

**NLWJC - Kagan**

**Counsel - Box 038 - Folder 006**

**Conference Report [Binder] [5]**

1 the Federal classification in determining the eligibility of  
2 such aliens for public assistance shall be considered to have  
3 chosen the least restrictive means available for achieving  
4 the compelling governmental interest of assuring that aliens  
5 be self-reliant in accordance with national immigration pol-  
6 icy.

## 7 Subtitle A—Eligibility for Federal 8 Benefits

### 9 SEC. 401. ALIENS WHO ARE NOT QUALIFIED ALIENS IN- 10 ELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

11 (a) IN GENERAL.—Notwithstanding any other provision of  
12 law and except as provided in subsection (b), an alien who is  
13 not a qualified alien (as defined in section 431) is not eligible  
14 for any Federal public benefit (as defined in subsection (c)).

15 (b) EXCEPTIONS.—

16 (1) Subsection (a) shall not apply with respect to the  
17 following Federal public benefits:

18 (A) Medical assistance under title XIX of the So-  
19 cial Security Act (or any successor program to such  
20 title) for care and services that are necessary for the  
21 treatment of an emergency medical condition (as de-  
22 fined in section 1903(v)(3) of such Act) of the alien in-  
23 volved and are not related to an organ transplant pro-  
24 cedure, if the alien involved otherwise meets the eligi-  
25 bility requirements for medical assistance under the  
26 State plan approved under such title (other than the  
27 requirement of the receipt of aid or assistance under  
28 title IV of such Act, supplemental security income ben-  
29 efits under title XVI of such Act, or a State supple-  
30 mentary payment).

31 (B) Short-term, non-cash, in-kind emergency dis-  
32 aster relief.

33 (C) Public health assistance (not including any as-  
34 sistance under title XIX of the Social Security Act) for  
35 immunizations with respect to immunizable diseases  
36 and for testing and treatment of symptoms of commu-

1           nicable diseases whether or not such symptoms are  
2           caused by a communicable disease.

3           (D) Programs, services, or assistance (such as  
4           soup kitchens, crisis counseling and intervention, and  
5           short-term shelter) specified by the Attorney General,  
6           in the Attorney General's sole and unreviewable discre-  
7           tion after consultation with appropriate Federal agen-  
8           cies and departments, which (i) deliver in-kind services  
9           at the community level, including through public or pri-  
10          vate nonprofit agencies; (ii) do not condition the provi-  
11          sion of assistance, the amount of assistance provided,  
12          or the cost of assistance provided on the individual re-  
13          cipient's income or resources; and (iii) are necessary for  
14          the protection of life or safety.

15          (E) Programs for housing or community develop-  
16          ment assistance or financial assistance administered by  
17          the Secretary of Housing and Urban Development, any  
18          program under title V of the Housing Act of 1949, or  
19          any assistance under section 306C of the Consolidated  
20          Farm and Rural Development Act, to the extent that  
21          the alien is receiving such a benefit on the date of the  
22          enactment of this Act.

23          (2) Subsection (a) shall not apply to any benefit pay-  
24          able under title II of the Social Security Act to an alien  
25          who is lawfully present in the United States as determined  
26          by the Attorney General, to any benefit if nonpayment of  
27          such benefit would contravene an international agreement  
28          described in section 233 of the Social Security Act, to any  
29          benefit if nonpayment would be contrary to section 202(t)  
30          of the Social Security Act, or to any benefit payable under  
31          title II of the Social Security Act to which entitlement is  
32          based on an application filed in or before the month in  
33          which this Act becomes law.

34          (c) FEDERAL PUBLIC BENEFIT DEFINED.—

35          (1) Except as provided in paragraph (2), for purposes  
36          of this title the term "Federal public benefit" means—

1 (A) any grant, contract, loan, professional license,  
2 or commercial license provided by an agency of the  
3 United States or by appropriated funds of the United  
4 States; and

5 (B) any retirement, welfare, health, disability,  
6 public or assisted housing, postsecondary education,  
7 food assistance, unemployment benefit, or any other  
8 similar benefit for which payments or assistance are  
9 provided to an individual, household, or family eligi-  
10 bility unit by an agency of the United States or by ap-  
11 propriated funds of the United States.

12 (2) Such term shall not apply—

13 (A) to any contract, professional license, or com-  
14 mercial license for a nonimmigrant whose visa for entry  
15 is related to such employment in the United States; or

16 (B) with respect to benefits for an alien who as a  
17 work authorized nonimmigrant or as an alien lawfully  
18 admitted for permanent residence under the Immigra-  
19 tion and Nationality Act qualified for such benefits and  
20 for whom the United States under reciprocal treaty  
21 agreements is required to pay benefits, as determined  
22 by the Attorney General, after consultation with the  
23 Secretary of State.

24 **SEC. 402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS**  
25 **FOR CERTAIN FEDERAL PROGRAMS.**

26 (a) **LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PRO-**  
27 **GRAMS.—**

28 (1) **IN GENERAL.**—Notwithstanding any other provi-  
29 sion of law and except as provided in paragraph (2), an  
30 alien who is a qualified alien (as defined in section 431) is  
31 not eligible for any specified Federal program (as defined  
32 in paragraph (3)).

