

House Bill

No provision.

Senate Amendment

States that have any program or activity that receives block grant funds for Temporary Assistance for Needy Families shall be subject to enforcement authorized under the Age Discrimination Act of 1975, the Rehabilitation Act of 1973 (sec. 504), and the Civil Rights Act of 1964 (Title VI).

Conference Agreement

The conference agreement follows the Senate amendment.

49. Prohibitions; Requirements – Denial of Benefits for Certain Drug-Related Convictions

Present Law

No explicit provision.

House Bill

No provision.

Senate Amendment

An individual convicted under Federal or State law of any crime related to illegal possession, use, or distribution of a drug is ineligible for any Federal means-tested benefit (for 5 years for a misdemeanor and for life for a felony). Family members or dependents of the individual are exempted, and individuals

made ineligible would continue to be eligible for emergency benefits, including emergency medical services.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that only TANF block grant benefits and food stamps are denied and that the denial is only for a felony offense.

50. Penalties - Use of Grant in Violation of This Part

Present Law

If the Secretary finds that a State has failed to comply with the State plan, she is to withhold all payments from the State (or limit payments to categories not affected by noncompliance).

House Bill

Note: Before imposing any of the penalties below, the Secretary shall notify the State of the violation and allow the State to enter into a corrective action plan (item 60). Also, except for items 51 and 52, the Secretary may not impose a penalty if she finds that the State has reasonable cause for its failure to comply.

If an audit finds that a State has used Federal funds in violation of the purposes of this title, the Secretary shall reduce the following quarter's payment by the amount misused. If the State cannot prove that the misuse was unintentional, the State's following quarter payment will be reduced by an additional five percent.

Senate Amendment

Same. See also item 57, Failure to Comply with Provisions of IV-A or State Plan.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

51. Penalties - Failure to Submit Required Report

Present Law

There is no specific penalty for failure to submit a report, although the general noncompliance penalty could apply.

House Bill

If a State fails to submit a required quarterly report within one month after the end of a fiscal quarter, the Secretary shall reduce by four percent the block grant amount otherwise payable to the State for the next fiscal year. However, the penalty shall be rescinded if the State submits the report before the end of the fiscal quarter succeeding the one for which the report was due.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

52. Penalties - Failure to Satisfy Minimum Participation Rates

Present Law

If a State fails to achieve the JOBS participation rate specified in law, the Secretary is to reduce to 50 percent the Federal matching rate for JOBS activities and for full-time personnel costs, which now ranges from 60 percent to 78 percent among States. (However, see item 54, "Corrective Compliance," for penalty waiver authority.)

House Bill

If a State fails to achieve its required work participation rate for the fiscal year, the Secretary shall reduce the following year's block grant by up to five percent, with the percentage cut based on the "degree of noncompliance." The Secretary has the authority to reduce the penalty if the State economy is in recession. In addition, failure to meet required work participation requirements results in States' being required to maintain 80 percent of historic spending levels, instead of 75 percent.

Senate Amendment

Imposes a graduated penalty on each consecutive failure by a State to meet the work participation standard. The Senate amendment also does not authorize the Secretary to reduce the penalty for States with high unemployment.

Conference Agreement

On penalty amounts, the conference agreement follows the Senate amendment with the modification that there is a graduated penalty of 5 percent the first year and 2 percent in addition to the prior year's penalty in subsequent years (so annual penalties in consecutive years would be 5 percent in the first year, 7 percent in the second, 9 percent in the third, and so on), with a maximum cumulative penalty of 21 percent. The conference agreement follows the House bill in authorizing the Secretary to reduce the penalty for needy States as defined under the contingency fund eligibility criteria.

53. Failure to Participate in the Income and Eligibility Verification System

Present Law

States must have in effect an Income and Eligibility Verification System covering AFDC, Medicaid, unemployment compensation, the Food Stamp program, and adult cash aid in the outlying areas. There is no specific penalty for failure to comply.

House Bill

If the State fails to participate in the Income and Eligibility Verification System (IEVS) designed to reduce welfare fraud, the Secretary shall reduce by up to two percent the annual family assistance grant of the State.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

54. Failure to Comply With Paternity Establishment and Child Support Enforcement Requirements

Present Law

The penalty against a State for noncompliance with child support enforcement rules -- loss of AFDC matching funds -- shall be suspended if a State submits and implements a corrective action plan.

House Bill

If the Secretary determines that a State does not enforce penalties requested by the Title IV-D child support enforcement agency against recipients of cash aid who fail to cooperate in establishing paternity or in establishing, modifying, or enforcing a child support order under Title IV-D (and who do not qualify for any good cause or other exception), the Secretary shall reduce the cash assistance block grant by up to five percent.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

55. Failure to Timely Repay a Federal Loan Fund for State Welfare Programs

Present Law

No provision.

House Bill

If a State fails to pay any amount borrowed from the Federal Loan Fund for State Welfare Programs within the maturity period, plus any interest owed, the Secretary shall reduce the State's family assistance block grant for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on it. The Secretary may not forgive these overdue debts.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

56. Failure of Any State to Maintain Certain Level of Historic Effort

Present Law

No provision.

House Bill

If in fiscal years 1997 through 2001 a State fails to spend a sum equal to at least 75 percent of its "historic level" (generally fiscal year 1994 expenditures for AFDC, JOBS, Emergency Assistance, AFDC-related child care and "at-risk" child care) of State spending on specified programs, the Secretary shall reduce the following year's family assistance grant (that is, in fiscal years 1998 through 2002) by the difference between the 75 percent requirement and what the State actually spent. However, States that fail to meet required work participation rates must maintain 80 percent of historic spending levels.

Qualified State expenditures that count toward the 75 percent (or 80 percent) spending requirement are all State-funded expenditures under all State programs that provide any of the following assistance to families eligible for family assistance benefits (and those no longer eligible because of the 5-year time limit or ineligible because of the Act's treatment of noncitizens): cash and child care assistance; educational activities designed to increase self-sufficiency, job training and work (excluding any expenditure for public education in the State other than expenditures for services or assistance to a member of an eligible family that is not generally available to other persons); administrative costs not to

exceed 15 percent of the total amount of qualified State expenditures; and any other use of funds reasonably calculated to accomplish purposes of the temporary family assistance. Qualified expenditures exclude spending from funds transferred from State or local programs except those that exceed the amount expended in 1996 or those for which the State is entitled to a Federal payment under former AFDC/JOBS law (as in effect just before enactment).

The Secretary is to reduce the 75 percent (or 80 percent) maintenance of effort spending requirement by up to eight percentage points (i.e., to no lower than 67 percent or 72 percent) for States that achieve "high performance" scores, based on a threshold to be set by the Secretary, for achieving the goals of the program of Temporary Assistance for Needy Families (TANF).

Senate Amendment

Raises required State spending to 80 percent of the "historic" level for all States. (Does not distinguish between States that meet or fail work participation rates in maintenance-of-effort rule.)

The Secretary is to reduce the 80 percent spending requirement by up to 8 percentage points (to as low as 72 percent) for States with high performance scores. (This provision was deleted because of the Byrd rule.)

Conference Agreement

The conference agreement follows the House bill, except that the provision allowing reduction of required State spending for high performance States is dropped. Conferees note that State spending on programs that promote self-sufficiency and prevent welfare dependence including, but not limited to, substance abuse treatment, teen parenting and pregnancy prevention shall count towards a State's maintenance of effort. The fact that such funds are spent through or by State or local education agencies should not prevent their being counted towards the State maintenance of effort.

57. Substantial Noncompliance of State Child Support Enforcement Program Requirements

Present Law

If a State child support program is found not to be in substantial compliance with Federal requirements, the Secretary is to reduce AFDC matching funds: by 1-2 percent for first finding of noncompliance, by 2-3 percent for second consecutive finding, and by 3-5 percent for third or subsequent finding. (See "corrective compliance" item 54.) Note: State child support plans must undertake to establish paternity of children born out-of-wedlock for whom AFDC is sought, and AFDC law requires the parent to cooperate in establishing paternity. Failure to cooperate makes the parent ineligible for AFDC.

House Bill

If a State child support enforcement program is found by review not to have complied with Title IV-D requirements, and the Secretary determines that the program is not in compliance at the time the finding is made, then the Secretary will reduce the State's quarterly block grant payment for each quarter during which the State is not in compliance. For the first finding of noncompliance, the reduction will be

between one and two percent; for the second consecutive finding, between two and three percent; for the third or subsequent findings, between three and five percent. Non-compliance of a technical nature is to be disregarded.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

58. Failure of State Receiving Amounts from Contingency Fund to Maintain 100 Percent of Historic Effort

Present Law

Not relevant.

House Bill

If the Secretary determines that a State failed to maintain 100 percent of historic State spending, as required during a year in which contingency funds are paid to the State, the following year's block grant payment to the State is to be reduced by the amount of contingency funds paid.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

59. Required Replacement of Grant Fund Reductions Caused by Penalties

Present Law

Not applicable.

House Bill

If a State's block grant is reduced as a result of one of the above penalties, the State must, during the following fiscal year, replace the penalized funds using State funds.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

60. Penalties - Failure to Provide Medical Assistance to Families Becoming Ineligible for Assistance under this Part Due to Increased Earnings from Employment or Collection of Child Support

Present Law

If the Secretary finds that a State fails to comply substantially with any required provision of its Medicaid plan (including transitional benefits for former AFDC families), she shall withhold all payments to the State (or limit payments to categories not affected by the noncompliance).

House Bill

If the Secretary determines that a State does not comply with the requirement to provide extended medical assistance for certain families that become ineligible for block grant assistance due to increased earnings or the collection of child support, the Secretary must reduce the State's block grant by up to 5 percent (depending on the severity of the violation).

Senate Amendment

No specific provision about failure to comply with requirement for extended medical assistance, but see item below.

Conference Agreement

The conference agreement follows the Senate amendment.

61. Penalties - Failure to Comply with Provisions of IV-A or State Plan

Present Law

If the Secretary finds that a State has failed to comply with the State plan, she is to withhold all payments from the State (or limit payments to categories not affected by noncompliance). (Item 46 above.)

House Bill

No general penalty for failure to comply with State plan.

Senate Amendment

If the Secretary, after notice and hearing, finds that a State has not substantially complied with any provision of IV-A or the State plan during a fiscal year, she shall (if a preceding penalty paragraph does not apply) reduce the grant for the next year by up to 5 percent and shall continue an annual reduction of up to 5 percent until she determines that the State no longer is out of compliance.

Conference Agreement

The conference agreement follows the House bill, with the modification that a new penalty provision is added for States that fail to meet the requirement to not sanction, for failure to perform work, single parents who prove they cannot find child care for a child under age 6.

62. Penalties - Failure to Comply with 5-Year Limit on Assistance

Present Law

Not relevant.

House Bill

No specific provision.

Senate Amendment

If the Secretary determines that a State during a fiscal year has not complied with the 5-year time limit (for TANF-funded aid), she is to reduce the basic TANF grant for the next year by 5 percent.

Conference Agreement

The conference agreement follows the Senate amendment.

63. Penalties - Reasonable Cause Exception

Present Law

Not applicable. (States are eligible for unlimited funds, but must match every dollar at a prescribed rate.)

House Bill

The Secretary may (except for failure to timely repay the loan fund, failure to meet the maintenance-of-effort requirement and requirement to replace grant reductions caused by penalties) withhold penalties against a State if she determines that the State had reasonable cause for failing to comply with the requirement.

Senate Amendment

The Secretary may (except for failure to timely repay the loan fund or failure to meet the maintenance-of-effort requirement) withhold penalties against a State if she determines that the State had reasonable cause for the failure.

Conference Agreement

The conference agreement follows the House bill.

64. Penalties - Corrective Compliance Plan

Present Law

The penalty against a State for substantial noncompliance with child support rules is loss of AFDC matching funds. That penalty shall be suspended if a State submits and implements a corrective action plan. Also, if a State fails to achieve the JOBS participation rate specified in law, the Secretary may waive, in whole or part, the reduction in matching funds, provided the State has submitted a proposal likely to achieve the applicable participation rate for the current year.

House Bill

Before assessing a penalty against a State under any program established or modified by this Act, the Secretary must notify the State of the violation and allow the State an opportunity to enter into a corrective compliance plan within 60 days of the notification. The Federal government will have 60 days within which to accept or reject the plan; if it accepts the plan, and if the State corrects the violation, no penalty will be assessed. A plan submitted by a State is deemed to be accepted if the Secretary does not accept or reject the plan during the 60-day period after the plan is submitted.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

65. Penalties - Limitation on Amount of Penalty

Present Law

If the Secretary finds that a State has failed to comply with the State AFDC plan, he is to withhold all AFDC payments from the State (or limit payments to categories not affected by the noncompliance.)

House Bill

In imposing the penalties described above, a State's quarterly family assistance grant cannot be reduced by more than a total of 25 percent; if necessary, penalties in excess of 25 percent will be carried forward to the immediately following fiscal year.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

66. Appeal of Adverse Decision

Present Law

Current law (sec. 1116 of the Social Security Act) entitles a State to a reconsideration, which HHS must grant upon request, of any disallowed reimbursement claim for an item or class of items. The section also provides for administrative and judicial review, upon petition of a State, of HHS decisions about approval of State plans. At the option of a State, any plan amendment may be treated as the submission of a new plan.

House Bill

The Secretary is required to notify the Governor of a State within five days of any adverse decision or action under Title IV-A, including any decision about the State's plan or imposition of a penalty. This section provides for administrative review by a Departmental Appeals Board within HHS, requires a Board decision within 60 days after an appeal is filed, and provides for judicial review (by a United States district court) within 90 days after a final decision by the Board. The proposal also repeals the reference to Title IV-A in section 1116.

Senate Agreement

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

67. Data Collection and Reporting - General Reporting Requirement

Present Law

States are required to report the average monthly number of families in each JOBS activity, their types, amounts spent per family, length of JOBS participation and the number of families aided with AFDC/JOBS child care services, the kinds of child care services provided, and sliding fee schedules. States that disallow AFDC for minor mothers in their own living quarters are required to report the number living in their parent's home or in another supervised arrangement. States also must report data (including numbers aided, types of families, how long aided, payments made) for families who receive transitional Medicaid benefits.

House Bill

The National Integrated Quality Control System draws monthly samples of AFDC cases and reports extensive background information about each case in the sample. JOBS regulations require States to submit a sample of monthly unaggregated case record data.

Senate Amendment

Each eligible State must collect on a monthly basis, and report to the Secretary on a quarterly basis, the following information on individual families receiving assistance:

1. the county of residence of the family;
2. whether a child receiving assistance or an adult in the family is disabled;
3. the ages of family members;
4. the number of individuals in the family, and the relationship of each member to the youngest child;
5. the employment status and earnings of the employed adult;
6. the marital status of adults, including whether they are never married, widowed, or divorced;
7. the race and educational status of each adult;
8. the race and educational status of each child;
9. whether the family received subsidized housing, Medicaid, food stamps, or subsidized child care, and if the latter two, the amount received;
10. the number of months the family has received each type of assistance under the program;
11. if the adults participated in, and the number of hours per week of participation in, the following activities: education; subsidized private sector employment; unsubsidized employment; public sector employment, work experience, or community service; job search; job skills training or on-the-job training; and vocational education;
12. information necessary to calculate the State work participation rates;
13. the type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions);
14. any amount of unearned income received by any family member; and
15. the citizenship of family members.

In addition to data on individual cases, States must report, on a sample of cases closed during the quarter, whether families left welfare because of employment, marriage, the five-year time limit on benefits, sanction, or State policy.

States may use scientifically acceptable sampling methods approved by the Secretary to estimate the required data elements. The Secretary shall provide States with case sampling plans and data collection procedures deemed necessary for statistically valid estimates.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

68. Other State Reporting Requirements

Present Law

Regulations require each State to submit quarterly estimates of the total amount (and the Federal share) of expenditures for AFDC benefits and administration. Required quarterly reports include estimates of the Federal share of child support collections made by the State.

House Bill

The above quarterly report submitted by the State must also include:

1. a statement of the percentage of the funds paid to the State that is used to cover administrative costs or overhead;
2. a statement of the total amount expended by the State during the quarter on programs for needy families;
3. the number of noncustodial parents in the State who participated in work activities as defined in the proposal during the quarter; and
4. the total amount spent by the State for providing transitional services to a family that no longer receives assistance because of employment, along with a description of those services.

The Secretary shall prescribe regulations necessary to define the data elements.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

69. Data Collection and Reporting - Annual Reports to the Congress by the Secretary

Present Law

The law requires the HHS Secretary to report promptly to Congress the results of State reevaluations of AFDC need standards and payment standards required at least every 3 years. The Secretary is to annually compile and submit to Congress annual State reports on at-risk child care. The Family Support Act requires the Secretary to submit recommendations regarding JOBS performance standards by a deadline that was extended.

House Bill

Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall send Congress a report describing:

1. whether States are meeting minimum participation rates and whether they are meeting objectives of increasing employment and earnings of needy families, increasing child support collections, and decreasing out-of-wedlock pregnancies and child poverty;
2. demographic and financial characteristics of applicant families, recipient families, and those no longer eligible for temporary family assistance;
3. characteristics of each State program funded under this part; and
4. trends in employment and earnings of needy families with minor children.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

70. Direct Funding and Administration by Indian Tribes - Grants for Indian Tribes

Present Law

No provision for AFDC administration by Indian tribes. Indian and Alaska families with children receive AFDC benefits on the same terms as other families in their States, from State or local AFDC agencies.

More than 80 tribes and native organizations in 24 States are JOBS grantees, having applied to conduct JOBS within 6 months of enactment of the law establishing it. Their JOBS allocation of funds is deducted from that of their State.

House Bill

For each fiscal year 1997 through 2000, the Secretary shall pay tribal family assistance grants to eligible Indian tribes (and shall reduce the family assistance grant for the State(s) in which the tribe's service area lies accordingly). The tribal family assistance grant is equal to the total amount of Federal payments to the State for fiscal year 1994 in AFDC benefits, AFDC Administration, Emergency Assistance, and JOBS funds for Indian families residing in the tribal service area. The Secretary shall pay tribes that

participated in the JOBS program in fiscal year 1995 a grant equal to their fiscal year 1994 JOBS funding (\$7.6 million). This sum is appropriated for each of six fiscal years, 1996 through 2001.

Senate Amendment

Same as the House bill, except for adding a fifth year, 2001, for tribal family assistance grants.

Conference Agreement

The conference agreement follows the Senate amendment.

71. Direct Funding and Administration by Indian Tribes - Three-year Tribal Family Assistance Plan

Present Law

Not applicable.

House Bill

Indian tribes must submit a tribal family assistance plan to be eligible to receive a tribal family assistance grant. The plan must outline the tribe's approach to providing welfare services during the 3-year period, specify how services will be provided, identify populations and areas served, provide that families will not receive duplicate assistance from a State or other tribal assistance plan, identify employment opportunities in the service area, and apply fiscal accountability provisions of the Indian Self-Determination and Education Assistance Act relating to the submission of a single-agency audit report required under current law.

The Secretary must approve tribal family assistance plans that meet the above requirements. For each tribe receiving a family assistance grant and with the participation of the tribe, the Secretary shall establish minimum work requirements, time limits, and penalties that are consistent with provisions of this Act and the economic conditions and resources of the tribe. Tribes will be subject to the same penalties as States for misusing funds, failing to pay back Federal loan funds, and failing to meet work participation rates. Tribes will also be required to abide by the same data collection and reporting requirements as States.

Unless excepted through a waiver, tribes in Alaska that receive tribal family assistance grants must operate a program comparable to the temporary family assistance program of the State of Alaska.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

72. Research, Evaluations, and National Studies - Research

Present Law

Section 1110 of the Social Security Act authorizes and appropriates "such sums as the Congress may determine" for making grants and contracts to (or jointly financed arrangements with) States and public or private organizations for cooperative research or demonstration projects, such as those relating to the prevention and reduction of dependency.

House Bill

The Secretary shall conduct research on the effects, benefits, and costs of operating State programs of Temporary Assistance for Needy Families, including time limits for eligibility. The research shall include studies on the effects of different programs and the impacts of the programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and other appropriate issues.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

73. Research, Evaluations, and National Studies - Development and Evaluation of Innovative Approaches to Reducing Welfare Dependency and Increasing Child Well-Being

Present Law

Section 1115 of the Social Security Act authorizes waiver of specified provisions of AFDC law for State experimental, pilot or demonstration projects to promote objectives of the law, including self-support of parents and stronger family life.

House Bill

The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children, using random assignments in these evaluations to the maximum extent feasible.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

74. Research, Evaluations, and National Studies - Dissemination of Information

Present Law

No provision.

House Bill

The Secretary shall develop innovative methods of disseminating information on research, evaluations, and studies, including ways to facilitate sharing of information via computers and other technologies.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

75. Research, Evaluations, and National Studies - Annual Rankings of States and Review of Most and Least Successful Work Programs

Present Law

No provision.

House Bill

The Secretary shall rank annually States receiving family assistance grants in the order of their success in moving families off welfare and into work, reducing the caseload, and, when a practicable method of calculation becomes available, diverting persons from applying to the program. The Secretary shall review annually the three most and three least successful programs under these criteria.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

76. Research, Evaluations, and National Studies - Annual Rankings of States and Review of Issues

Relating to Out-of-Wedlock Births

Present Law

No provision.

House Bill

The Secretary shall rank States annually on the percentage of births to families on welfare that are out-of-wedlock and on net changes in the percentage of out-of-wedlock births to families on welfare. The Secretary must review the programs of the five highest and five lowest ranking States under these criteria.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

77. Research, Evaluations, and National Studies - State-Initiated Evaluations

Present Law

In a 1994 public notice, HHS stated that it is committed to a broad range of evaluation strategies, including true experimental, quasi-experimental, and qualitative designs, for demonstrations operating under waivers. Section 1115(d) of the Social Security Act required the Secretary to enter into agreements with up to eight applicant States to conduct demonstration projects testing more liberal treatment of unemployed 2-parent families. The law stipulated that the States must evaluate costs and work effort results by use of experimental and control groups.

House Bill

A State is eligible to receive funding to evaluate its family assistance program if it submits an evaluation design determined by the Secretary to be rigorous and likely to yield credible and useful information. The State must pay 10 percent of the study's cost, unless the Secretary waives this rule.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

78. Research, Evaluations, and National Studies - Report on Circumstances of Certain Children and Families

Present Law

No provision.

House Bill

Beginning 3 years after enactment, the Secretary shall submit an annual report to 4 congressional committees (Ways and Means, Economic and Educational Opportunities, Finance, and Labor and Human Resources) about children whose families reached the cash assistance time limit of TANF, families that include a child ineligible because of the family cap, children born to teenaged parents, and persons who became parents as teenagers after enactment. For each of these four groups, detailed information is required, including percentages that dropped out of school, are employed, have been convicted of a crime or judged delinquent, continue to participate in TANF, have health insurance (and whether from private entity or government), and average family incomes.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

79. Research, Evaluations, and National Studies - Funding of Studies and Demonstrations

Present Law

See "Research" above. For Section 1115(a) "waiver" projects ("Innovative Approaches" above) Federal cost neutrality over the life of a demonstration project is required.

Note: The annual budgets of HHS request funds for policy research. The fiscal year 1997 budget seeks \$9 million and lists these priority issues: issues related to welfare reform, health care, family support and independence, poverty, at-risk children and youth, aging and disability, science policy, and improved access to health care and support services.

House Bill

For research, development and evaluation of innovative approaches, State-initiated evaluation studies of the family assistance program, and for costs of operating and evaluating demonstration projects begun under the AFDC waiver process, this section authorizes to be appropriated, and appropriates, a total of \$15 million annually for 6 fiscal years, 1996 through 2001. Half of this sum is allocated to the purposes described above in "Research" and "Innovative Approaches" and half to the other purposes.

The Secretary may implement and evaluate demonstrations of innovative and promising strategies that provide one-time capital funds to establish, expand, or replicate programs, test performance-based funding, and test strategies in multiple States and types of communities.

Senate Amendment

Same, except provides funding only in 4 fiscal years, 1998 through 2001.

Conference Agreement

The conference agreement follows the House bill, with the modification to appropriate for the years 1996 through 2002.

80. Child Poverty Rates

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Not later than 90 days after enactment, the governor of a State shall submit to the Secretary a statement of the child poverty rate in the State. Annually thereafter, the governor shall report the child poverty rate to the Secretary. If the rate increases by 5 percent or more as a result of changes made by the Act, the State shall prepare a corrective action plan to reduce the incidence of child poverty.

Conference Agreement

The conference agreement follows the Senate amendment on the submission of reports on child poverty rates and the corrective action plans. The conference agreement follows the House bill on provisions in the Senate amendment that provide the Secretary of HHS with the authority to alter State plans.

81. Study by the Census Bureau

Present Law

No provision.

House Bill

The Census Bureau must expand the Survey of Income and Program Participation (SIPP) to evaluate the

impact of welfare reforms made by this title on a random national sample of recipients and, as appropriate, other low-income families. The study should focus on the impact of welfare reform on children and families, and should pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells. \$10 million per year for 7 years (1996-2002) is appropriated for this study.

Senate Amendment

Same provision, except that the \$10 million annual appropriation is for only 5 years (fiscal years 1998-2002).

Conference Agreement

The conference agreement follows the House bill.

82. Waivers

Present Law

Section 1115 of the Social Security Act authorizes the HHS Secretary to waive specified requirements of State AFDC plans in order to enable a State to carry out any experimental, pilot, or demonstration project that the Secretary judges likely to assist in promoting the program's objectives. Some 38 States have received waivers from the Clinton Administration for welfare reforms, as of late May 1996.

House Bill

This section provides that terms of AFDC waivers in effect, or approved, as of September 30, 1995, will continue until their expiration, except that beginning with fiscal year 1996 a State operating under a waiver shall receive the block grant described under Section 403 in lieu of any other payment provided for in the waiver. The section also allows for continuation, under certain conditions of waivers on or approved before July 1, 1997, on the basis of applications made before enactment of the new program.

States have the option to terminate waivers before their expiration, but projects that are ended prematurely must be summarized in written reports. A State that submits a request to end a waiver within 90 days after the adjournment of the first regular session of the State legislature that begins after the date of enactment will be held harmless for accrued cost neutrality liabilities incurred under the waiver.

The Secretary is directed to encourage any State now operating a waiver to continue the project and to evaluate its result or effect. A State may elect to continue one or more individual waivers.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that such waivers may only apply to the geographical areas of the State and to the specific program features for which the waiver was granted. All geographical areas of the State and program features of the State program not specifically covered by the waiver must conform to this part. Conferees urge the Secretary to approve the Wisconsin comprehensive welfare reform waiver request (published in the Federal Register on June 10, 1996) by September 1, 1996.

83. Administration (and Reduction in Federal Workforce)

Present Law

An Assistant Secretary for Family Support, appointed by the President by and with consent of the Senate, is to administer AFDC, child support enforcement, and the Jobs Opportunities and Basic Skills (JOBS) program.

House Bill

The provision for an Assistant Secretary for Family Support now found in section 417 of Part A of the Social Security Act is retained but modified to remove the reference to the JOBS program, which is repealed.

No requirements to reduce workforce at HHS.

Senate Amendment

The Temporary Assistance for Needy Families (TANF) block grant program and the child support enforcement program shall be administered by an Assistant Secretary for Family Support. The HHS Secretary must reduce the number of positions within the Department by 245 equivalent full-time equivalent (FTE) positions related to the conversion of AFDC, Emergency Assistance, and Jobs into TANF and by 60 FTE managerial positions. In general, it requires the Secretary to reduce by 75 percent the number of FTE positions that relate to any direct spending program, or any program funded through discretionary spending that is converted into a block grant program under the bill and to reduce FTE department management positions similarly (on the basis of the portion of the Department's total appropriation represented by programs converted to block grants).

Conference Agreement

The conference agreement follows the Senate amendment.

84. Limitation on Federal Authority

Present Law

No provision.

House Bill

No officer or employee of the Federal Government may regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

85. Definitions - Adult

Present Law

No provision.

House Bill

An individual who is not a minor child.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

86. Definitions - Minor Child

Present Law

No provision. A dependent child is defined as a needy child who is under age 18 (19, at State option, if a full time student in a secondary school or equivalent level of vocational and technical training and expected to complete school before age 19).

House Bill

An individual who has not attained 18 years of age or has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

87. Definitions - Fiscal Year

Present Law

No provision.

House Bill

Any 12-month period ending on September 30 of a calendar year.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

88. Definitions - Indian, Indian Tribe, and Tribal Organization

Present Law

For JOBS purposes, an Indian tribe is defined as any tribe, band, Nation, or other organized group of Indians that is recognized as eligible for special programs and services of the U.S. because of their status as Indians. An Alaska native organization is any organized group of Alaska natives eligible to operate a Federal program under P.L. 93-638 or that group's designee.

House Bill

With the exception of specified Indian tribes in Alaska, these terms have the meaning given in the Indian Self-Determination and Education Assistance Act.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

89. Definitions - State

Present Law

For purposes of AFDC, the term "State" means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. The last jurisdiction has not implemented AFDC.

House Bill

Except as otherwise specifically provided (e.g., regarding the provision of population growth funds and contingency funds), the term "State" means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

Senate Amendment

Same, except adds to this definition an option for a State to contract to provide services: The term "State" includes administration and provision of services under the family assistance program and under the programs of child welfare, foster care and adoption assistance, family preservation, and independent living, through contracts with charitable, religious or private organizations, and provision of aid by means of certificates, vouchers, or other forms of disbursement redeemable by these organizations. See item 92.

Conference Agreement

The conference agreement follows the House bill.

90. Additional Grants to Puerto Rico, the Virgin Islands, Guam, and American Samoa; Limitation on Total Payments

Present Law

Under current law, the territories are eligible for 75 percent matching grants for their expenditures on cash welfare for adult assistance (i.e., assistance for needy persons who are aged, blind, or disabled), Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), Foster Care and Adoption Assistance, the Job Opportunities and Basic Skills (JOBS) program, and the Family Preservation program (Title IV-B, subpart 2). These matching grants are limited by *caps* on Federal payments. The territories also receive grants under the child welfare services (Title IV-B, subpart 1) program.

[Note: Although eligible, territories do not claim foster care and adoption assistance funds.]

The law places a ceiling on total payments for AFDC, aid to needy aged, blind or disabled adults, and foster care and adoption assistance to Puerto Rico -- \$82 million, the Virgin Islands -- \$2.8 million, Guam -- \$3.8 million, and American Samoa (AFDC, foster care, and adoption assistance) -- \$1 million.

House Bill

The proposal retains but increases aggregate welfare ceilings in each of the territories and combines the individual programs into a single block grant. The new ceilings would apply to aggregate spending for cash aid for needy families (TANF), cash aid to needy aged, blind or disabled adults, and child protection (child welfare and family preservation services). The proposal authorizes territories to transfer funds among these programs. Maximum potential fiscal year payments (including both the capped mandatory payments listed below and the authorization of discretionary grants) are as follows: Puerto Rico--\$113.5 million; Guam--\$5.2 million; U.S. Virgin Islands--\$4.0 million; and American Samoa--\$1.3 million.

To receive mandatory ceiling amounts (capped entitlements), territories must spend from their own funds in a fiscal year as much as they did in fiscal year 1995 for cash aid to needy families, and cash aid to needy aged, blind, or disabled adults. Federal matching funds, at a 75 percent rate, would reimburse territories for expenditures above their fiscal year 1995 base level, but below the Federal cap. Mandatory ceiling amounts: Puerto Rico--\$105.5 million; Guam, \$4.9 million; Virgin Islands, \$3.7 million; and American Samoa, \$1.1 million.

Senate Amendment

The proposal retains but increases aggregate welfare ceilings in each of the territories and, in effect, combines all but IV-B services (child welfare services and family preservation) into a single block grant. The new ceilings would apply to aggregate spending for cash aid for needy families (TANF), cash aid to needy aged, blind, or disabled adults, and foster care and adoption assistance. The proposal authorizes territories to transfer funds among these programs.

To receive the new ceiling amounts (capped entitlements), territories must spend from their own funds in a fiscal year for cash aid to needy families and cash aid to needy aged, blind, or disabled adults. Federal matching funds, at a 75 percent rate, would reimburse them for expenditures above their fiscal year 1995 base level, but below the Federal cap. Mandatory ceiling amounts -- Puerto Rico --\$102 million; Guam, \$4.7 million; Virgin Islands, \$3.6 million; and American Samoa, \$1 million. (Current law and funding arrangements are retained for IV-B programs.)

Conference Agreement

The conference agreement generally follows the Senate amendment. The conference agreement adds a provision specifying that States may use Title XX funds to provide vouchers to families losing TANF block grant assistance due to a State-imposed family cap.