33 (2) **EXCEPTIONS.**—

34 (A) **TIME-LIMITED EXCEPTION FOR REFUGEES**  
35 **AND ASYLEES.**—Paragraph (1) shall not apply to an  
36 alien until 5 years after the date—

1 (i) an alien is admitted to the United States  
2 as a refugee under section 207 of the Immigration  
3 and Nationality Act;

4 (ii) an alien is granted asylum under section  
5 208 of such Act; or

6 (iii) an alien's deportation is withheld under  
7 section 243(h) of such Act.

8 (B) CERTAIN PERMANENT RESIDENT ALIENS.—  
9 Paragraph (1) shall not apply to an alien who—

10 (i) is lawfully admitted to the United States  
11 for permanent residence under the Immigration  
12 and Nationality Act; and

13 (ii)(I) has worked 40 qualifying quarters of  
14 coverage as defined under title II of the Social Se-  
15 curity Act or can be credited with such qualifying  
16 quarters as provided under section 435, and (II) in  
17 the case of any such qualifying quarter creditable  
18 for any period beginning after December 31, 1996,  
19 did not receive any Federal means-tested public  
20 benefit (as provided under section 403) during any  
21 such period.

22 (C) VETERAN AND ACTIVE DUTY EXCEPTION.—  
23 Paragraph (1) shall not apply to an alien who is law-  
24 fully residing in any State and is—

25 (i) a veteran (as defined in section 101 of title  
26 38, United States Code) with a discharge charac-  
27 terized as an honorable discharge and not on ac-  
28 count of alienage,

29 (ii) on active duty (other than active duty for  
30 training) in the Armed Forces of the United  
31 States, or

32 (iii) the spouse or unmarried dependent child  
33 of an individual described in clause (i) or (ii).

34 (D) TRANSITION FOR ALIENS CURRENTLY RECEIV-  
35 ING BENEFITS.—

36 (i) SSI.—

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(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) REDETERMINATION CRITERIA.— With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after the date of the redetermination with respect to such individual.

(IV) NOTICE.—Not later than March 31, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(ii) FOOD STAMPS.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(B), during the period beginning on the date of enactment of this Act and ending on the date which is 1 year after the date of enactment, the State agency shall, at the time of the recertification, recertify the eligibility of

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1                    any individual who is receiving benefits under  
2                    such program as of the date of enactment of  
3                    this Act and whose eligibility for such benefits  
4                    may terminate by reason of the provisions of  
5                    this subsection.

6                    (II) RECERTIFICATION CRITERIA.—With  
7                    respect to any recertification under subclause  
8                    (I), the State agency shall apply the eligibility  
9                    criteria for applicants for benefits under such  
10                    program.

11                    (III) GRANDFATHER PROVISION.—The  
12                    provisions of this subsection and the  
13                    recertification under subclause (I) shall only  
14                    apply with respect to the eligibility of an alien  
15                    for a program for months beginning on or after  
16                    the date of recertification, if on the date of en-  
17                    actment of this Act the alien is lawfully resid-  
18                    ing in any State and is receiving benefits under  
19                    such program on such date of enactment.

20                    (3) SPECIFIED FEDERAL PROGRAM DEFINED.—For  
21                    purposes of this title, the term “specified Federal program”  
22                    means any of the following:

23                    (A) SSL.—The supplemental security income pro-  
24                    gram under title XVI of the Social Security Act, in-  
25                    cluding supplementary payments pursuant to an agree-  
26                    ment for Federal administration under section 1616(a)  
27                    of the Social Security Act and payments pursuant to  
28                    an agreement entered into under section 212(b) of  
29                    Public Law 93-66.

30                    (B) FOOD STAMPS.—The food stamp program as  
31                    defined in section 3(h) of the Food Stamp Act of 1977.

32                    (b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL  
33                    PROGRAMS.—

34                    (1) IN GENERAL.—Notwithstanding any other provi-  
35                    sion of law and except as provided in section 403 and para-  
36                    graph (2), a State is authorized to determine the eligibility

1 of an alien who is a qualified alien (as defined in section  
2 431) for any designated Federal program (as defined in  
3 paragraph (3)).

4 (2) EXCEPTIONS.—Qualified aliens under this para-  
5 graph shall be eligible for any designated Federal program.

6 (A) TIME-LIMITED EXCEPTION FOR REFUGEES  
7 AND ASYLEES.—

8 (i) An alien who is admitted to the United  
9 States as a refugee under section 207 of the Immi-  
10 gration and Nationality Act until 5 years after the  
11 date of an alien's entry into the United States.

12 (ii) An alien who is granted asylum under sec-  
13 tion 208 of such Act until 5 years after the date  
14 of such grant of asylum.

15 (iii) An alien whose deportation is being with-  
16 held under section 243(h) of such Act until 5 years  
17 after such withholding.

18 (B) CERTAIN PERMANENT RESIDENT ALIENS.—An  
19 alien who—

20 (i) is lawfully admitted to the United States  
21 for permanent residence under the Immigration  
22 and Nationality Act; and

23 (ii)(I) has worked 40 qualifying quarters of  
24 coverage as defined under title II of the Social Se-  
25 curity Act or can be credited with such qualifying  
26 quarters as provided under section 435, and (II) in  
27 the case of any such qualifying quarter creditable  
28 for any period beginning after December 31, 1996,  
29 did not receive any Federal means-tested public  
30 benefit (as provided under section 403) during any  
31 such period.