91. Repeal of Provisions Requiring Disapproval of Medicaid Plans or Denial of Same Medicaid Payments to States that Reduce Welfare Payment Levels

Present Law

If a State reduces AFDC "payment levels" below those of May 1, 1988, the Secretary shall not approve the State's Medicaid plan.

If a State reduces AFDC payment levels below those of July 1, 1987, Medicaid matching funds shall be disallowed for required services to pregnant women and children not enrolled in AFDC but eligible for Medicaid on grounds of low income.

House Bill

The House proposal repeals provisions that impose Medicaid sanctions upon States that reduce AFDC payment levels.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

92. Services Provided by Charitable, Religious, and Private Organizations

Present Law

The Child Care and Development Block Grant (CCDBG) Act prohibits use of any financial assistance provided through any grant or contract for any sectarian purpose or activity. In general, the CCDBG requires religious nondiscrimination, but it does allow a sectarian organization to require employees to adhere to its religious tenets and teachings.

House Bill

The proposal authorizes States to administer and provide family assistance services (and services under SSI, the child protection block grant program, foster care, adoption assistance, and independent living programs) through contracts with charitable, religious, or private organizations. Under this provision, religious organizations would be eligible, on the same basis as any other private organization, to provide assistance as contractors or to accept certificates and vouchers so long as their programs are implemented consistent with the Establishment Clause of the Constitution. States may pay recipients by means of certificates, vouchers, or other forms of disbursement that are redeemable with such private organizations.

The proposal provides that, except as otherwise allowed by law, 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.

Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

Senate Amendment

Same provision, except that administration by charitable, religious, and private organizations is authorized only for TANF and SSI.

Conference Agreement

The conference agreement follows the House bill.

93. Census Data on Grandparents as Primary Caregivers for Their Grandchildren

Present Law

No provision.

House Bill

The Secretary of Commerce shall expand the Census Bureau's question (for the decennial census and the mid-decade census) concerning households with both grandparents and their grandchildren so as to distinguish between households in which a grandparent temporarily provides a home and those where the grandparent serves as primary caregiver.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

94. Report on Data Processing

Present Law

No provision. (State child support plans may provide for establishment of a statewide automated data processing and information retrieval system.)

House Bill

The Secretary must report to Congress within six months on the status of automatic data processing systems in the States and on what would be required to produce a system capable of tracking participants in public programs over time and checking case records across States to determine whether some individuals are participating in public programs in more than one State. The report should include a plan for building on the current automatic data processing system to produce a system capable of performing these functions as well as an estimate of the time required to put the system in place and the cost of the

system.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

95. Study on Alternative Outcomes Measures

Present Law

The Family Support Act required the Secretary to submit to Congress recommendations for JOBS performance standards regarding "specific measures of outcomes." It said the standards should not be measured solely by levels of activity or participation. (The report, due Oct. 1, 1993, was submitted 1 year late.)

House Bill

The Secretary must, in cooperation with the States, study and analyze measures of program outcomes (as an alternative to minimum participation rates) for evaluating the success of State block grant programs in helping recipients leave welfare. The study must include a determination of whether outcomes measures should be applied on a State or national basis and a preliminary assessment of the job placement performance bonus established in the Act. The Secretary must report findings to the Committee on Finance and the Committee on Ways and Means not later than September 30, 1998.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

96. Welfare Formula Fairness Commission

Present Law

No provision. AFDC funds are not distributed by formula. States are entitled to reimbursement, at matching rates inversely related to their per capita income squared, for all AFDC benefits and AFDC-related child care spending (but not "at-risk" child care). Federal funds received by a State are a function of its AFDC benefit levels, caseloads, and matching rate.

House Bill

No provision.

Senate Amendment

Establishes a welfare formula fairness commission to make recommendations on funding formulas, bonus payments, and work requirements of the new TANF program. Commission is to have 15 members, 3 each appointed by the President, Senate Majority Leader, Senate Minority Leader, House Speaker, and House Minority Leader. It is to report to Congress by Sept. 1, 1998, either making recommendations for change or giving notice that none is needed.

Conference Agreement

The conference agreement follows the House bill.

97. Conforming Amendments to the Social Security Act

Present Law

No provision.

House Bill

This section makes a series of technical amendments, including the repeal of the JOBS program, that conform provisions of the proposal with various titles of the Social Security Act.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

98. Conforming Amendments to the Food Stamp Act of 1977 and Related Provisions

Present Law

No provision.

House Bill

This section makes a series of technical amendments that conform provisions of the proposal with various titles of the Food Stamp Act and other related provisions.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

99. Conforming Amendments to Other Laws

Present Law

No provision.

House Bill

This section makes a series of amendments that conform provisions of the proposal to the Unemployment Compensation Amendments of 1976, the Omnibus Budget Reconciliation Act of 1987, the Housing and Urban-Rural Recovery Act of 1983, the Tax Equity and Fiscal Responsibility Act of 1982, the Social Security Amendments of 1967, the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, the Higher Education Act of 1965, the Carl D. Perkins Vocational and Applied Technology Education Act, the Elementary and Secondary Education Act of 1965, Public Law 99-88, the Internal Revenue Code of 1986, the Wagner-Peyser Act, the Job Training Partnership Act, the Low-Income Home Energy Assistance Act of 1981, the Family Support Act of 1988, the Balanced Budget and Emergency Deficit Control Act of 1985, the Immigration and Nationality Act, the Head Start Act, and the School-to-Work Opportunities Act of 1994.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

100. Development of Prototype of Counterfeit-Resistant Social Security Card Required

Present Law

No provision.

House Bill

The Commissioner of Social Security is required to develop a prototype of a counterfeit-resistant Social Security card. The Commissioner must report to Congress on the cost of issuing a tamper-proof card for

all persons over a three, five, and 10-year period.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

101. Community Steering Committees Demonstration Projects

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Requires the Secretary to enter into agreements with up to 5 applicant States to conduct demonstration projects designed to help TANF parents move into the nonsubsidized workforce. Duties of the committee: identify and create unsubsidized jobs for TANF recipients; propose and implement solutions to work barriers; assess needs of the children and provide services to ensure that the children enter school ready to learn and stay in school. A primary responsibility of the committee shall be to help assure that parents who have obtained work retain their jobs. Activities may include counseling, emergency day care, sick day care, transportation, provision of clothing, housing assistance, or any other needed help. Not later than Oct. 1, 2002, the Secretary shall report to congress on the project results.

Conference Agreement

The conference agreement follows the House bill.

102. Disclosure of Receipt of Federal Funds

Present Law

No provision.

House Bill

Under certain circumstances specified public funds received by nonprofit, tax-exempt 501(c) organizations, must be publicly disclosed. When a 501(c) organization that accepts Federal funds under

the Personal Responsibility and Work Opportunity Act (other than those provided under Titles IV, XVI, and XX of the Social Security Act) makes any communication intended to promote public support or opposition to any governmental policy (Federal, State or local) through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, the communication must state: "This was prepared and paid for by an organization that accepts taxpayer dollars."

Senate Amendment

Applies the fund disclosure rule to all Federal funds under the Personal Responsibility and Work Opportunity Act. (This provision was deleted because of the Byrd rule.)

Conference Agreement

The conference agreement follows the Senate amendment (no provision as a result of the Byrd rule).

103. Modifications to the Job Opportunities for Certain Low-Income Individuals Programs

Present Law

The Family Support Act of 1988 (Sec. 505) directed the Secretary to enter into agreement with between 5 and 10 nonprofit organizations to conduct demonstrations to create job opportunities for AFDC recipients and other low-income persons. For these projects, \$6.5 million was authorized to be appropriated for each fiscal year, 1990-1992.

House Bill

The word "demonstration" is struck from the description of these projects; the projects are converted to grant status. The provision requires the Secretary to enter into agreements with nonprofit organizations to conduct projects that create job opportunities for recipients of family assistance and other persons with income below the poverty guideline. \$25 million annually is authorized for these projects.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

104. Conforming Amendments to Medicaid

Present Law

House Bill

Provides for continued application of AFDC standards and methodologies for certain families, entitling them to Medicaid. Allows cost-of-living adjustments in income standards above level of July 16, 1996. See "Prohibitions; Requirements -- Medicaid" above.

Senate Amendment

Same except that States may use less restrictive income standards and methodologies than under current law.

Conference Agreement

The conference agreement follows the House bill.

105. Effective Date; Transition Rule

Present Law

No provision.

House Bill

Except as otherwise provided, this title and the amendments made by it take effect on July 1, 1997. Penalties (with the major exception of penalties for misuse of Federal family assistance grant funds) will not take effect until July 1, 1997, or six months after the State plan is received by the Secretary, whichever is later.

Within 90 days of enactment, the Secretary of HHS, the Commissioner of Social Security and other heads of appropriate agencies shall submit to appropriate congressional committees. Necessary technical and conforming amendments.

States may opt to begin their block grant program before July 1, 1997, in which case the State is entitled to receive no more than the State family assistance grant for the entire fiscal year; block grant payments will be made pro rata based on the number of days remaining in the fiscal year after the Secretary first received the State plan. The submission of a State plan is deemed to constitute the State's acceptance of the family assistance grant (including pro rata reductions for a partial fiscal year) and the termination of the individual entitlement to benefits under the AFDC program. Effective October 1, 1996, no individual or family shall be entitled to any benefits or services under any State plan under part A or F of Title IV of the Social Security Act (as in effect on September 30, 1995).

The amendments made do not apply with respect to powers, duties, penalties and other considerations applicable to aid, assistance or services provided before the effective date, or with respect to administrative actions and proceedings that commenced before the effective date. Federal and State officials may use scientifically acceptable statistical sampling techniques in closing out accounts. Each State shall complete the filing of all claims within 2 years after the date of enactment. The person

serving as Assistant Secretary for Family Support within HHS on the day before the effective date of this title will continue to serve in that position until a successor is named, performing functions provided under current law and having powers and duties provided in Section 103 of this bill.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

Title II: Supplemental Security Income

1. Reference to the Social Security Act

Present Law

No provision.

House Bill

Any reference in this title expressed in terms of an amendment to or repeal of a section or other provision is made to the Social Security Act.

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill.

Subtitle A -- Eligibility Restrictions

2. Denial of SSI Benefits to Individuals Found to Have Fraudulently Misrepresented Residence In Order to Obtain Benefits Simultaneously in 2 or More States

Present Law

Current law states that any person who knowingly and willfully makes or causes to be made any false statements or misrepresentations in applying for or continuing to receive Supplemental Security Income (SSI) payments may be subject to a civil monetary penalty or be fined or imprisoned pursuant to title 18, U.S. Code.

House Bill

Any person convicted in Federal court or State court of having fraudulently misrepresented residence in order to obtain benefits or services from two or more States under title IV, title XV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States from the SSI program, is ineligible for SSI benefits for 10 years. In addition, an official of the court in which the individual was convicted is required to notify the Commissioner of such conviction.

Senate Amendment

Identical to House Bill.

Conference Agreement

The conference agreement follows the House bill.

3. Denial of SSI Benefits for Fugitive Felons and Probation and Parole Violators

Present Law

Current law provides safeguards which restrict the use or disclosure of information concerning SSI applicants or recipients to purposes directly connected with the administration of the SSI program or other federally-funded programs.

House Bill

No individual who is fleeing to avoid prosecution, custody or confinement after conviction for a crime (or an attempt to commit a crime) that is a felony (or, in New Jersey, a high misdemeanor), or who violates probation or parole imposed under Federal or State, law shall be eligible for SSI benefits.

The Social Security Administration (SSA) shall furnish the current address, Social Security number, and photograph (if applicable) of a recipient to any Federal, State, or local law enforcement officer who is pursuing a fugitive felon or parole or probation violator. This provision applies also to a recipient sought by an officer because the recipient has information necessary to the officer's official duties.

Senate Amendment

Identical to House Bill.

Conference Agreement

The conference agreement follows the House bill with technical modification.

4. Treatment of Prisoners

Implementation of Prohibition Against Payment of Benefits to Prisoners

Present Law

Current law prohibits prisoners from receiving benefits while incarcerated. Federal, State, or county or local prisons are required to make available, upon written request, the name and Social Security account number of any individual who is confined in a penal institution or correctional facility and convicted of any crime punishable by imprisonment of more than 1 year.

House Bill

The Commissioner shall enter into an agreement with any interested State or local institution (defined as a jail, prison, other correctional facility, or institution where the individual is confined due to court order) under which the institution shall provide monthly the names, Social Security account numbers, dates of birth, confinement dates, and other identifying information. The Commissioner shall pay to the institution for each eligible individual who becomes ineligible \$400 if the information is provided within 30 days of the individual becoming an inmate. The payment is \$200 if the information is furnished after 30 days but within 90 days.

In addition, the Computer Matching and Privacy Protection Act of 1988 shall not apply to the information exchanged pursuant to this contract.

The Commissioner is authorized to provide, on a reimbursable basis, information obtained pursuant to agreements to any Federal or federally assisted cash, food, or medical assistance program for eligibility purposes.

The dollar amounts paid to the institution shall be reduced by 50 percent if the Commissioner is also required to make a payment with respect to the same individual based on eligibility for Social Security disability insurance benefits.

Payments to institutions shall be made from funds otherwise available for the payment of benefits.

Senate Amendment

The Senate amendment is similar to the House bill, however, it deletes all references to OASDI programs (due to Senate rule) and does not include the provision for the Commissioner to provide information to other Federal or federally assisted programs.

Conference Agreement

The conference agreement follows the House bill, except that all OASDI references are deleted.

Denial of SSI Benefits for 10 Years to a Person Found to Have Fraudulently Obtained SSI Benefits While in Prison

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Denies benefits for 10 years (beginning the date of release from prison) to a person found to have fraudulently obtained SSI benefits while in prison. This provision is effective on the date of enactment.

Conference Agreement

The conference agreement follows the House bill (i.e., no provision).

Elimination of OASDI Requirement that Confinement Stem from Crimes Punishable by Imprisonment for More Than 1 Year

Present Law

Bars Social Security benefits from prisoners convicted of any crime punishable by imprisonment of more than a year, not just felonies.

House Bill

Replaces "an offense punishable by imprisonment for more than 1 year" with "a criminal offense" and deletes other language. Effective for benefits payable more than 180 days after the date of enactment. It bars Social Security benefits from persons confined, throughout a month, to (1) a penal institution or (2) other institution if the person is found guilty but insane.

Senate Amendment

No provision, due to Senate rule.

Conference Agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Study of Other Potential Improvements in the Collection of Information Respecting Public Inmates

Present Law

No provision.

House Bill

The Commissioner shall conduct a study of the desirability, feasibility, and cost of establishing a system for courts to furnish the Commissioner information regarding court orders and requiring that State and local jails, prisons, and other institutions enter into agreements with the Commissioner by means of an electronic or similar data exchange system. The report of this study shall be submitted to the responsible Committees not later than 1 year after enactment.

Not later than October 1, 1998, the Commissioner of Social Security shall provide to the responsible Committees of Congress a list of institutions that are and are not providing information to the Commissioner in accordance with these provisions.

Senate Amendment

The Senate amendment is identical to the House bill except uses the term "contract" instead of "agreement."

There is no provision for the Commissioner to provide a list of institutions who are or are not in compliance with these provisions.

Conference Agreement

The conference agreement follows the House bill.

5. Effective Date of Application for Benefits

Present Law

The application of an individual for SSI benefits is effective on the later of the date the application is filed or the date the individual first becomes eligible for such benefits.

House Bill

Changes the effective date of application to the later of the first day of the month following the date the application is filed or the date the individual first becomes eligible for such benefits. The provision expands SSA's authority to issue an immediate cash advance to individuals faced with financial emergencies. Effective for applications filed on or after the date of enactment.

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill with technical modifications.

Subtitle B -- Benefits for Disabled Children

6. Definition and Eligibility Rules

Definition of Childhood Disability

Present Law

There is no definition of childhood disability in the statute. Instead, the statute prescribes that an individual under age 18 shall be considered disabled for purposes of eligibility for SSI if that individual has an impairment or combination of impairments of "comparable severity" which would result in a work disability in an adult. This impairment or combination of impairments must be expected to result in death or to last for a continuous period of not less than 12 months.

House Bill

This section adds a new statutory definition of childhood disability: an individual under the age of 18 is considered as disabled if the individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for at least a continuous period of not less than 12 months.

The Commissioner shall ensure that the combined effects of all physical or mental impairments of an individual are taken into account in determining whether an individual is disabled. In addition, the Commissioner shall ensure that the regulations prescribed by these provisions provide for the evaluation of children who cannot be tested because of their young age.

Senate Amendment

Identical to House bill regarding the new definition of disability. The provision does not include language regarding combined impairments or evaluation of children who cannot be tested because of their young age.

Conference Agreement

The conference agreement follows the Senate amendment. The conferees intend that only needy children with severe disabilities be eligible for SSI, and the Listing of Impairments and other current disability determination regulations as modified by these provisions properly reflect the severity of disability contemplated by the new statutory definition. In those areas of the Listing that involve domains of functioning, the conferees expect no less than two marked limitations as the standard for qualification. The conferees are also aware that SSA uses the term "severe" to often mean "other than minor" in an initial screening procedure for disability determination and in other places. The conferees, however, use the term "severe" in its common sense meaning.

In addition, the conferees expect that SSA will properly observe the requirements of section 1614 (a)(3)(F) of the Social Security Act and ensure that the combined effects of all the physical or mental impairments of an individual under age 18 are taken into account in making a determination regarding eligibility under the definition of disability. The conferees note that the 1990 Supreme Court decision in Zebley established that SSA had been previously remiss in this regard. The conferees also expect SSA to continue to use criteria in its Listing of Impairments and in the application of other determination procedures, such as functional equivalence, to ensure that young children, especially children too young to be tested, are properly considered for eligibility of benefits.

The conferees recognize that there are rare disorders or emerging disorders not included in the Listing of Impairments that may be of sufficient severity to qualify for benefits. Where appropriate, the conferees reminds SSA of the importance of the use of functional equivalence disability determination procedures.

Nonetheless, the conferees do not intend to suggest by this definition of childhood disability that every child need be especially evaluated for functional limitations, or that this definition creates a supposition for any such examination. Under current procedures for writing individual listings, level of functioning is an explicit consideration in deciding which impairment, with certain medical or other findings, is of sufficient severity to be included in the Listing. Nonetheless, the conferees do not intend to limit the use of functional information, if reflecting sufficient severity and is otherwise appropriate.

The conferees contemplate that Congress may revisit the definition of childhood disability and the scope of benefits, if deemed appropriate, and have provided elsewhere for studies on these issues.

Requests for Comments to Improve Disability Evaluation

Present Law

No provision.

House Bill

No provision.

Senate Amendment

Requires the Commissioner to request comments in the Federal Register regarding improvements to the disability evaluation and determination procedures for individuals under age 18 to ensure the comprehensive assessment of such individuals.

Conference Agreement

The conference agreement follows the House bill (i.e., no provision).

Changes to SSI Childhood Regulations

Present Law

Under the disability determination process for children, SSA first determines if a child meets or equals the "Listing of Impairments" in Federal regulations. Under the Listings that relate to mental disorders, maladaptive behavior may be scored twice, in domains of social functioning and of personal/behavior functioning.

Under the disability determination process for children, individuals who do not meet or equal the Listing of Impairments are subject to an "Individualized Functional Assessment" (IFA). This assessment is intended to determine whether, or to what extent, a child can engage in age-appropriate activities. If the child cannot, the child may be determined disabled.

House Bill

The Commissioner of Social Security shall eliminate references in the Listing of Impairments to maladaptive behavior among medical criteria for evaluation of mental and emotional disorders in the domain of personal/behavioral function.

The Commissioner of Social Security shall discontinue use of the Individualized Functional Assessment for children set forth in the Code of Federal Regulations.

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill.

Medical Improvement Review Standard as it Applies to Individuals Under the Age of 18

Present Law

No provision.

House Bill

This section contains technical modifications to the medical improvement review standard based on the new definition of childhood disability.

Senate Amendment

Identical to the House bill.

Conference Agreement

The conference agreement follows the House bill.

Effective Dates

Present Law

No provision.

House Bill

Changes in eligibility rules apply to new applications and pending requests for administrative or judicial review on or after the date of enactment, without regard to whether regulations have been issued.

No later than 1 year after the date of enactment, the Commissioner shall redetermine the eligibility of any child receiving benefits on the date of enactment who would lose eligibility under these provisions.

Benefits of current recipients will continue until their redetermination. Should a child be found ineligible, their benefits will end following redetermination.

No later than January 1, 1997, the Commissioner must notify individuals whose eligibility for SSI benefits will terminate.

The Commissioner must report to Congress within 180 days regarding progress made in implementing the SSI children's provisions.

The Commissioner shall submit final regulations to the Committees of jurisdiction of Congress for their review at least 45 days before they become effective.

Senate Amendment

Identical to the House bill, except that benefits of current recipients will continue until the later of July 1, 1997, or the date of redetermination. The Senate amendment also includes language which authorizes and appropriates \$300 million to remain available for fiscal year 1997-1999 for the Commissioner to conduct continuing disability reviews (CDRs) and redeterminations.

Conference Agreement

The conference agreement follows the Senate amendment with modification to authorize additional administrative funding for SSA: \$150 million for fiscal year 1997 and \$100 million for fiscal year 1998, to conduct SSI CDRs and redeterminations. The funding of CDRs and redeterminations will follow the usual appropriation process, except that the amounts above a base funding level will not be subject to discretionary caps.

7. Eligibility Redeterminations and Continuing Disability Reviews

Present Law

Current law specifies that the Commissioner must reevaluate under adult disability criteria the eligibility of at least one-third of SSI children who turn age 18 in each of the fiscal years 1996, 1997, and 1998 (the CDR must be completed before these children reach age 19) and report to Congress no later than October 1, 1998.

House Bill

At least once every 3 years the Commissioner must conduct CDRs of children receiving SSI benefits. For children who are eligible for benefits and whose medical condition is not expected to improve, the requirement to perform such reviews does not apply (unless the Commissioner decides otherwise). At the time of review the parent or guardian must present evidence demonstrating that the recipient is and has been receiving appropriate treatment for her disability.

The eligibility for all children qualifying for SSI benefits must be redetermined using the adult criteria within 1 year after turning 18 years of age. The review will be considered a substitute for any other review required under the changes made in this section. The "minimum number of reviews" and the "sunset" provisions of section 207 of the Social Security Independence and Program Improvements Act of 1994 are eliminated.

A review must be conducted 12 months after the birth of a child whose low birth weight is a contributing factor to the child's disability. At the time of review, the parent or guardian must present evidence demonstrating that the recipient is and has been receiving appropriate treatment for his disability.

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill.

8. Additional Accountability Requirements

Disposal of Resources for Less Than Fair Market Value

Present Law

No provision.

House Bill

The bill delays eligibility for any child applicant whose parents or guardians, in order to qualify a child for benefits, dispose of assets for less than fair market value within 36 months of the date of application. The provision stipulates that any assets in a trust in which the child (i.e., parent or representative payee) has control shall be considered assets of the child and subject to the 36-month "look-back" rule. The delay (in months) is equal to the amount of assets divided by the SSI standard benefit. This provision is effective 90 days after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Treatment of Assets Held in Trust

Present Law

No provision. Under current operating policy, a trust is not considered a resource if the SSI recipient does not have the legal authority to access trust assets for his or her own food, clothing, or shelter.

House Bill

Stipulates that in determining the resources of an individual under the age of 18, a revocable trust (i.e., the person has legal access to the assets of the trust) must be considered a resource available to the individual. In the case of an irrevocable trust, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual, then such payments are to be considered as resource available to the individual. The Commissioner of Social Security may waive these provisions if the Commissioner determines, on the basis of criteria prescribed in regulations, that such application would be an undue hardship on the individual.

Any earnings of, or additions to the principal of the trust would be considered income if they are available to the individual.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Requirement to Establish Account

Present Law

No provision.

House Bill

Requires the representative payee (i.e., the parent) of an individual under the age of 18 to establish an account in a financial institution for the receipt of past-due SSI payments if the lump-sum payment amounts to more than 6 times the maximum monthly SSI payment (including any State supplement). A representative payee shall use the funds in the account for the following expenses: education or job skills training; personal needs assistance; special equipment or housing modifications related to the child's disability; medical treatment; appropriate therapy or rehabilitation; or any other item or service that the Commissioner determines is appropriate.

Once the account is established the representative payee may deposit any past-due benefits owed to the recipient and any other funds representing an SSI underpayment provided the amount is more than the maximum monthly SSI benefit payment.

The funds in these accounts would not be counted as a resource and the interest and other earnings on the account would not be considered income in determining SSI eligibility.

Senate Amendment

Identical to House provision, except allows rather than mandates the representative payee to use the funds for allowable expenses.

Conference Agreement

The conference agreement follows the House bill.

9. Reduction in Cash Benefits Payable to Institutionalized Individuals Whose Medical Costs Are Covered by Private Insurance

Present Law

Federal law stipulates that when individuals enter a hospital or other medical institution for which more than half of the bill is paid by the Medicaid program, their monthly SSI benefit is reduced to \$30

per month. This personal needs allowance is intended to pay for small personal expenses, with the cost of maintenance and medical care provided by the Medicaid program.

House Bill

Children in medical institutions whose medical costs are covered by private insurance would be treated the same as children whose bills are currently paid by Medicaid (that is, their monthly SSI cash benefit would be reduced to \$30 per month).

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill.

10. Regulations

Present Law

No provision.

House Bill

The Commissioner of Social Security and the Secretary of HHS will prescribe necessary regulations within three months after enactment.

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill.

Subtitle C – Additional Enforcement Provisions

11. Installment Payment of Large Past-Due SSI Benefits

Present Law

No provision.

House Bill

If an individual is eligible for past-due benefits (after any withholding for reimbursement to a State

for interim assistance) in an amount which exceeds 12 times the maximum monthly benefit payable to an eligible individual (currently \$470) or couple (currently \$705) (plus any State supplementary payments), benefits will be paid in 3 installments made at 6-month intervals. The first and second installments may not exceed 12 times the maximum monthly benefit payable. Installment caps may be extended by certain debt (food, clothing, shelter, or medically necessary services, supplies, or equipment, or medicine) or the purchase of a home. Installment payments shall not apply to individuals whose medical impairment is expected to result in death in 12 months or for an individual who is ineligible and is likely to remain ineligible for the next 12 months.

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill.

12. Recovery of SSI Overpayments from Social Security Benefits

Present Law

Generally, when an overpayment of Social Security benefits is made, recovery shall be made by adjusting future payments or by recovering the overpayment from the individual.

House Bill

If the Commissioner is unable to recover the overpayment through future payment adjustments or direct recovery, the Commissioner may decrease any OASI or SSDI payment to the individual or their estate. As a result of this action, no individual may become eligible for SSI or eligible for increased SSI benefits.

Senate Amendment

No provision (due to Senate rule).

Conference Agreement

The conference agreement follows the Senate amendment (i.e., no provision).

13. Regulations

Present Law

No provision.

House Bill

The Commissioner of Social Security and the Secretary of HHS will prescribe necessary regulations within 3 months after enactment.

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill.

14. Repeal of Maintenance of Effort Requirements Applicable to Optional State Programs for Supplementation of SSI

Present Law

Since the beginning of the SSI program, States have had the option to supplement (with State funds) the Federal SSI payment. Subsequently, Congress passed section 1618 of the Social Security Act which in effect requires States to maintain such optional payments or lose eligibility for Medicaid funds. The purpose of section 1618 of the Social Security Act was to encourage States to pass along to SSI recipients the amount of any Federal SSI benefit increase. Section 1618 allows States to comply with the "pass along/ maintenance of effort" provision by either maintaining their State supplementary payment levels at or above March 1983, levels or by maintaining their supplementary payment spending so that total annual Federal and State expenditures will be at least equal to what they were in the prior 12-month period, plus any Federal cost-of-living increase, provided the State was in compliance for that period.

House Bill

Repeals the maintenance of effort requirements in Section 1618 applicable to optional State programs for supplementation of SSI benefits, effective on the date of enactment.

Senate Amendment

No provision, due to Senate rule

Conference Agreement

The conference agreement follows the Senate amendment (i.e. no provision).

Subtitle D – Studies Regarding Supplemental Security Income Program

15. Annual Report on the Supplemental Security Income Program

Present Law

The Social Security Administration collects and publishes limited data on the SSI program.

House Bill

The Commissioner of Social Security must prepare and provide to the President and the Congress an annual report on the SSI program, which includes specified information and data. The report is due May 30 of each year.

Senate Amendment

Identical to the House bill, except stipulates the inclusion of historical and correct data on prior enrollment by public assistance recipients.

Conference Agreement

The conference agreement follows the House bill, modified by the Senate amendment.

16. Study of Disability Determination Process

Present Law

No provision.

House Bill

Within 90 days of enactment, the Commissioner must contract with the National Academy of Sciences or another independent entity to conduct a comprehensive study of the disability determination process for SSI and SSDI. The study must examine the validity, reliability and consistency with current scientific standards of the Listings of Impairments cited above. The study must also examine the appropriateness of the definitions of disability (and possible alternatives) used in connection with SSI and SSDI, and the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical or mental impairments. The Commissioner must issue interim and final reports of the findings and recommendations of the study within 18 months and 24 months, respectively, from the date of contract for the study.

Senate Amendment

No provision, due to Senate rule.

Conference Agreement

The conference agreement follows the Senate amendment (i.e., no provision).

17. Study by General Accounting Office

Present Law

No provision.

House Bill

No later than January 1, 1999, the Comptroller General of the United States must study and report on the impact of the amendments and provisions made by this bill, and extra expenses incurred by families of children receiving benefits not covered by other Federal, State, or local programs.

Senate Amendment

Identical to House bill.

Conference Agreement

The conference agreement follows the House bill.

18. National Commission on the Future of Disability

Present Law

No provision.

House Bill

This section establishes a new Commission on the future of disability.

The Commission must study all matters related to the nature, purpose and adequacy of all Federal programs for the disabled (and especially SSI and SSDI), including: projected growth in the number of individuals with disabilities; possible performance standards for disability programs; the adequacy of Federal rehabilitation research and training; and the adequacy of policy research available to the Federal government and possible improvements. The Commission must submit to the President and the proper Congressional committees recommendations and possible legislative proposals effecting needed program changes.

The Commission is to be composed of 15 members who are appointed by the President and Congressional leadership and who serve for the life of the Commission. Members are to be chosen based on their education, training or experience, with consideration for representing the diversity of individuals with disabilities in the U.S. The Commission membership will also reflect the general interests of the business and taxpaying community.

The Commission will have a director, appointed by the Chair, and appropriate staff, resources, and facilities.

The Commission may conduct public hearings and obtain information from Federal agencies necessary to perform its duties.

The Commission must issue an interim report to Congress and the President not later than 1 year prior to terminating. A final public report must be submitted prior to termination.

The Commission will terminate 2 years after first having met and named a chair and vice chair.

This section authorizes the appropriation of such funds as are necessary to carry out the purposes of the Commission.

Senate Amendment

No provision, due to Senate rule.

Conference Agreement

The conference agreement follows the Senate amendment (i.e., no provision).

Title III: Child Support Enforcement

1. Reference to the Social Security Act

Present Law

No provision.

House Bill

Unless otherwise specified, any reference in this title to an amendment to or repeal of a section or other provision is to the Social Security Act.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

Subtitle A -- Eligibility for Services; Distribution of Payments

2. State Obligation to Provide Child Support Enforcement Services

Present Law

States are required to establish paternity for children born out of wedlock if they are recipients of AFDC or Medicaid, and to obtain child and spousal support payments from noncustodial parents of children receiving AFDC, Medicaid benefits, or foster care maintenance payments. States must provide child support collection or paternity determination services to persons not otherwise eligible if the person applies for services. Federal law requires States to cooperate with other States in establishing paternity (if necessary), locating absent parents, collecting child support payments, and carrying out other child support enforcement functions. In cases in which a family ceases to receive AFDC, States are required to provide appropriate notice to the family and continue to provide child support enforcement services without requiring the family to apply for services or charging an application fee.

House Bill

States must provide services, including paternity establishment and establishment, modification, or enforcement of support obligations, for children receiving benefits from the Temporary Assistance for Needy Families block grant (TANF), foster care maintenance payments, Medicaid, and any child of an individual who applies for services. States must enforce support obligations with respect to children in their caseload and the custodial parents of such children. States must also make child support enforcement services available to individuals not residing within the State on the same terms as to individuals residing within the State. States are not required to provide services to families if the State

determines, taking into account the best interests of the child, that good cause and other exceptions exist. The provision also makes minor technical amendments to section 454 of the Social Security Act.