32 (C) VETERAN AND ACTIVE DUTY EXCEPTION.—An  
33 alien who is lawfully residing in any State and is—

34 (i) a veteran (as defined in section 101 of title  
35 38, United States Code) with a discharge charac-

1           terized as an honorable discharge and not on ac-  
2           count of alienage,

3           (ii) on active duty (other than active duty for  
4           training) in the Armed Forces of the United  
5           States, or

6           - (iii) the spouse or unmarried dependent child  
7           of an individual described in clause (i) or (ii).

8           (D) TRANSITION FOR THOSE CURRENTLY RECEIV-  
9           ING BENEFITS.—An alien who on the date of the enact-  
10          ment of this Act is lawfully residing in any State and  
11          is receiving benefits under such program on the date of  
12          the enactment of this Act shall continue to be eligible  
13          to receive such benefits until January 1, 1997.

14          (3) DESIGNATED FEDERAL PROGRAM DEFINED.—For  
15          purposes of this title, the term “designated Federal pro-  
16          gram” means any of the following:

17           (A) TEMPORARY ASSISTANCE FOR NEEDY FAMI-  
18           LIES.—The program of block grants to States for tem-  
19           porary assistance for needy families under part A of  
20           title IV of the Social Security Act.

21           (B) SOCIAL SERVICES BLOCK GRANT.—The pro-  
22           gram of block grants to States for social services under  
23           title XX of the Social Security Act.

24           (C) MEDICAID.—A State plan approved under title  
25           XIX of the Social Security Act, other than medical as-  
26           sistance described in section 401(b)(1)(A).

27          **SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALI-**  
28          **FIED ALIENS FOR FEDERAL MEANS-TESTED**  
29          **PUBLIC BENEFIT.**

30           (a) IN GENERAL.—Notwithstanding any other provision of  
31          law and except as provided in subsections (b), (c), and (d), an  
32          alien who is a qualified alien (as defined in section 431) and  
33          who enters the United States on or after the date of the enact-  
34          ment of this Act is not eligible for any Federal means-tested  
35          public benefit for a period of five years beginning on the date

1 of the alien's entry into the United States with a status within  
2 the meaning of the term "qualified alien".

3 (b) EXCEPTIONS.—The limitation under subsection (a)  
4 shall not apply to the following aliens:

5 (1) EXCEPTION FOR REFUGEES AND ASYLEES.—

6 (A) An alien who is admitted to the United States  
7 as a refugee under section 207 of the Immigration and  
8 Nationality Act.

9 (B) An alien who is granted asylum under section  
10 208 of such Act.

11 (C) An alien whose deportation is being withheld  
12 under section 243(h) of such Act.

13 (2) VETERAN AND ACTIVE DUTY EXCEPTION.—An  
14 alien who is lawfully residing in any State and is—

15 (A) a veteran (as defined in section 101 of title  
16 38, United States Code) with a discharge characterized  
17 as an honorable discharge and not on account of  
18 alienage,

19 (B) on active duty (other than active duty for  
20 training) in the Armed Forces of the United States, or

21 (C) the spouse or unmarried dependent child of an  
22 individual described in subparagraph (A) or (B).

23 (c) APPLICATION OF TERM FEDERAL MEANS-TESTED  
24 PUBLIC BENEFIT.—

25 (1) The limitation under subsection (a) shall not apply  
26 to assistance or benefits under paragraph (2).

27 (2) Assistance and benefits under this paragraph are  
28 as follows:

29 (A) Medical assistance described in section  
30 401(b)(1)(A).

31 (B) Short-term, non-cash, in-kind emergency dis-  
32 aster relief.

33 (C) Assistance or benefits under the National  
34 School Lunch Act.

35 (D) Assistance or benefits under the Child Nutri-  
36 tion Act of 1966.

1 (E) Public health assistance (not including any as-  
2 sistance under title XIX of the Social Security Act) for  
3 immunizations with respect to immunizable diseases  
4 and for testing and treatment of symptoms of commu-  
5 nicable diseases whether or not such symptoms are  
6 caused by a communicable disease.

7 (F) Payments for foster care and adoption assist-  
8 ance under parts B and E of title IV of the Social Se-  
9 curity Act for a parent or a child who would, in the ab-  
10 sence of subsection (a), be eligible to have such pay-  
11 ments made on the child's behalf under such part, but  
12 only if the foster or adoptive parent (or parents) of  
13 such child is a qualified alien (as defined in section  
14 431).

15 (G) Programs, services, or assistance (such as  
16 soup kitchens, crisis counseling and intervention, and  
17 short-term shelter) specified by the Attorney General,  
18 in the Attorney General's sole and unreviewable discre-  
19 tion after consultation with appropriate Federal agen-  
20 cies and departments, which (i) deliver in-kind services  
21 at the community level, including through public or pri-  
22 vate nonprofit agencies; (ii) do not condition the provi-  
23 sion of assistance, the amount of assistance provided,  
24 or the cost of assistance provided on the individual re-  
25 cipient's income or resources; and (iii) are necessary for  
26 the protection of life or safety.

27 (H) Programs of student assistance under titles  
28 IV, V, IX, and X of the Higher Education Act of 1965,  
29 and titles III, VII, and VIII of the Public Health Serv-  
30 ice Act.

31 (I) Means-tested programs under the Elementary  
32 and Secondary Education Act of 1965.