When a family ceases to receive benefits from the TANF block grant, States are required to provide appropriate notice to the family and continue to provide child support enforcement services without requiring the family to apply for services or charging an application fee.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Distribution of Child Support Collections

Present Law

Federal law requires that child support collections be distributed as follows: First, up to the first \$50 in current support is paid to the AFDC family (a "disregard" that does not affect the family's AFDC benefit or eligibility status). Second, the Federal and State governments are reimbursed for the AFDC benefit paid to the family in that month. Third, if there is money left, the family receives it up to the amount of the current month's child support obligation. Fourth, if there is still money left, the State keeps it to reimburse itself for any arrearages owed to it under the AFDC assignment (with appropriate reimbursement of the Federal share of the collection to the Federal government). If no arrearages are owed the State, the money is used to pay arrearages to the family; such moneys are considered income under the AFDC program and would reduce the family's AFDC benefit.

To receive AFDC benefits, a custodial parent must assign to the State any right to collect child support payments. This assignment covers current support and any arrearages that accumulated before the family began receiving public assistance, and lasts as long as the family receives AFDC.

Some States are required to provide monthly supplemental payments to AFDC recipients who have less disposable income now than they would have had in July 1975 because child support is paid to the child support agency instead of directly to the family. States required to make these supplemental payments are often referred to as "fill-the-gap" States. These States pay less assistance than their full need standard, and allow recipients to use child support income to make up all or part of the difference between the payment made by the State and the State's need standard.

House Bill

Several changes in the distribution rules under current law are made by this section. The \$50 passthrough to families on AFDC is ended. In addition, distribution law is changed so that, beginning October 1, 1997, collections on arrearages that accumulated during the period after the family leaves welfare are paid to the State if the money was collected through the tax intercept and to the family if collected by any other method. Distribution law is also changed so that beginning on October 1, 2000,

arrearages that accumulated during the period before the family went on welfare are paid to the State if the money was collected through the tax intercept and to the family if collected by any other method. (Note: These new distribution rules require the assignment rules for pre-welfare arrearages to be changed so that families can be paid before States if the money was collected by a method other than the tax intercept; this change in assignment rules was made in Title I and will appear in Section 408(a)(3)(B) of the revised Social Security Act.)

By October 1, 1998, the Secretary must present a report to the Congress concerning whether post-assistance arrearages have helped mothers avoid welfare and about the effectiveness of the new distribution rules.

All assignments of support in effect when this proposal is enacted must remain in effect.

Several terms, including "assistance from the State", "Federal share", and "State share" are defined.

If States retain less money from collections than they retained in fiscal year 1995, States are allowed to retain the amount retained in fiscal year 1995.

If a State follows a "fill-the-gap" policy as outlined above, that State can continue to distribute funds to the family up to the amount needed to fill the gap. The provision also clarifies the relationship between gap payments and both the \$50 passthrough and the State hold harmless provision.

Senate Amendment

Same, except Senate adds provision that stipulates that in the case of a family receiving assistance from an Indian tribe, the State distribute any support collected in accordance with any cooperative agreement between the State and the tribe.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with the modification that the House accepts the Senate provision on Indian tribes.

4. Privacy Safeguards

Present Law

Federal law limits the use or disclosure of information concerning recipients of Child Support Enforcement Services to purposes connected with administering specified Federal welfare programs.

House Bill

States must implement safeguards against unauthorized use or disclosure of information related to proceedings or actions to establish paternity or to establish or enforce child support. These safeguards must include prohibitions on release of information where there is a protective order or where the State has reason to believe a party is at risk of physical or emotional harm from the other party. This provision is effective October 1, 1997.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

5. Right to Notification of Hearing

Present Law

Most States have procedural due process requirements with respect to wage withholding. Federal law requires States to carry out withholding in full compliance with all procedural due process requirements of the State.

House Bill

Parties to child support cases under Title IV-D must receive notice of proceedings in which child support might be established or modified and must receive a copy of orders establishing or modifying child support (or a notice that modification was denied) within 14 days of issuance.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

Subtitle B – Locate and Case Tracking

6. State Case Registry

Present Law

Federal law requires that wage withholding be administered by a public agency capable of documenting payments of support and tracking and monitoring such payments.

Federal law requires that child support orders be reviewed and adjusted, as appropriate, at least once every three years.

House Bill

States must establish an automated State Case Registry that contains a record on each case in which services are being provided by the State agency, as well as each support order established or modified in

the State on or after October 1, 1998.

The Registry may be established by linking local case registries of support orders through an automated information network.

The registry record will contain data elements on both parents, such as names, Social Security numbers and other uniform identification numbers, dates of birth, case identification numbers, and any other data the Secretary may require.

Each case record will contain the amount of support owed under the order and other amounts due or overdue (including interest or late payment penalties and fees), any amounts that have been collected and distributed, the birth date of any child for whom the order requires the provision of support, and the amount of any lien imposed by the State.

The State agency operating the registry will promptly establish, maintain, update and regularly monitor case records in the registry with respect to which services are being provided under the State plan. Establishing and updating support orders will be based on administrative actions and administrative and judicial proceedings and orders relating to paternity and support, as well as on information obtained from comparisons with Federal, State, and local sources of information, information on support collections and distributions, and any other relevant information.

The State automated system will be used to extract data for purposes of sharing and matching with Federal and State data bases and locator services, including the Federal Case Registry of Child Support Orders, the Federal Parent Locator Service, and Temporary Assistance for Needy Families and Medicaid agencies, as well as for conducting intrastate and interstate information comparisons.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

7. Collection and Disbursement of Support Payments

Present Law

No provision, but States may provide that, at the request of either parent, child support payments be made through the child support enforcement agency or the agency that administers the State's income withholding system regardless of whether there is an arrearage. States must charge the parent who requests child support services a fee equal to the cost incurred by the State for these services, up to a maximum of \$25 per year.

House Bill

By October 1, 1998, State child support agencies are required to operate a centralized, automated

unit for collection and disbursement of payments on child support orders enforced by the child support agency and payments on orders issued after December 31, 1993 which are not enforced by the State agency but for which income is subject to withholding. The specifics of how States will establish and operate their State Disbursement Unit must be outlined in the State plan.

The State Disbursement Unit must be operated directly by the State agency, by two or more State agencies under a regional cooperative agreement, or by a contractor responsible directly to the State agency. The State Disbursement Unit may be established by linking local disbursement units through an automated information network if the Secretary agrees that the system will not cost more, take more time to establish, nor take more time to operate than a single State system. All States, including those that operate a linked system, must give employers one and only one location for submitting withheld income.

The Disbursement Unit must be used to collect and disburse support payments, to generate orders and notices of withholding to employers, to keep an accurate identification of payments, to promptly distribute money to custodial parents or other States, and to furnish parents with a record of the current status of support payments (but States are not responsible for records that predate passage of this legislation). The Unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical.

The Disbursement Unit must distribute all amounts payable within 2 business days after receiving money and identifying information from the employer or other source of periodic income, if sufficient information identifying the payee is provided. The Unit may retain arrearages in the case of appeals until they are resolved.

States must use their automated system to facilitate collection and disbursement including at least:

- (1) transmission of orders and notices to employers within 2 days after receipt of the withholding notice;
- (2) monitoring to identify missed payments of support; and
- (3) automatic use of enforcement procedures when payments are missed.

It is the sense of Congress that in establishing a centralized unit for the collection of support payments, a State should choose the method of compliance which best meets the needs of parents, employers, and children.

This section of the proposal will go into effect on October 1, 1998. States that process child support payments through local courts can continue court payments until September 30, 1999.

Senate Amendment

Same, except Senate uses the term "wages" rather than "income" throughout this section. Senate amendment does not include the provision that States are not responsible for records that predate passage.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with the modification that the term "income" rather than "wages" is used throughout this section. In addition, the House "sense of the Congress" language was deleted.

8. State Directory of New Hires

Present Law

In general, no provision. Section 1128 of the Social Security Act is an antifraud provision which excludes individuals and entities that have committed fraud from participation in medicare and State health care programs. Section 1128A pertains to civil monetary penalties and describes the appropriate procedures and proceedings for such penalties.

House Bill

State plans must include the provision that by October 1, 1997 States will operate a Directory of New Hires.

Establishment. States are required to establish a State Directory of New Hires to which employers and labor organizations in the State must furnish a report for each newly hired employee, unless reporting could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission as determined by the head of an agency. States that already have new hire reporting laws may continue to follow the provisions of their own law until October 1, 1998, at which time States must conform to Federal law.

Employer Information Employers must furnish to the State Directory of New Hires the name, address, and Social Security number of every new employee and the name, address, and identification number of the employer. Multistate employers that report electronically or magnetically may report to the single State they designate; such employers must notify the Secretary of the name of the designated State. Agencies of the U.S. Government must report directly to the National Directory of New Hires (see below).

Timing of Report Employers must report new hire information within 20 days of the date of hire. Employers that report new hires electronically or by magnetic tape must file twice per month; reports must be separated by not less than 12 days and not more than 16 days.

Reporting Format and Method. The report required in this section will be made on a W-4 form or the equivalent, and can be transmitted magnetically, electronically, or by first class mail. The decision of which reporting method to use is up to employers.

Civil Money Penalties on Noncomplying Employers States have the option of setting a civil money penalty which shall be not less than \$25 or \$500 if, under State law, the failure is the result of a conspiracy between the employer and employee.

Entry of Employer Information New hire information must be entered in the State data base within 5 business days of receipt from employer.

Information Comparisons By May 1, 1998, each State Directory of New Hires must conduct automated matches of the Social Security numbers of reported employees against the Social Security numbers of records in the State Case Registry being enforced by the State agency and report the name, address, Social Security number, and the employer name, address, and identification number on matches

to the State child support agency.

Transmission of Information Within 2 business days of the entry of data in the registry, the State must transmit a withholding order directing the employer to withhold wages in accord with the child support order. Within 3 days, the State Directory of New Hires must furnish employee information to the National Directory of New Hires for matching with the records of other State case registries. The State Directory of New Hires must also report quarterly to the National Directory of New Hires information on wages and unemployment compensation taken from the quarterly report to the Secretary of Labor now required by Title III of the Social Security Act.

Other Uses of New Hire Information The State child support agency must use the new hire information to locate individuals for purposes of establishing paternity as well as establishing, modifying, and enforcing child support obligations. New hire information must also be disclosed to the State agency administering the Temporary Assistance for Needy Families, Medicaid, Unemployment Compensation, Food Stamp, SSI, and territorial cash assistance programs for income eligibility verification, and to State agencies administering unemployment and workers' compensation programs to assist determinations of the allowability of claims. State and local government agencies must participate in quarterly wage reporting to the State employment security agency unless the agency performs intelligence or counterintelligence functions and it is determined that wage reporting could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission. States may disclose new hire information to agencies working under contract with the child support agency.

Disclosure to Certain Agents States using private contractors are allowed to share information obtained from the Directory of New Hires with private entities working under contract with the State agency. Private contractors must comply with privacy safeguards.

Senate Amendment

Same, except under "Other Uses of New Hire Information" Senate Amendment has no provision allowing States to share information with agencies working under contract with the State.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with the modification that the House provision allowing private entities working under contract with child support agencies access to child support information is included.

9. Amendments Concerning Income Withholding

Present Law

Since November 1, 1990, all new or modified child support orders that were being enforced by the State's child support enforcement agency have been subject to immediate income withholding. If the noncustodial parent's wages are not subject to income withholding (pursuant to the November 1, 1990 provision), such parent's wages would become subject to withholding on the date when support payments are 30 days past due. Since January 1, 1994, the law has required States to use immediate income withholding for nearly all new or modified support orders, regardless of whether a parent has applied for

child support enforcement services. There are two circumstances in which income withholding does not apply: 1) one of the parents argues, and the court or administrative agency agrees, that there is good cause not to do so, or 2) a written agreement is reached between both parents which provides for an alternative arrangement. States must implement procedures under which income withholding for child support can occur without the need for any amendment to the support order or for any further action by the court or administrative entity that issued the order. States are also required to implement income withholding in full compliance with all procedural due process requirements of the State, and States must send advance notice to each nonresident parent to whom income withholding applies (with an exception for some States that had income withholding before enactment of this provision that met State due process requirements). States must extend their income withholding systems to include out-of-State support orders.

House Bill

States must have laws providing that all child support orders issued or modified before October 1, 1996, which are not otherwise subject to income withholding, will become subject to income withholding immediately if arrearages occur, without the need for judicial or administrative hearing. State law must also allow the child support agency to execute a withholding order through electronic means and without advance notice to the obligor. Employers must remit to the State Disbursement Unit, in a format prescribed by the Secretary, income withheld within five working days after the date such amount would have been paid to the employee. Employers cannot take disciplinary action against employees subject to wage withholding. All child support orders subject to income withholding, including those which are not part of the State IV-D program, must be processed through the State Disbursement Unit. In addition, States must notify noncustodial parents that income withholding has commenced and inform them of procedures for contesting income withholding. Employers must follow the withholding terms and conditions stated in the order; if the terms and conditions are not specified employers should follow those of the State in which the obligor lives. The section includes a definition of income to be used in interstate withholding and several conforming amendments to section 466 of the Social Security Act.

Senate Amendment

Same, except employers must remit income withheld to the State disbursement unit within 7 rather than 5 days. There are also minor wording differences in the rules relating to income withholding. There is also a difference in the House and Senate definitions of income.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with the modifications that employers are given 7 days rather than 5 days to remit withheld income and that the House definition of income is followed. With respect to this provision, "timely-paid" is demonstrated by postmark, or in the case of electronic payment, the date the electronic transmission is proven to have been initiated by the employer.

10. Locator Information from Interstate Networks

Present Law

No provision.

House Bill

All State and the Federal Child Support Enforcement agencies must have access to the motor vehicle and law enforcement locator systems of all States.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

11. Expansion of the Federal Parent Locator Service

Present Law

The law requires that the Federal Parent Locator Service (FPLS) be used to obtain and transmit information about the location of any absent parent when that information is to be used for the purpose of enforcing child support. Federal law also requires departments or agencies of the United States to be reimbursed for costs incurred in providing requested information to the FPLS.

Information Comparisons and Other Disclosures. Upon request, the Secretary must provide to an "authorized person" (i.e., an employee or attorney of a child support agency, a court with jurisdiction over the parties involved, the custodial parent, the legal guardian, or the child's attorney) the most recent address and place of employment of any nonresident parent if the information is contained in the records of the Department of Health and Human Services or can be obtained from any other department or agency of the United States or of any State. The FPLS also can be used in connection with the enforcement or determination of child custody, visitation, and parental kidnapping. Federal law requires the Secretary of Labor and the Secretary of Health and Human Services to enter into an agreement to give the FPLS prompt access to wage and unemployment compensation claims information useful in locating a noncustodial parent or his employer.

Fees. "Authorized persons" who request information from FPLS must be charged a fee.

Restriction on Disclosure and Use. Federal law stipulates that no information shall be disclosed if the disclosure would contravene the national policy or security interests of the United States or the confidentiality of Census data.

Quarterly Wage Reporting. The Secretary of Labor must provide prompt access by the Secretary of HHS to wage and unemployment compensation claims information and data maintained by the Labor Department or State employment security agencies.

House Bill

The purposes of the Federal Parent Locator Service are expanded. For the purposes of establishing parentage, establishing support orders or modifying them, or enforcing support orders, the Federal Parent Locator Service will provide information to locate individuals who owe child support or against whom an obligation is sought or to whom such an obligation is owed. Information in the FPLS includes Social Security number, address, name and address of employer, wages and employee benefits (including information about health care coverage), and information about assets and debts. The provision also clarifies the statute so that parents with orders providing child custody or visitation rights are given access to information from the FPLS unless the State has notified the Secretary that there is reasonable evidence of domestic violence or child abuse or that the information could be harmful to the custodial parent or child.

The Secretary is authorized to set reasonable rates for reimbursing Federal and State agencies for the costs of providing information to the FPLS and to set reimbursement rates that State and Federal agencies that use information from the FPLS must pay to the Secretary.

Federal Case Registry of Child Support Orders. Establishes within the FPLS an automated registry known as the Federal Case Registry of Child Support Orders. The Federal Case Registry contains abstracts of child support orders and other information specified by the Secretary (such as names, Social Security numbers or other uniform identification numbers, and State case identification numbers) to identify individuals who owe or are owed support, or for or against whom support is sought to be established, and the State which has the case. States must begin reporting this information in accord with regulations issued by the Secretary by October 1, 1998.

National Directory of New Hires. This provision establishes within the FPLS a National Directory of New Hires containing information supplied by State Directories of New Hires. When fully implemented, the Federal Directory of New Hires will contain identifying information on virtually every person who is hired in the United States. In addition, the FPLS will contain quarterly data supplied by the State Directory of New Hires on wages and Unemployment Compensation paid. The Secretary of the Treasury must have access to information in the Federal Directory of New Hires for the purpose of administering section 32 of the Internal Revenue Code and the Earned Income Credit. The information for the National Directory of New Hires must be entered within 2 days of receipt, and requires the Secretary to maintain within the National Directory of New Hires a list of multistate employers that choose to send their report to one State and the name of the State so elected. The Secretary must establish a National Directory of New Hires by October 1, 1997.

Information Comparisons and Other Disclosures. The Secretary must verify the accuracy of the name, Social Security number, birth date, and employer identification number of individuals in the Federal Parent Locator Service with the Social Security Administration. The Secretary is required to match data in the National Directory of New Hires against the child support order abstracts in the Federal Case Registry at least every 2 working days and to report information obtained from matches to the State child support agency responsible for the case within 2 days. The information is to be used for purposes of locating individuals to establish paternity, and to establish, modify, or enforce child support orders. The Secretary may also compare information across all components of the FPLS to the extent and with the frequency that the Secretary determines will be effective. The Secretary will share information from the FPLS with several potential users including State agencies administering the Temporary Assistance for Needy Families program, the Commissioner of Social Security (to determine the accuracy of Social

Security and Supplemental Security Income), and researchers under some circumstances.

Fees. The Secretary must reimburse the Commissioner of Social Security for costs incurred in performing verification of Social Security information and States for submitting information on New Hires. States or Federal agencies that use information from FPLS must pay fees established by the Secretary.

Restriction on Disclosure and Use. Information from the FPLS cannot be used for purposes other than those provided in this section, subject to section 6103 of the Internal Revenue Code (confidentiality and disclosure of returns and return information).

Information Integrity and Security. The Secretary must establish and use safeguards to ensure the accuracy and completeness of information from the FPLS and restrict access to confidential information in the FPLS to authorized persons and purposes.

Federal Government Reporting. Each department of the U.S. must submit the name, Social Security number, and wages paid the employee on a quarterly basis to the FPLS. Quarterly wage reporting must not be filed for a Federal or State employee performing intelligence or counter-intelligence functions if it is determined that filing such a report could endanger the employee or compromise an ongoing investigation.

Conforming Amendments. This section makes several conforming amendments to Titles III and IV of the Social Security Act, to the Federal Unemployment Tax Act, and to the Internal Revenue Code. Among the more important are that: State employment security agencies are required to report quarterly wage information to the Secretary of HHS or suffer financial penalties and that private agencies working under contract to State child support agencies can have access to certain specified information from IRS records under some circumstances.

Requirement for Cooperation. The Secretaries of HHS and Labor must work together to develop cost-effective and efficient methods of accessing information in the various directories required by this title; they must also consider the need to ensure the proper and authorized use of wage record information.

Senate Amendment

Same, except under "Information Comparisons and Other Disclosures" the Senate amendment drops the requirement that the Social Security Administration must determine the accuracy of payments under the Social Security and SSI programs.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with the modification that the agreement follows the Senate provision dropping the requirement that the Social Security Administration determine the accuracy of Social Security and SSI payments.

12. Collection and Use of Social Security Numbers for Use in Child Support Enforcement

Present Law

Federal law requires that in the administration of any law involving the issuance of a birth certificate, States must require each parent to furnish their Social Security number for the birth records. The State is required to make such numbers available to child support agencies in accordance with Federal or State law. States may not place Social Security numbers directly on birth certificates.

House Bill

States must have procedures for recording the Social Security numbers of applicants on the application for professional licenses, commercial driver's licenses, occupational licenses, and marriage licenses. States must also record Social Security numbers in the records of divorce decrees, child support orders, and paternity determination or acknowledgment orders. Individuals who die will have their Social Security number placed in the records relating to the death and recorded on the death certificate. There are several conforming amendments to title II of the Social Security Act.

Senate Amendment

Same, except difference in conforming amendment to Social Security Act.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

Subtitle C – Streamlining and Uniformity of Procedures

13. Adoption of Uniform State Laws

Present Law

States have several options available for pursuing interstate child support cases including direct income withholding, interstate income withholding, and long-arm statutes which require the use of the court system in the State of the custodial parent. In addition, States use the Uniform Reciprocal Enforcement of Support Act (URESA) and the Revised Uniform Reciprocal Enforcement of Support Act (RURESA) to conduct interstate cases. Federal law imposes a Federal criminal penalty for the willful failure to pay past-due child support to a child who resides in a State other than the State of the obligor. In 1992, the National Conference of Commissioners on State Uniform Laws approved a new model State law for handling interstate child support cases. The new Uniform Interstate Family Support Act (UIFSA) is designed to deal with desertion and nonsupport by instituting uniform laws in all 50 States that limit control of a child support case to a single State. This approach ensures that only one child support order from one court or child support agency will be in effect at any given time. It also helps to eliminate jurisdictional disputes between States that are impediments to locating parents and enforcing child support orders across State lines. As of February 1996, 26 States and the District of Columbia had enacted UIFSA.

House Bill

By January 1, 1998, all States must have enacted the Uniform Interstate Family Support Act (UIFSA) and any amendments officially adopted by the National Conference of Commissioners of Uniform State Laws before January 1, 1998, and have the procedures required for its implementation in effect. States are allowed flexibility in deciding which specific interstate cases are pursued by using UIFSA and which cases are pursued using other methods of interstate enforcement. States must provide that an employer that receives an income withholding order follow the procedural rules that apply to the order under the laws of the State in which the noncustodial parent works.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with additional clarifying provisions that conferees agreed to include at the request of the National Conference of Commissioners of Uniform State Laws. The Commissioners asked conferees to make two changes in House and Senate provisions. More specifically, conferees agreed to drop language in the section on income withholding in interstate cases and to insert replacement language approved by the Commissioners. This provides specific instructions to employers for rules to follow in processing interstate cases. Employers following these instructions are also provided with legal immunity.

14. Improvements to Full Faith and Credit for Child Support Orders

Present Law

Federal law requires States to treat past-due support obligations as final judgments that are entitled to full faith and credit in every State. This means that a person who has a support order in one State does not have to obtain a second order in another State to obtain support due should the debtor parent move from the issuing court's jurisdiction. P.L. 103-383 restricts a State court's ability to modify a support order issued by another State unless the child and the custodial parent have moved to the State where the modification is sought or have agreed to the modification.

House Bill

The provision clarifies the definition of a child's home State, makes several revisions to ensure that full faith and credit laws can be applied consistently with UIFSA, and clarifies the rules regarding which child support orders States must honor when there is more than one order.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

15. Administrative Enforcement in Interstate Cases

Present Law

No provision.

House Bill

States are required to have laws that permit them to send orders to and receive orders from other States. The transmission of the order itself serves as certification to the responding State of the arrears amount and of the fact that the initiating State met all procedural due process requirements. In addition, each responding State must, without requiring the case to be transferred to their State, match the case against its data bases, take appropriate action if a match occurs, and send the collections, if any, to the initiating State. States must keep records of the number of requests they receive, the number of cases that result in a collection, and the amount collected. States must respond to interstate requests within five days.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

16. Use of Forms in Interstate Enforcement

Present Law

No provision.

House Bill

The Secretary of HHS, in consultation with State child support directors and not later than October 1, 1996, must issue forms that States must use for income withholding, for imposing liens, and for issuing administrative subpoenas in interstate cases. States must be using the forms by March 1, 1997.

Senate Amendment

Same, except minor differences in wording.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

17. State Laws Providing Expedited Procedures

Present Law

States must have procedures under which expedited processes are in effect under the State judicial system or under State administrative processes for obtaining and enforcing support orders and for establishing paternity.

Federal regulations provide a number of safeguards in expedited cases, such as requiring that the due process rights of the parties involved be protected.

The Employee Retirement Income Security Act (ERISA) of 1974 supersedes any and all State laws. Under ERISA a noncustodial parent's pension benefits can only be garnished or withheld if the custodial parent has a qualified domestic relations order. Similarly, a pension plan administrator is obligated to adhere to medical support requirements only if the custodial parent has a qualified medical child support order.

House Bill

States must adopt a series of procedures to expedite both the establishment of paternity and the establishment, enforcement, and modification of support. These procedures must give the State agency the authority to take the following actions, subject to due process safeguards, without the necessity of obtaining an order from any other judicial or administrative tribunal:

- (1) ordering genetic testing in appropriate cases;
- (2) issuing subpoenas to obtain information necessary to establish, modify or enforce an order, with appropriate sanctions for failure to respond to the subpoena;
- (3) requiring all entities in the State (including for-profit, nonprofit, and governmental employers) to provide information on employment, compensation and benefits of any employee or contractor in response to a request from the State IV-D agency or the IV-D agency of any other State, and to sanction failure to respond to such request;
- (4) obtaining access to a variety of public and private records including: vital statistics, State and local tax records, real and personal property, occupational and professional licenses and records concerning ownership and control of corporations, partnerships and other business entities, employment security records, public assistance records, motor vehicle records, corrections records, and, subject to the nonliability of these private entities and the issuance of an administrative subpoena, information in the customer records of public utilities and cable TV companies, and records of financial institutions;
- (5) directing the obligor or other payor to change the payee to the appropriate government entity in cases in which support is subject to an assignment or to a requirement to pay through the State Disbursement Unit;
- (6) ordering income withholding in certain IV-D cases;
- (7) securing assets to satisfy arrearages: by intercepting or seizing periodic or lump sum payments from States or local agencies including Unemployment Compensation, workers' compensation, judgements, settlements, lottery winnings, assets held by financial institutions, and public and private retirement funds: by attaching and seizing assets held in financial institutions; by attaching public and private retirement funds: and by imposing liens to force the sale of property; and
- (8) increasing automatically the monthly support due to include amounts to offset arrears.

Expedited procedures must include the following rules and authority applicable with respect to proceedings to establish paternity or to establish, modify, or enforce support orders:

(1) **Locator Information and Notice.** Parties in paternity and child support actions must file and update information about identity, address, and employer with the tribunal and with the State Case Registry upon entry of the order. The tribunal can deem due process requirements for notice and service of process to be met in any subsequent action upon delivery of written notice to the most recent residential or employer address filed with the tribunal.

(2) **Statewide Jurisdiction.** The child support agency and any administrative or judicial tribunal have the authority to hear child support and paternity cases, to exert Statewide jurisdiction over the parties, and to grant orders that have Statewide effect; cases can also be transferred between local jurisdictions without additional filing or service of process.

Except to the extent that the provisions related to expedited procedures are consistent with requirements of the ERISA qualified domestic relations orders and the qualified medical child support orders, the expedited procedures do not alter, amend, modify, invalidate, impair or supersede ERISA requirements.

The automated systems being developed by States are to be used, to the maximum extent possible, to implement expedited procedures.

Senate Amendment

Same, except for a modification that alters the nonliability of entities that share information with child support officials and eliminates the reference to administrative subpoenas.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment except that the agreement included the House provision strengthening the nonliability of entities that share information with child support officials.

Subtitle D – Paternity Establishment

18. State Laws Concerning Paternity Establishment

Present Law

Establishment Process Available from Birth Until Age 18. Federal law requires States to have laws that permit the establishment of paternity until the child reaches age 18. As of August 16, 1984, these procedures would apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because of statute of limitations of less than 18 years was then in effect in the State.

Procedures Concerning Genetic Testing. Federal law requires States to implement laws under which the child and all other parties must undergo genetic testing upon the request of a party in contested cases.

Voluntary Paternity Acknowledgement. Federal law requires States to implement procedures for a simple civil process for voluntary paternity acknowledgment, including hospital-based programs.

Status of Signed Paternity Acknowledgement. Federal law requires States to implement procedures under which the voluntary acknowledgment of paternity creates a rebuttable presumption, or at State option, a conclusive presumption of paternity.

Bar on Acknowledgement Ratification Proceedings. Federal law requires States to implement procedures under which voluntary acknowledgment is admissible as evidence of paternity and the voluntary acknowledgment of paternity must be recognized as a basis for seeking a support order without requiring any further proceedings to establish paternity.

Admissibility of Genetic Testing Results. Federal law requires States to implement procedures which provide that any objection to genetic testing results must be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence. If no objection is made, the test results must be admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

Presumption of Paternity in Certain Cases. Federal law requires States to implement procedures which create a rebuttable or, at State option, conclusive presumption of paternity based on genetic testing results indicating a threshold probability that the alleged father is the father of the child.

Default Orders. Federal law requires States to implement procedures that require a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

House Bill

Establishment Process Available from Birth Until Age 18. States are required to have laws that permit paternity establishment until at least age 18 (or a higher limit at State option) even in cases that were previously dismissed because a statute of limitations of less than 18 years was then in effect.

Procedures Concerning Genetic Testing. The child and all other parties, unless good cause provisions are met, must undergo genetic testing upon the request of a party if the request is supported by a sworn statement establishing a reasonable possibility of parentage or nonparentage. When the tests are ordered by the State agency, States must pay the costs, subject to recoupment at State option from the father if paternity is established. Upon the request and advance payment by the contestant, States must seek additional testing if the original test result is contested.

Voluntary Paternity Acknowledgement.

- (1) Simple Civil Process. States must have procedures that create a simple civil process for voluntary acknowledging paternity under which benefits, rights, and responsibilities of acknowledgement are explained to unwed parents before the acknowledgement is signed.
- (2) Hospital Program. States must have procedures that establish a paternity acknowledgement program through hospitals.
- (3) Paternity Services. States must have procedures that require the agency responsible for maintaining birth records to offer voluntary paternity establishment services. The Secretary must issue regulations

governing voluntary paternity establishment services, including regulations on State agencies that may offer voluntary paternity acknowledgement services and the conditions such agencies must meet.

(4) Affidavit. States must develop their own voluntary acknowledgement form but the form must contain all the basic elements of a form developed by the Secretary. States must give full faith and credit to the forms of other States.

Status of Signed Paternity Acknowledgement.

- (1) Inclusion in Birth Records. States must include the name of the father in the record of births to unmarried parents only if the father and mother have signed a voluntary acknowledgement of paternity or a court or administrative agency has issued an adjudication of paternity.
- (2) Legal Finding. States must have procedures under which a signed acknowledgement of paternity is considered a legal finding of paternity unless rescinded within 60 days or the date of a judicial or administrative proceeding to establish a support order.
- (3) Contest. States must have procedures under which a paternity acknowledgment can be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof on the challenger.

Bar on Acknowledgement Ratification Proceedings. No judicial or administrative proceedings are required or permitted to ratify a paternity acknowledgement which is not challenged by the parents.

Admissibility of Genetic Testing Results. States must have procedures for admitting into evidence accredited genetic tests, unless any objection is made in writing within a specified number of days, and if no objection is made, clarifying that test results are admissible without the need for foundation or other testimony.

Presumption of Paternity in Certain Cases. States must have laws that create a rebuttable or, at State option, conclusive presumption of paternity when results from genetic testing indicate a threshold probability that the alleged father is the father of the child.

Default Orders. A default order must be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by the State law.

No Right to Jury Trial. State laws must state that parties in a contested paternity action are not entitled to a jury trial.

In addition to all the above provisions that strengthen similar provisions of current law, the Committee report contains a number of new provisions that have no direct parallel in current law. These include:

Temporary Support Based on Probable Paternity. Upon motion of a party, State law must require issuance of a temporary support order pending an administrative or judicial determination of parentage if paternity is indicated by genetic testing or other clear and convincing evidence.

Proof of Certain Support and Paternity Establishment Costs. Bills for pregnancy, childbirth, and genetic testing must be admissible in judicial proceedings without foundation testimony and must constitute prima facie evidence of the cost incurred for such services.

Standing of Putative Fathers. Putative fathers must have a reasonable opportunity to initiate a paternity action.

Filing of Acknowledgement and Adjudications in State Registry of Birth Records. Both voluntary acknowledgements and adjudications of paternity must be filed with the State registry of birth records for data matches with the central Case Registry of Child Support Orders.

National Paternity Acknowledgement Affidavit. The Secretary is required to develop, in consultation with the States, the minimum requirements of an affidavit which includes the Social Security number of each parent to be used by States for voluntary acknowledgement of paternity.