33 (J) Benefits under the Head Start Act.

34 (K) Benefits under the Job Training Partnership  
35 Act.

1 (d) SPECIAL RULE FOR REFUGEE AND ENTRANT ASSIST-  
 2 ANCE FOR CUBAN AND HAITIAN ENTRANTS.—The limitation  
 3 under subsection (a) shall not apply to refugee and entrant as-  
 4 sistance activities, authorized by title IV of the Immigration  
 5 and Nationality Act and section 501 of the Refugee Education  
 6 Assistance Act of 1980, for Cuban and Haitian entrants as de-  
 7 fined in section 501(e)(2) of the Refugee Education Assistance  
 8 Act of 1980.

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9 SEC. 404. NOTIFICATION AND INFORMATION REPORT-  
 10 ING.

11 (a) NOTIFICATION.—Each Federal agency that admin-  
 12 isters a program to which section 401, 402, or 403 applies  
 13 shall, directly or through the States, post information and pro-  
 14 vide general notification to the public and to program recipients  
 15 of the changes regarding eligibility for any such program pur-  
 16 suant to this subtitle.

17 (b) INFORMATION REPORTING UNDER TITLE IV OF THE  
 18 SOCIAL SECURITY ACT.—Part A of title IV of the Social Secu-  
 19 rity Act is amended by inserting the following new section after  
 20 section 411:

21 "SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN IN-  
 22 FORMATION.

23 "Each State to which a grant is made under section 403  
 24 shall, at least 4 times annually and upon request of the Immi-  
 25 gration and Naturalization Service, furnish the Immigration  
 26 and Naturalization Service with the name and address of, and  
 27 other identifying information on, any individual who the State  
 28 knows is unlawfully in the United States."

29 (c) SSL.—Section 1631(e) of such Act (42 U.S.C.  
 30 1383(e)) is amended—

31 (1) by redesignating the paragraphs (6) and (7) in-  
 32 serted by sections 206(d)(2) and 206(f)(1) of the Social Se-  
 33 curity Independence and Programs Improvement Act of  
 34 1994 (Public Law 103-296; 108 Stat. 1514, 1515) as  
 35 paragraphs (7) and (8), respectively; and

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



1           **Subtitle B—Eligibility for State and**  
2           **Local Public Benefits Programs**

3       **SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR**  
4                           **NONIMMIGRANTS INELIGIBLE FOR STATE**  
5                           **AND LOCAL PUBLIC BENEFITS.**

6           (a) **IN GENERAL.**—Notwithstanding any other provision of  
7 law and except as provided in subsections (b) and (d), an alien  
8 who is not—

9               (1) a qualified alien (as defined in section 431),

10              (2) a nonimmigrant under the Immigration and Na-  
11 tionality Act, or

12              (3) an alien who is paroled into the United States  
13 under section 212(d)(5) of such Act for less than one year,  
14 is not eligible for any State or local public benefit (as defined  
15 in subsection (c)).

16           (b) **EXCEPTIONS.**—Subsection (a) shall not apply with re-  
17 spect to the following State or local public benefits:

18              (1) Assistance for health care items and services that  
19 are necessary for the treatment of an emergency medical  
20 condition (as defined in section 1903(v)(3) of the Social Se-  
21 curity Act) of the alien involved and are not related to an  
22 organ transplant procedure.

23              (2) Short-term, non-cash, in-kind emergency disaster  
24 relief.

25              (3) Public health assistance for immunizations with re-  
26 spect to immunizable diseases and for testing and treat-  
27 ment of symptoms of communicable diseases whether or  
28 not such symptoms are caused by a communicable disease.

29              (4) Programs, services, or assistance (such as soup  
30 kitchens, crisis counseling and intervention, and short-term  
31 shelter) specified by the Attorney General, in the Attorney  
32 General's sole and unreviewable discretion after consulta-  
33 tion with appropriate Federal agencies and departments,  
34 which (A) deliver in-kind services at the community level,  
35 including through public or private nonprofit agencies; (B)  
36 do not condition the provision of assistance, the amount of

1 assistance provided, or the cost of assistance provided on  
2 the individual recipient's income or resources; and (C) are  
3 necessary for the protection of life or safety.

4 (c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

5 (1) Except as provided in paragraphs (2) and 3, for  
6 purposes of this subtitle the term "State or local public  
7 benefit" means—

8 (A) any grant, contract, loan, professional license,  
9 or commercial license provided by an agency of a State  
10 or local government or by appropriated funds of a  
11 State or local government; and

12 (B) any retirement, welfare, health, disability,  
13 public or assisted housing, postsecondary education,  
14 food assistance, unemployment benefit, or any other  
15 similar benefit for which payments or assistance are  
16 provided to an individual, household, or family eligi-  
17 bility unit by an agency of a State or local government  
18 or by appropriated funds of a State or local govern-  
19 ment.

20 (2) Such term shall not apply—

21 (A) to any contract, professional license, or com-  
22 mercial license for a nonimmigrant whose visa for entry  
23 is related to such employment in the United States; or

24 (B) with respect to benefits for an alien who as a  
25 work authorized nonimmigrant or as an alien lawfully  
26 admitted for permanent residence under the Immigra-  
27 tion and Nationality Act qualified for such benefits and  
28 for whom the United States under reciprocal treaty  
29 agreements is required to pay benefits, as determined  
30 by the Secretary of State, after consultation with the  
31 Attorney General.