Senate Amendment

Same, except under "Voluntary Paternity Acknowledgement," the Senate amendment includes good cause exceptions.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment with modification that the good cause exceptions are dropped.

19. Outreach for Voluntary Paternity Establishment

Present Law

States are required to regularly and frequently publicize, through public service announcements, the availability of child support enforcement services.

House Bill

States must publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

20. Cooperation by Applicants for and Recipients of Temporary Family Assistance

Present Law

AFDC applicants and recipients are required to cooperate with the State in establishing the paternity of a child and in obtaining child support payments unless the applicant or recipient is found to have good

cause for refusing to cooperate. Under the "good cause" regulations, the child support agency may determine that it is against the best interests of the child to seek to establish paternity in cases involving incest, rape, or pending procedures for adoption. Moreover, the agency may determine that it is against the best interest of the child to require the mother to cooperate if it is anticipated that such cooperation will result in the physical or emotional harm of the child, parent, or caretaker relative.

House Bill

Individuals or their children who apply for or receive public assistance under the Temporary Assistance for Needy Families (TANF) program or the Medicaid program must cooperate, as determined by the State child support agency, with State efforts to establish paternity and establish, modify, or enforce a support order. State procedures must require both that applicants and recipients provide specific identifying information about the other parent and that applicants appear at interviews, hearings, and legal proceedings, unless the applicant or recipient is found to have good cause for refusing to cooperate. States must have "good cause" exceptions and they must take into account the best interests of the child. The definition of good cause, and the determination of good cause in specific cases, can be accomplished by the State agency administering TANF, child support enforcement, or Medicaid. States also must require the custodial parent and child to submit to genetic testing. States may not require the noncustodial parent to sign an acknowledgement of paternity or relinquish the right to genetic testing as a condition of cooperation. The State child support agency must notify the agencies administering the TANF Block Grant and Medicaid programs if noncooperation is determined.

Senate Amendment

Same, except imposes a penalty for noncooperation. If it is determined that an individual is not cooperating, and the individual does not qualify for any good cause or other exception, then the State must deduct not less than 25 percent of the Title IV-A assistance that otherwise would be provided to the family of the individual; and the State may deny the family any Title IV-A assistance. The Senate amendment also has references to Title XV not found in the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment except that the Senate penalty of 25 percent is included. This provision is included in Title I (Block Grants for Temporary Assistance for Needy Families) of the bill.

Subtitle E – Program Administration and Funding

21. Performance-Based Incentives and Penalties

Present Law

Incentive Adjustments to Federal Matching Rate. The Federal government reimburses approved administrative expenditures of States at a rate of 66 percent. In addition, the Federal government pays States an incentive amount ranging from six percent to 10 percent of both AFDC and non-AFDC collections.

Conforming Amendments. No provision.

Calculation of IV-D Paternity Establishment Percentage. States are required to meet Federal standards for the establishment of paternity. The major standard relates to the percentage obtained by dividing the number of children in the State who are born out of wedlock, are receiving AFDC or child support enforcement services, and for whom paternity has been established by the number of children who are born out of wedlock and are receiving AFDC or child support enforcement services. To meet Federal requirements, this percentage in a State must be at least 75 percent or meet the following standards of improvement from the preceding year: (1) if the State paternity establishment ratio is between 50 and 75 percent, the State ratio must increase by 3 or more percentage points from the ratio of the preceding year; (2) if the State ratio is between 45 and 50, the ratio must increase at least 4 percentage points; (3) if the State ratio is between 40 and 45 percent, it must increase at least 5 percentage points; and (4) if the State ratio is below 40 percent, it must increase at least 6 percentage points. If an audit finds that the State's child support enforcement program has not substantially complied with the requirements of its State plan, the State is subject to a penalty. In accord with this penalty, the Secretary must reduce a State's AFDC benefit payment by not less than one percent nor more than 2 percent for the first failure to comply; by not less than 2 percent nor more than three percent for the second consecutive failure to comply; and by not less than three percent nor more than five percent for third or subsequent consecutive failure to comply.

House Bill

Incentive Adjustments to Federal Matching Rate. The Secretary, in consultation with State child support directors, must develop a proposal for a new incentive system that provides additional payments to States (i.e., above the base matching rate of 66 percent) based on performance and report details of the new system to the Committees on Ways and Means and Finance by March 1, 1997. The Secretary's new system must be revenue neutral. The current incentive system remains effective for fiscal years beginning before 2000.

Conforming Amendments. Conforming amendments are made in Sections 458 of the Social Security Act.

Calculation of IV-D Paternity Establishment Percentage. States have the option of calculating the paternity establishment rate by either counting only unwed births in the State IV-D caseload or by counting all unwed births in the State. The IV-D paternity establishment percentage for a fiscal year is equal to: (1) the total number of children in the State who were born out-of-wedlock, and who receive services under Part A or, at State option, Part D, and for whom paternity is acknowledged or established during the fiscal year, divided by (2) the total number of children born out-of-wedlock who receive services under Part A or E or, at State option, Part D. The Statewide paternity establishment percentage is similar except that all out-of-wedlock births in the fiscal year in the State are in the denominator and all paternities established are in the numerator. The requirements for meeting the standard are the same as current law except the 75 percent rule is increased to 90 percent. States with a paternity establishment percentage of between 75 percent and 90 percent must improve their performance by at least two percentage points per year. The noncompliance provisions of the child support program are modified so that the Secretary must take overall program performance into account.

Senate Amendment

Same, except minor wording difference in amendment of Section 452(g)(2).

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

22. Federal and State Review and Audits

Present Law

States are required to maintain a full record of child support collections and disbursements and to maintain an adequate reporting system.

The Secretary must collect and maintain, on a fiscal year basis, up-to-date State-by-State statistics on each of the services provided under the child support enforcement program. The Secretary is also required to evaluate the implementation of State child support enforcement programs and conduct audits of these programs as necessary, but not less often than once every 3 years (or annually if a State has been found to be out of compliance with program rules).

House Bill

States are required to annually review and report to the Secretary, using data from their automatic data processing system, both information adequate to determine the State's compliance with Federal requirements for expedited procedures and timely case processing as well as the information necessary to calculate their levels of accomplishment and rates of improvement on the performance indicators in the proposal.

The Secretary is required to determine the amount (if any) of incentives or penalties. The Secretary must also review State reports on compliance with Federal requirements and provide States with recommendations for corrective action. Audits must be conducted at least once every 3 years, or more often in the case of States that fail to meet Federal requirements. The purpose of the audits is to assess the completeness, reliability, and security of data reported for use in calculating the performance indicators and to assess the adequacy of financial management of the State program.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

23. Required Reporting Procedures

Present Law

The Secretary is required to assist States in establishing adequate reporting procedures and must maintain records of child support enforcement operations and of amounts collected and disbursed, including costs incurred in collecting support payments.

House Bill

The Secretary is required to establish procedures and uniform definitions for State collection and reporting of information necessary to measure State compliance with expedited processes.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

24. Automated Data Processing Requirements

Present Law

Federal law (P.L. 104-35) requires that by October 1, 1997, States have an operational automated data processing and information retrieval system designed to control, account for, and monitor all factors in the support enforcement and paternity determination process, the collection and distribution of support payments, and the costs of all services rendered.

The automated data processing system must be capable of providing management information on all IV-D cases from initial referral or application through collection and enforcement. The automated data processing system must also be capable of providing security against unauthorized access to, or use of, the data in such system. To establish these automated data systems, the Federal government provided States with a 90 percent matching rate for the costs of development. This enhanced matching money expired on October 1, 1995.

House Bill

States are required to have a single Statewide automated data processing and information retrieval system which has the capacity to perform the necessary functions and with the required frequency, as described in this section. The State data system must be used to perform functions the Secretary specifies, including controlling and accounting for the use of Federal, State, and local funds and maintaining the data necessary to meet Federal reporting requirements in carrying out the program. The system must maintain the requisite data for Federal reporting, calculate the State's performance for purposes of the incentive and penalty provisions, and have in place systems controls to ensure the completeness, reliability, and accuracy of the data.

To promote security of information, the State agency must have safeguards to protect the integrity, accuracy, and completeness of, and access to and use of, data in the automated systems including restricting access to passwords, monitoring of access to and use of the system, conducting automated systems training, and imposing penalties for unauthorized use or disclosure of confidential data. The Secretary must prescribe final regulations for implementation of this section no later than 2 years after the date of the enactment of this Act.

The statutory provisions for State implementation of Federal automatic data processing requirements are revised to provide that, first, all requirements enacted on or before the date of enactment of the Family Support Act of 1988 are to be met by October 1, 1997. The requirements enacted on or before the date of enactment of this proposal must be met by October 1, 1999. The October 1, 1999 deadline will be extended by one day for each day by which the Secretary fails to meet the 2-year deadline for regulations. The Federal government will continue the 90 percent matching rate for 1996 and 1997 in the case of provisions outlined in advanced planning documents submitted before September 30, 1995; the enhanced match is also provided retroactively for funds expended since expiration of the enhanced rate on October 1, 1995. For fiscal years 1996 through 2001, the matching rate for the provisions of this section will be 80 percent.

The Secretary must create procedures to cap payments to States to meet the new requirements at \$400,000,000 over 6 years (fiscal years 1996-2001) to be distributed among States by a formula set in regulations which takes into account the relative size of State caseloads and the level of automation needed to meet applicable automatic data processing requirements.

Senate Amendment

Same, except that requirements enacted after the Family Support Act must be met by October 1, 2000 (rather than October 1, 1999). Also, a difference in wording about payments in fiscal year 1998.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

25. Technical Assistance (and Funding of Parent Locator Service)

Present Law

Annual appropriations are made to cover the expenses of the Administration for Children and Families, which includes the Federal Office of Child Support Enforcement (OCSE). Among OCSE's administrative expenses are the costs of providing technical assistance to the States.

House Bill

The Secretary can use 1 percent of the Federal share of child support collections on behalf of families in the Temporary Assistance for Needy Families program the preceding year to provide technical assistance to the States. Technical assistance can include training of State and Federal staff, research and demonstration programs, special projects of regional or national significance, and similar activities. The Secretary will receive 2 percent of the Federal share of collections on behalf of TANF

recipients the preceding year for operation of the Federal Parent Locator Service to the extent that costs of the Parent Locator Service are not recovered by user fees.

Senate Amendment

Same, except the effective date is October 1, 1997.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment except that the House effective date is followed.

26. Reports and Data Collection by the Secretary

Present Law

The Secretary is required to submit to Congress, not later than 3 months after the end of the fiscal year, a complete report on all child support enforcement activities.

House Bill

In addition to current reporting requirements, the Secretary is required to report the following data to Congress in her annual report each fiscal year:

- (1) the total amount of child support payments collected;
- (2) the cost to the State and Federal governments of furnishing child support services;
- (3) the number of cases involving families that became ineligible for aid under part A with respect to whom a child support payment was received;
- (4) the total amount of current support collected and distributed;
- (5) the total amount of past due support collected and distributed; and
- (6) the total amount of support due and unpaid for all fiscal years.

The Secretary also must report the compliance, by State, with IV-D standards for responding to requests for child support assistance from other States and standards for distributing child support collections.

Senate Amendment

Same, except minor difference in wording in amendment to Section 452(a)(10).

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

27. Child Support Delinquency Penalty

Present Law

No provision.

House Bill

States must impose an annual penalty of 10 percent on overdue support owed by noncustodial parents. The penalty is paid after the family has been repaid all arrearages and after the State has been repaid for welfare payments, if any, made to families.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment by dropping this penalty provision.

Subtitle F - Establishment and Modification of Support Orders

28. Simplified Process for Review and Adjustment of Child Support Orders

Present Law

A child support order legally obligates noncustodial parents to provide financial support for their child and stipulates the amount of the obligation and how it is to be paid. In 1984, P.L. 98-378 required States to establish guidelines for establishing child support orders. In 1988, P.L. 100-485 made the guidelines binding on judges and other officials who had authority to establish support orders. P.L. 100-485 also required States to review and adjust individual child support orders once every three years under some circumstances. States are required to notify both resident and nonresident parents of their right to a review.

House Bill

States must review and, as appropriate, adjust child support orders at the request of the parents. In the case of orders being enforced against parents whose children are receiving benefits under Title IV-A of the Social Security Act, States may also review the order at their own option. No proof of change of circumstances is needed to initiate the review. States may adjust child support orders by either applying the State guidelines and updating the award amount or by applying a cost of living increase to the order. In the latter case, both parties must be given 30 days after notice of adjustment to contest the results. States may use automated methods to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders based on the threshold established by the State. States are required to give parties one notice of their right to request review and adjustment, which may be included in the order establishing the support amount.

Senate Amendment

Major differences in the review and adjustment provisions: the House makes reviews optional while the Senate retains mandatory 3-year reviews of IV-A cases as under current law; also other differences in wording.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment. The compromise provision preserves the mandatory review every 3 years if parents request a review but allows States some flexibility in reviewing child support cases in their welfare caseload.

29. Furnishing Consumer Reports for Certain Purposes Relating to Child Support

Present Law

The Fair Credit Act requires consumer reporting agencies to include in any consumer report information on child support delinquencies provided by or verified by a child support enforcement agency, which antedates the report by 7 years.

House Bill

This section amends the Fair Credit Reporting Act. In response to a request by the head of a State or local child support agency (or a State or local government official authorized by the head of such an agency), consumer credit agencies must release information if the person making the request makes all of the following certifications: that the consumer report is needed to establish an individual's capacity to make child support payments or determine the level of payments; that paternity has been established or acknowledged; that the consumer has been given at least 10 days notice by certified or registered mail that the report is being requested; and that the consumer report will be kept confidential, will be used solely for child support purposes, and will not be used in connection with any other civil, administrative, or criminal proceeding or for any other purpose. Consumer reporting agencies must also give reports to a child support agency for use in setting an initial or modified award.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

30. Nonliability for Financial Institutions Providing Financial Records

Present Law

No provision.

House Bill

Financial institutions are not liable to any person for information provided to child support agencies. Child support agencies can disclose information obtained from depository institutions only for child support purposes. There is no liability for disclosures that result from good faith but erroneous interpretation of this statute. However, individuals who knowingly disclose information from financial records can have civil actions brought against them in Federal district court; the maximum penalty is \$1,000 for each disclosure or actual damages plus, in the case of willful disclosure resulting from gross negligence, punitive damages, plus the costs of the action. Definitions of "financial institution" and "financial record" are included in this section.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

Subtitle G -- Enforcement of Support Orders

31. Internal Revenue Service Collection of Arrearages

Present Law

If the amount of overdue child support is at least \$750, the Internal Revenue Service (IRS) can enforce the child support obligation through its regular collection process, which may include seizure of property, freezing accounts, or use of other procedures if child support agencies request assistance according to prescribed rules (e.g., certifying that the delinquency is at least \$750, etc.)

House Bill

The Internal Revenue Code is amended so that no additional fees can be assessed for adjustment to previously certified amounts for the same obligor.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

32. Authority to Collect Support From Federal Employees

Present Law

Federal law allows the wages of Federal employees to be garnished to enforce legal obligations for child support or alimony. Federal law provides that moneys payable by the United States to any individual are subject to being garnished in order to meet an individual's legal obligation to provide child support or make alimony payments. An executive order issued on February 27, 1995 establishes the Federal government as a model employer in promoting and facilitating the establishment and enforcement of child support. Under the terms of the Executive Order, all Federal agencies, including the Uniformed Services, are required to cooperate fully in efforts to establish paternity and child support and to enforce the collection of child and medical support. All Federal agencies are to review their wage withholding procedures to ensure that they are in full compliance. Beginning no later than July 1, 1995, the Director of the Office of Personal Management must publish annually in the Federal Register the list of agents (and their addresses) designated to receive service of withholding notices for Federal employees. Federal law states that neither the United States nor any disbursing officer or government entity shall be liable with respect to any payment made from moneys due or payable from the United States pursuant to the legal process. Federal law provides that money that may be garnished includes compensation for personal services, whether such compensation is denominated as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to, severance pay, sick pay, incentive payments, and periodic payments. Includes definitions of "United States", "child support", "alimony", "private person", and "legal process".

House Bill

Consolidation and Streamlining of Authorities.