32 (3) Such term does not include any Federal public  
33 benefit under section 4001(e).

34 (d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF  
35 ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENE-  
36 FITS.—A State may provide that an alien who is not lawfully

1 present in the United States is eligible for any State or local  
2 public benefit for which such alien would otherwise be ineligible  
3 under subsection (a) only through the enactment of a State law  
4 after the date of the enactment of this Act which affirmatively  
5 provides for such eligibility.

6 **SEC. 412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF**  
7 **QUALIFIED ALIENS FOR STATE PUBLIC BEN-**  
8 **EFITS.**

9 (a) **IN GENERAL.**—Notwithstanding any other provision of  
10 law and except as provided in subsection (b), a State is author-  
11 ized to determine the eligibility for any State public benefits of  
12 an alien who is a qualified alien (as defined in section 431),  
13 a nonimmigrant under the Immigration and Nationality Act, or  
14 an alien who is paroled into the United States under section  
15 212(d)(5) of such Act for less than one year.

16 (b) **EXCEPTIONS.**—Qualified aliens under this subsection  
17 shall be eligible for any State public benefits.

18 (1) **TIME-LIMITED EXCEPTION FOR REFUGEES AND**  
19 **ASYLEES.**—

20 (A) An alien who is admitted to the United States  
21 as a refugee under section 207 of the Immigration and  
22 Nationality Act until 5 years after the date of an  
23 alien's entry into the United States.

24 (B) An alien who is granted asylum under section  
25 208 of such Act until 5 years after the date of such  
26 grant of asylum.

27 (C) An alien whose deportation is being withheld  
28 under section 243(h) of such Act until 5 years after  
29 such withholding.

30 (2) **CERTAIN PERMANENT RESIDENT ALIENS.**—An  
31 alien who—

32 (A) is lawfully admitted to the United States for  
33 permanent residence under the Immigration and Na-  
34 tionality Act; and

35 (B)(i) has worked 40 qualifying quarters of cov-  
36 erage as defined under title II of the Social Security

1 Act or can be credited with such qualifying quarters as  
2 provided under section 435, and (ii) in the case of any  
3 such qualifying quarter creditable for any period begin-  
4 ning after December 31, 1996, did not receive any Fed-  
5 eral means-tested public benefit (as provided under sec-  
6 tion 403) during any such period.

7 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—An  
8 alien who is lawfully residing in any State and is—

9 (A) a veteran (as defined in section 101 of title  
10 38, United States Code) with a discharge characterized  
11 as an honorable discharge and not on account of  
12 alienage,

13 (B) on active duty (other than active duty for  
14 training) in the Armed Forces of the United States, or

15 (C) the spouse or unmarried dependent child of an  
16 individual described in subparagraph (A) or (B).

17 (4) TRANSITION FOR THOSE CURRENTLY RECEIVING  
18 BENEFITS.—An alien who on the date of the enactment of  
19 this Act is lawfully residing in any State and is receiving  
20 benefits on the date of the enactment of this Act shall con-  
21 tinue to be eligible to receive such benefits until January  
22 1, 1997.

## 23 Subtitle C—Attribution of Income 24 and Affidavits of Support

### 25 SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S IN- 26 COME AND RESOURCES TO ALIEN.

27 (a) IN GENERAL.—Notwithstanding any other provision of  
28 law, in determining the eligibility and the amount of benefits  
29 of an alien for any Federal means-tested public benefits pro-  
30 gram (as provided under section 403), the income and re-  
31 sources of the alien shall be deemed to include the following:

32 (1) The income and resources of any person who exe-  
33 cuted an affidavit of support pursuant to section 213A of  
34 the Immigration and Nationality Act (as added by section  
35 423) on behalf of such alien.

1           (2) The income and resources of the spouse (if any)  
2           of the person.

3           (b) DURATION OF ATTRIBUTION PERIOD.—Subsection (a)  
4           shall apply with respect to an alien until such time as the  
5           alien—

6           (1) achieves United States citizenship through natu-  
7           ralization pursuant to chapter 2 of title III of the Immigra-  
8           tion and Nationality Act; or

9           (2)(A) has worked 40 qualifying quarters of coverage  
10           as defined under title II of the Social Security Act or can  
11           be credited with such qualifying quarters as provided under  
12           section 435, and (B) in the case of any such qualifying  
13           quarter creditable for any period beginning after December  
14           31, 1996, did not receive any Federal means-tested public  
15           benefit (as provided under section 403) during any such pe-  
16           riod.

17           (c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON  
18           REAPPLICATION.—Whenever an alien is required to reapply for  
19           benefits under any Federal means-tested public benefits pro-  
20           gram, the applicable agency shall review the income and re-  
21           sources attributed to the alien under subsection (a).

22           (d) APPLICATION.—

23           (1) If on the date of the enactment of this Act, a Fed-  
24           eral means-tested public benefits program attributes a  
25           sponsor's income and resources to an alien in determining  
26           the alien's eligibility and the amount of benefits for an  
27           alien, this section shall apply to any such determination be-  
28           ginning on the day after the date of the enactment of this  
29           Act.