- (1) Federal employees are subject to wage withholding and other actions taken against them by State child support enforcement agencies.
- (2) Federal agencies are responsible for the same wage withholding and other child support actions taken by the State as if they were a private employer.
- (3) The head of each Federal agency must designate an agent and place the agent's name, title, address, and telephone number in the Federal Register annually. The agent must, upon receipt of process, send written notice to the individual involved as soon as possible, but no later than 15 days, and to comply with any notice of wage withholding or respond to other process within 30 days. The agent also must respond to any order, process, or interrogatory about child support or alimony within 30 days after effective service of such requests.
- (4) Current law governing allocation of moneys owed by a Federal employee is amended to give priority to child support, to require allocation of available funds, up to the amount owed, among child support claimants, and to allocate remaining funds to other claimants on a first-come, first-served basis.
- (5) A government entity served with notice of process for enforcement of child support is not required to change its normal pay and disbursement cycle to comply with the legal process.
- (6) Similar to current law, the U.S., the government of the District of Columbia, and disbursing officers are not liable for child support payments made in accord with this section; nor is any Federal employee subject to disciplinary action or civil or criminal liability for disclosing information while carrying out the provisions of this section.
- (7) The President has the authority to promulgate regulations to implement this section as it applies to Federal employees of the Administrative branch of government; the President Pro Tempore of the

Senate and Speaker of the House can issue regulations governing their employees; and the Chief Justice can issue regulations applicable to the Judicial branch.

(8) This section broadens the definition of income to include, in addition to wages, salary, commissions, bonus pay, allowances, severance pay, sick pay, and incentive pay, funds such as insurance benefits, retirement and pension pay (including disability pay if the veteran has waived a portion of retirement pay to receive disability pay), survivor's benefits, compensation for death and black lung disease, veteran's benefits, and workers' compensation; but to exclude from income funds paid to defray expenses incurred in carrying out job duties; amounts owed to the U.S. or used to pay Federal employment taxes, fines, or forfeitures ordered by court martial; and amounts withheld for tax purposes, for health insurance or life insurance premiums, for retirement contributions, or for life insurance premiums.

(9) This section includes definitions of "United States", "child support", "alimony", "private person", and "legal process".

Conforming Amendments. The House provision makes several conforming amendments to Title IV-D of the Social Security Act and Title 5 of the United States Code.

Military Retired and Retainer Pay. The definition of "court" in the Armed Forces title of the U.S. Code (title 10) is amended to include an administrative or judicial tribunal of a State which is competent to enter child support orders, and clarifies the definition of "court order." The Secretary of Defense is required to send withheld amounts for child support to the appropriate State Disbursement Unit. The provision also clarifies that military personnel who have never been married to the parent of their child are under jurisdiction of the State child support program and the terms of section 459 of the Social Security Act.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

33. Enforcement of Child Support Obligations of Members of the Armed Forces

Present Law

Availability of Locator Information. The Executive Order issued February 27, 1995 requires a study which would include recommendations on how to improve service of process for civilian employees and members of the Uniformed Services stationed outside the United States.

Facilitating Granting of Leave for Attendance at Hearings. No provision.

Payment of Military Retired Pay in Compliance with Child Support Orders. Federal law requires allotments from the pay and allowances of any member of the uniformed service when the member fails to pay child (or child and spousal) support payments.

House Bill

Availability of Locator Information. The Secretary of Defense must establish a central personnel locator service that contains residential or, in specified instances, duty addresses of every member of the Armed Services (including members of the Coast Guard, if requested). The locator service must be updated within 30 days of the time an individual establishes a new address. Information from the locator service must be made available upon request to the Federal Parent Locator Service.

Facilitating Granting of Leave for Attendance at Hearings. The Secretary of each military department must issue regulations to facilitate granting of leave for members of the Armed Services to attend hearings to establish paternity or to establish child support orders. The terms "court" and "child support" are defined.

Payment of Military Retired Pay in Compliance with Child Support Orders. Child support orders received by the Secretary do not have to have been recently issued. The Secretary of each branch of the Armed Forces (including retirees, the Coast Guard, the National Guard, and the Reserves) is required to make child support payments from military retirement pay directly to any State to which a custodial parent has assigned support rights as a condition of receiving public assistance. Payments to satisfy current support or child support arrears must be made from disposable retirement pay. Payroll deductions must begin within 30 days or the first pay period after 30 days of receiving a wage withholding order.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

34. Voiding of Fraudulent Transfers

Present Law

No provision.

House Bill

States must have in effect the Uniform Fraudulent Conveyance Act of 1981, the Uniform Fraudulent Transfer Act of 1984, or an equivalent law providing for voiding transfers of income or property that were made to avoid payment of child support. States also must have in effect procedures under which the State must seek to void a fraudulent transfer or obtain a settlement in the best interest of the child support creditor.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

35. Work Requirement for Persons Owing Past-Due Child Support

Present Law

Public Law 100-485 required the Secretary to grant waivers to up to five States allowing them to provide JOBS services on a voluntary or mandatory basis to noncustodial parents who are unemployed and unable to meet their child support obligations. (In their report the conferees noted that the demonstrations would not grant any new powers to the States to require participation by noncustodial parents. The demonstrations were to be evaluated.)

House Bill

States must have procedures under which the State has the authority to issue an order or request that a court or administrative process issue an order that requires individuals owing past-due child support for a child receiving assistance under the Temporary Family Assistance program either to pay the support due, to have and be in compliance with a plan to pay child support, or to participate in work activities as deemed appropriate by the court or the child support agency. "Past-due support" is defined and a conforming amendment is made to sec. 466 of the Social Security Act.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

36. Definition of Support Order

Present Law

No provision.

House Bill

A support order is defined as a judgement, decree, or order (whether temporary, final, or subject to modification) issued by a court or an administrative agency for the support (monetary support, health care, arrearages, or reimbursement) of a child (including a child who has reached the age of majority under State law) or of a child and the parent with whom the child lives, and which may include costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

37. Reporting Arrearages to Credit Bureaus

Present Law

Federal law requires States to implement procedures which require them to periodically report to consumer reporting agencies the name of debtor parents owing at least 2 months of overdue child support and the amount of child support overdue. However, if the amount overdue is less than \$1,000, information regarding it shall be made available only at the option of the State. Moreover, information may only be made available after the noncustodial parent has been notified of the proposed action and has been given reasonable opportunity to contest the accuracy of the claim against him. States are permitted to charge consumer reporting agencies that request child support arrearage information a fee that does not exceed actual costs.

House Bill

States are required to periodically report to consumer credit reporting agencies the name of any noncustodial parent who is delinquent in the payment of support and the amount of overdue support owed by the parent. Before such a report can be sent, the obligor must have been afforded all due process rights, including notice and reasonable opportunity to contest the claim of child support delinquency.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

38. Liens

Present Law

Federal law requires States to implement procedures under which liens are imposed against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State.

House Bill

States must have procedures under which liens arise by operation of law against property for the amount of overdue support. States must grant full faith and credit to liens of other States if the

originating State agency or party has complied with procedural rules relating to the recording or serving of liens, except such rules cannot require judicial notice or hearing prior to enforcement of the lien.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

39. State Law Authorizing Suspension of Licenses

Present Law

No provision.

House Bill

States must have the authority to withhold, suspend, or restrict the use of drivers' licenses, professional and occupational licenses, and recreational licenses of individuals owing past-due support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

40. Denial of Passports for Nonpayment of Child Support

Present Law

No provision.

House Bill

If an individual owes arrearages in excess of \$5,000 of child support, the Secretary of HHS must request that the State Department deny, revoke, restrict, or limit the individual's passport. State child support agencies must have procedures for certifying to the Secretary arrearages in excess of \$5,000 and for notifying individuals who are in arrears and providing them with an opportunity to contest. These provisions become effective on October 1, 1997.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

41. International Child Support Enforcement

Present Law

- No provision.

House Bill

(1) The Secretary of State, with concurrence of the Secretary of HHS, is authorized to declare reciprocity with foreign countries having requisite procedures for establishing and enforcing support orders. The Secretary may revoke reciprocity if she determines that the enforcement procedures do not continue to meet the requisite criteria.

(2) The requirements for reciprocity include procedures in the foreign country for U.S. residents -- available at no cost -- to establish parentage, to establish and enforce support orders for children and custodial parents, and to distribute payments.

(3) An agency of the foreign country must be designated a central authority responsible for facilitating support enforcement and ensuring compliance with standards by both U.S. residents and residents of the foreign country.

(4) The Secretary in consultation with the States, may establish additional standards that she judges necessary to promote effective international support enforcement.

(5) The Secretary of HHS is required to facilitate enforcement services in international cases involving residents of the United States and of foreign reciprocating countries, including developing uniform forms and procedures, providing information from the FPLS on the State of residence of the obligor, and providing such other oversight, assistance, or coordination as she finds necessary and appropriate.

(6) Where there is no Federal reciprocity agreement, States are permitted to enter into reciprocal agreements with foreign countries.

(7) The State plan must provide that request for services in international cases be treated the same as interstate cases, except that no application will be required and no costs will be assessed against the foreign country or the obligee (costs may be assessed at State option against the obligor).

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

42. Financial Institution Data Matches

Present Law

No provision.

House Bill

States are required to implement procedures under which the State child support agency must enter into agreements with financial institutions doing business within the State to develop and operate a data match system, using automated data exchanges to the maximum extent feasible, in which such financial institutions are required to provide for each calendar quarter the name, address, Social Security number, and other identifying information for each noncustodial parent identified by the State who has an account at the institution and owes past-due child support. In response to a notice of lien or levy, the financial institution must encumber or surrender assets held by the institution on behalf of the noncustodial parent who is subject to the child support lien. The State agency may pay a fee to the financial institution. The financial institution is not liable for activities taken to implement the provisions of this section. Definitions of the terms "financial institution" and "account" are included.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

43. Enforcement of Orders Against Paternal or Maternal Grandparents in Cases of Minor Parents

Present Law

No provision. However, Wisconsin and Hawaii have State laws that make grandparents financially responsible for their minor children's dependents.

House Bill

With respect to a child of minor parents receiving support from the Temporary Assistance for Needy Families Block Grant. States have the option to enforce a child support order against the parents of the minor noncustodial parent.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

44. Nondischargeability in Bankruptcy of Certain Debts for the Support of a Child

Present Law

Although child support payments may not be discharged in a filing of bankruptcy (i.e., the debtor parent cannot escape her child support obligation by filing a bankruptcy petition), a bankruptcy filing may cause long delays in securing child support payments. Pursuant to P.L. 103-394, a filing of bankruptcy will not stay a paternity, child support, or alimony proceeding. In addition, child support and alimony payments will be priority claims and custodial parents will be able to appear in bankruptcy court to protect their interests without paying a fee or meeting any local rules for attorney appearances.

House Bill

Title 11 of the U.S. Code and Title IV-D of the Social Security Act are amended to ensure that a debt owed to the State "that is in the nature of support and that is enforceable under this part" cannot be discharged in bankruptcy proceedings. This amendment applies only to cases initiated under Title 11 after enactment of this Act.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

45. Child Support Enforcement for Indian Tribes

Present Law

There are about 340 federally recognized Indian tribes in the 48 contiguous States. Among these tribes there are approximately 130 tribal courts and 17 Courts of Indian Offenses. Most tribal codes authorize their courts to hear parentage and child support matters that involve at least one member of the tribe or person living on the reservation. This jurisdiction may be exclusive or concurrent with State court jurisdiction, depending on specified circumstances.

House Bill

No provision.

Senate Amendment

Any State that has Indian country may enter into a cooperation agreement with an Indian tribe if the tribe demonstrates that it has an established tribal court system with several specific characteristics. The Secretary may make direct payments to Indian tribes that have approved child support enforcement plans. Conforming amendments are included.

Conference Agreement

The conference agreement follows the Senate amendment.

Subtitle H – Medical Support

46. Correction to ERISA Definition of Medical Child Support Order

Present Law

Public Law 103-66 requires States to adopt laws that require health insurers and employers to enforce orders for medical and child support and that forbid health insurers from denying coverage to children who are not living with the covered individual or who were born outside of marriage. Under Public Law 103-66, group health plans are required to honor "qualified medical child support orders."

House Bill

This provision expands the definition of medical child support order in ERISA to clarify that any judgement, decree, or order that is issued by a court of competent jurisdiction or by an administrative process has the force and effect of law.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

47. Enforcement of Orders for Health Care Coverage

Present Law

Federal law requires the Secretary to require IV-D agencies to petition for the inclusion of medical support as part of child support whenever health care coverage is available to the noncustodial parent at reasonable cost.

House Bill

All orders enforced under this part must include a provision for health care coverage. If the noncustodial parent changes jobs and the new employer provides health coverage, the State must send notice of coverage, which shall operate to enroll the child in the health plan, to the new employer.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

Subtitle I – Enhancing Responsibility and Opportunity for Non-Residential Parents

48. Grants to States for Access and Visitation Programs

Present Law

In 1988, Congress authorized the Secretary to fund for fiscal year 1990 and fiscal year 1991 demonstration projects by States to help divorcing or never-married parents cooperate with each other, especially in arranging for visits between the child and the nonresident parent.

House Bill

This proposal authorizes grants to States for access and visitation programs including mediation, counseling, education, development of parenting plans, and visitation enforcement. Visitation enforcement can include monitoring, supervision, neutral drop-off and pick-up, and development of guidelines for visitation and alternative custody agreements. An annual entitlement of \$10 million is appropriated for these grants.

The amount of the grant to a State is equal to either 90 percent of the State expenditures during the year for access and visitation programs or the allotment for the State for the fiscal year. The allotment to the State bears the same ratio to the amount appropriated for the fiscal year as the number of children in the State living with one biological parent divided by the national number of children living with one biological parent. The Administration for Children and Families must adjust allotments to ensure that no State is allotted less than \$50,000 for fiscal years 1997 or 1998 or less than \$100,000 for any year after 1998. Projects are required to supplement rather than supplant State funds. States may use the money to create their own programs or to fund grant programs with courts, local public agencies, or nonprofit organizations. The programs do not need to be Statewide. States must monitor, evaluate, and report on their programs in accord with regulations issued by the Secretary.

Senate Amendment

Same, except delays the effective date for 1 year.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment except that the House effective date is followed.

Subtitle J – Effective Dates and Conforming Amendments

49. Effective Dates and Conforming Amendments

Present Law

No provision.

House Bill

Except as noted in the text of the House proposal for specific provisions, the general effective date for provisions in the proposal is October 1, 1996. However, given that many of the changes required by this proposal must be approved by State Legislatures, the proposal contains a grace period tied to the meeting schedule of State Legislatures. In any given State, the proposal becomes effective either on October 1, 1996 or on the first day of the first calendar quarter after the close of the first regular session of the State Legislature that begins after the date of enactment of the proposal. In the case of States that require a constitutional amendment to comply with the requirements of the proposal, the grace period is extended either for one year after the effective date of the necessary State constitutional amendment or five years after the date of enactment of the proposal. This section contains several conforming amendments to title IV-D of the Social Security Act. This section also replaces the term "absent parent" with "noncustodial parent" each place it occurs in title IV-D.

Senate Amendment

Same.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

Title IV: Restricting Welfare and Public Benefits for Aliens

1. Statements of National Policy Concerning Welfare and Immigration

Present Law

No provision.

House Bill

The Congress makes several statements concerning national policy with respect to welfare and immigration. These include the affirmation that it continues to be the immigration policy of the United States that noncitizens within the Nation's borders not depend on public resources, that noncitizens nonetheless have been applying for and receiving public benefits at increasing rates, and that it is a compelling government interest to enact new eligibility and sponsorship rules to assure that noncitizens become self-reliant and to remove any incentive for illegal immigration.

Senate Amendment

Similar to House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

Subtitle A - Eligibility for Federal Benefits

2. Aliens Who Are Not Qualified Aliens Ineligible for Federal Public Benefits

Present Law

Current law limits alien eligibility for most major Federal assistance programs, including restrictions on, among other programs, Supplemental Security Income, Aid to Families with Dependent Children, housing assistance, and Food Stamps programs. Current law is silent on alienage under, among other programs, school lunch and nutrition, the Special Supplemental Food Program for Women, Infants, and Children (WIC), Head Start, migrant health centers, and the earned income credit. Under the programs with restrictions, benefits are generally allowed for permanent resident aliens (also referred to as immigrants and green card holders), refugees, asylees, and parolees, but benefits (other than emergency Medicaid) are denied to nonimmigrants (or aliens lawfully admitted temporarily as, for example, tourists, students, or temporary workers) and illegal aliens. Benefits are permitted under AFDC, SSI, unemployment compensation, and nonemergency Medicaid to other aliens permanently residing in the United States under color of law (PRUCOL).

House Bill

Noncitizens who are "not qualified aliens" (generally, illegal immigrants and nonimmigrants such as