30           (2) If on the date of the enactment of this Act, a Fed-  
31           eral means-tested public benefits program does not at-  
32           tribute a sponsor's income and resources to an alien in de-  
33           termining the alien's eligibility and the amount of benefits  
34           for an alien, this section shall apply to any such determina-  
35           tion beginning 180 days after the date of the enactment of  
36           this Act.

1 SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR AT-  
2 TRIBUTION OF SPONSORS INCOME AND RE-  
3 SOURCES TO THE ALIEN WITH RESPECT TO  
4 STATE PROGRAMS.

5 (a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Ex-  
6 cept as provided in subsection (b), in determining the eligibility  
7 and the amount of benefits of an alien for any State public  
8 benefits (as defined in section 412(c)), the State or political  
9 subdivision that offers the benefits is authorized to provide that  
10 the income and resources of the alien shall be deemed to in-  
11 clude—

12 (1) the income and resources of any individual who ex-  
13 ecuted an affidavit of support pursuant to section 213A of  
14 the Immigration and Nationality Act (as added by section  
15 423) on behalf of such alien, and

16 (2) the income and resources of the spouse (if any) of  
17 the individual.

18 (b) EXCEPTIONS.—Subsection (a) shall not apply with re-  
19 spect to the following State public benefits:

20 (1) Assistance described in section 411(b)(1).

21 (2) Short-term, non-cash, in-kind emergency disaster  
22 relief.

23 (3) Programs comparable to assistance or benefits  
24 under the National School Lunch Act.

25 (4) Programs comparable to assistance or benefits  
26 under the Child Nutrition Act of 1966.

27 (5) Public health assistance for immunizations with re-  
28 spect to immunizable diseases and for testing and treat-  
29 ment of symptoms of communicable diseases whether or  
30 not such symptoms are caused by a communicable disease.

31 (6) Payments for foster care and adoption assistance.

32 (7) Programs, services, or assistance (such as soup  
33 kitchens, crisis counseling and intervention, and short-term  
34 shelter) specified by the Attorney General of a State, after  
35 consultation with appropriate agencies and departments,  
36 which (A) deliver in-kind services at the community level,  
37 including through public or private nonprofit agencies; (B)

1 do not condition the provision of assistance, the amount of  
2 assistance provided, or the cost of assistance provided on  
3 the individual recipient's income or resources; and (C) are  
4 necessary for the protection of life or safety.

5 SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT  
6 OF SUPPORT.

7 (a) IN GENERAL.—Title II of the Immigration and Na-  
8 tionality Act is amended by inserting after section 213 the fol-  
9 lowing new section:

10 "REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

11 "SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of  
12 support may be accepted by the Attorney General or by any  
13 consular officer to establish that an alien is not excludable as  
14 a public charge under section 212(a)(4) unless such affidavit  
15 is executed as a contract—

16 "(A) which is legally enforceable against the sponsor  
17 by the sponsored alien, the Federal Government, and by  
18 any State (or any political subdivision of such State) which  
19 provides any means-tested public benefits program, but not  
20 later than 10 years after the alien last receives any such  
21 benefit;

22 "(B) in which the sponsor agrees to financially sup-  
23 port the alien, so that the alien will not become a public  
24 charge; and

25 "(C) in which the sponsor agrees to submit to the ju-  
26 risdiction of any Federal or State court for the purpose of  
27 actions brought under subsection (e)(2).

28 "(2) A contract under paragraph (1) shall be enforceable  
29 with respect to benefits provided to the alien until such time  
30 as the alien achieves United States citizenship through natu-  
31 ralization pursuant to chapter 2 of title III.

32 "(b) FORMS.—Not later than 90 days after the date of en-  
33 actment of this section, the Attorney General, in consultation  
34 with the Secretary of State and the Secretary of Health and  
35 Human Services, shall formulate an affidavit of support con-  
36 sistent with the provisions of this section.

1           “(c) REMEDIES.—Remedies available to enforce an affida-  
2 vit of support under this section include any or all of the reme-  
3 dies described in section 3201, 3203, 3204, or 3205 of title  
4 28, United States Code, as well as an order for specific per-  
5 formance and payment of legal fees and other costs of collec-  
6 tion, and include corresponding remedies available under State  
7 law. A Federal agency may seek to collect amounts owed under  
8 this section in accordance with the provisions of subchapter II  
9 of chapter 37 of title 31, United States Code.

10           “(d) NOTIFICATION OF CHANGE OF ADDRESS.—

11           “(1) IN GENERAL.—The sponsor shall notify the At-  
12 torney General and the State in which the sponsored alien  
13 is currently resident within 30 days of any change of ad-  
14 dress of the sponsor during the period specified in sub-  
15 section (a)(2).

16           “(2) PENALTY.—Any person subject to the require-  
17 ment of paragraph (1) who fails to satisfy such require-  
18 ment shall be subject to a civil penalty of—

19           “(A) not less than \$250 or more than \$2,000, or

20           “(B) if such failure occurs with knowledge that  
21 the alien has received any means-tested public benefit,  
22 not less than \$2,000 or more than \$5,000.

23           “(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—

24 (1)(A) Upon notification that a sponsored alien has received  
25 any benefit under any means-tested public benefits program,  
26 the appropriate Federal, State, or local official shall request re-  
27 imbursement by the sponsor in the amount of such assistance.

28           “(B) The Attorney General, in consultation with the Sec-  
29 retary of Health and Human Services, shall prescribe such reg-  
30 ulations as may be necessary to carry out subparagraph (A).

31           “(2) If within 45 days after requesting reimbursement, the  
32 appropriate Federal, State, or local agency has not received a  
33 response from the sponsor indicating a willingness to commence  
34 payments, an action may be brought against the sponsor pursu-  
35 ant to the affidavit of support.

1           “(3) If the sponsor fails to abide by the repayment terms  
2 established by such agency, the agency may, within 60 days of  
3 such failure, bring an action against the sponsor pursuant to  
4 the affidavit of support.

5           “(4) No cause of action may be brought under this sub-  
6 section later than 10 years after the alien last received any  
7 benefit under any means-tested public benefits program.

8           “(5) If, pursuant to the terms of this subsection, a Fed-  
9 eral, State, or local agency requests reimbursement from the  
10 sponsor in the amount of assistance provided, or brings an ac-  
11 tion against the sponsor pursuant to the affidavit of support,  
12 the appropriate agency may appoint or hire an individual or  
13 other person to act on behalf of such agency acting under the  
14 authority of law for purposes of collecting any moneys owed.  
15 Nothing in this subsection shall preclude any appropriate Fed-  
16 eral, State, or local agency from directly requesting reimburse-  
17 ment from a sponsor for the amount of assistance provided, or  
18 from bringing an action against a sponsor pursuant to an affi-  
19 davit of support.

20           “(f) DEFINITIONS.—For the purposes of this section—

21           “(1) SPONSOR.—The term ‘sponsor’ means an individ-  
22 ual who—

23           “(A) is a citizen or national of the United States  
24 or an alien who is lawfully admitted to the United  
25 States for permanent residence;

26           “(B) is 18 years of age or over;

27           “(C) is domiciled in any of the 50 States or the  
28 District of Columbia; and

29           “(D) is the person petitioning for the admission of  
30 the alien under section 204.”.

31           “(b) CLERICAL AMENDMENT.—The table of contents of  
32 such Act is amended by inserting after the item relating to sec-  
33 tion 213 the following:

          “Sec. 213A. Requirements for sponsor’s affidavit of support.”.

34           “(c) EFFECTIVE DATE.—Subsection (a) of section 213A of  
35 the Immigration and Nationality Act, as inserted by subsection

1 (a) of this section, shall apply to affidavits of support executed  
2 on or after a date specified by the Attorney General, which  
3 date shall be not earlier than 60 days (and not later than 90  
4 days) after the date the Attorney General formulates the form  
5 for such affidavits under subsection (b) of such section.

6 (d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Re-  
7 quirements for reimbursement by a sponsor for benefits pro-  
8 vided to a sponsored alien pursuant to an affidavit of support  
9 under section 213A of the Immigration and Nationality Act  
10 shall not apply with respect to the following:

11 (1) Medical assistance described in section  
12 401(b)(1)(A) or assistance described in section 411(b)(1).

13 (2) Short-term, non-cash, in-kind emergency disaster  
14 relief.

15 (3) Assistance or benefits under the National School  
16 Lunch Act.

17 (4) Assistance or benefits under the Child Nutrition  
18 Act of 1966.

19 (5) Public health assistance for immunizations (not in-  
20 cluding any assistance under title XIX of the Social Secu-  
21 rity Act) with respect to immunizable diseases and for test-  
22 ing and treatment of symptoms of communicable diseases  
23 whether or not such symptoms are caused by a commu-  
24 nicable disease.

25 (6) Payments for foster care and adoption assistance  
26 under parts B and E of title IV of the Social Security Act  
27 for a parent or a child, but only if the foster or adoptive  
28 parent (or parents) of such child is a qualified alien (as de-  
29 fined in section 431).

30 (7) Programs, services, or assistance (such as soup  
31 kitchens, crisis counseling and intervention, and short-term  
32 shelter) specified by the Attorney General, in the Attorney  
33 General's sole and unreviewable discretion after consulta-  
34 tion with appropriate Federal agencies and departments,  
35 which (A) deliver in-kind services at the community level,  
36 including through public or private nonprofit agencies; (B)

1 do not condition the provision of assistance, the amount of  
 2 assistance provided, or the cost of assistance provided on  
 3 the individual recipient's income or resources; and (C) are  
 4 necessary for the protection of life or safety.

5 (8) Programs of student assistance under titles IV, V,  
 6 IX, and X of the Higher Education Act of 1965, and titles  
 7 III, VII, and VIII of the Public Health Service Act.

8 (9) Benefits under the Head Start Act.

9 (10) Means-tested programs under the Elementary  
 10 and Secondary Education Act of 1965.

11 (11) Benefits under the Job Training Partnership Act.

12 **Subtitle D—General Provisions**

13 **SEC. 431. DEFINITIONS.**

14 (a) **IN GENERAL.**—Except as otherwise provided in this  
 15 title, the terms used in this title have the same meaning given  
 16 such terms in section 101(a) of the Immigration and National-  
 17 ity Act.

18 (b) **QUALIFIED ALIEN.**—For purposes of this title, the  
 19 term “qualified alien” means an alien who, at the time the  
 20 alien applies for, receives, or attempts to receive a Federal pub-  
 21 lic benefit, is—

22 (1) an alien who is lawfully admitted for permanent  
 23 residence under the Immigration and Nationality Act,

24 (2) an alien who is granted asylum under section 208  
 25 of such Act,

26 (3) a refugee who is admitted to the United States  
 27 under section 207 of such Act,

28 (4) an alien who is paroled into the United States  
 29 under section 212(d)(5) of such Act for a period of at least  
 30 1 year,

31 (5) an alien whose deportation is being withheld under  
 32 section 243(h) of such Act, or

33 (6) an alien who is granted conditional entry pursuant  
 34 to section 203(a)(7) of such Act as in effect prior to April  
 35 1, 1980.

1 SEC. 432. VERIFICATION OF ELIGIBILITY FOR FEDERAL  
2 PUBLIC BENEFITS.

3 (a) IN GENERAL.—Not later than 18 months after the  
4 date of the enactment of this Act, the Attorney General of the  
5 United States, after consultation with the Secretary of Health  
6 and Human Services, shall promulgate regulations requiring  
7 verification that a person applying for a Federal public benefit  
8 (as defined in section 401(c)), to which the limitation under  
9 section 401 applies, is a qualified alien and is eligible to receive  
10 such benefit. Such regulations shall, to the extent feasible, re-  
11 quire that information requested and exchanged be similar in  
12 form and manner to information requested and exchanged  
13 under section 1137 of the Social Security Act.

14 (b) STATE COMPLIANCE.—Not later than 24 months after  
15 the date the regulations described in subsection (a) are adopt-  
16 ed, a State that administers a program that provides a Federal  
17 public benefit shall have in effect a verification system that  
18 complies with the regulations.

19 (c) AUTHORIZATION OF APPROPRIATIONS.—There are au-  
20 thorized to be appropriated such sums as may be necessary to  
21 carry out the purpose of this section.

22 SEC. 433. STATUTORY CONSTRUCTION.

23 (a) LIMITATION.—

24 (1) Nothing in this title may be construed as an enti-  
25 tlement or a determination of an individual's eligibility or  
26 fulfillment of the requisite requirements for any Federal,  
27 State, or local governmental program, assistance, or bene-  
28 fits. For purposes of this title, eligibility relates only to the  
29 general issue of eligibility or ineligibility on the basis of  
30 alienage.

31 (2) Nothing in this title may be construed as address-  
32 ing alien eligibility for a basic public education as deter-  
33 mined by the Supreme Court of the United States under  
34 Plyler v. Doe (457 U.S. 202)(1982).

35 (b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This  
36 title does not apply to any Federal, State, or local govern-

1 mental program, assistance, or benefits provided to an alien  
2 under any program of foreign assistance as determined by the  
3 Secretary of State in consultation with the Attorney General.

4 (c) SEVERABILITY.—If any provision of this title or the  
5 application of such provision to any person or circumstance is  
6 held to be unconstitutional, the remainder of this title and the  
7 application of the provisions of such to any person or cir-  
8 cumstance shall not be affected thereby.

9 SEC. 434. COMMUNICATION BETWEEN STATE AND  
10 LOCAL GOVERNMENT AGENCIES AND THE  
11 IMMIGRATION AND NATURALIZATION SERV-  
12 ICE.

13 Notwithstanding any other provision of Federal, State, or  
14 local law, no State or local government entity may be prohib-  
15 ited, or in any way restricted, from sending to or receiving  
16 from the Immigration and Naturalization Service information  
17 regarding the immigration status, lawful or unlawful, of an  
18 alien in the United States.

19 SEC. 435. QUALIFYING QUARTERS.

20 For purposes of this title, in determining the number of  
21 qualifying quarters of coverage under title II of the Social Se-  
22 curity Act an alien shall be credited with—

23 (1) all of the qualifying quarters of coverage as de-  
24 fined under title II of the Social Security Act worked by  
25 a parent of such alien while the alien was under age 18,  
26 and

27 (2) all of the qualifying quarters worked by a spouse  
28 of such alien during their marriage and the alien remains  
29 married to such spouse or such spouse is deceased.

30 No such qualifying quarter of coverage that is creditable under  
31 title II of the Social Security Act for any period beginning after  
32 December 31, 1996, may be credited to an alien under para-  
33 graph (1) or (2) if the parent or spouse (as the case may be)  
34 of such alien received any Federal means-tested public benefit  
35 (as provided under section 403) during the period for which  
36 such qualifying quarter of coverage is so credited.

1     **Subtitle E—Conforming Amendments**  
2             **Relating to Assisted Housing**

3     **SEC. 441. CONFORMING AMENDMENTS RELATING TO AS-**  
4             **SISTED HOUSING.**

5             (a) **LIMITATIONS ON ASSISTANCE.**—Section 214 of the  
6     Housing and Community Development Act of 1980 (42 U.S.C.  
7     1436a) is amended—

8                 (1) by striking “Secretary of Housing and Urban De-  
9             velopment” each place it appears and inserting “applicable  
10            Secretary”;

11                (2) in subsection (b), by inserting after “National  
12             Housing Act,” the following: “the direct loan program  
13             under section 502 of the Housing Act of 1949 or section  
14             502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, sub-  
15             title A of title III of the Cranston-Gonzalez National Af-  
16             fordable Housing Act,”;

17                (3) in paragraphs (2) through (6) of subsection (d), by  
18             striking “Secretary” each place it appears and inserting  
19             “applicable Secretary”;

20                (4) in subsection (d), in the matter following para-  
21             graph (6), by striking “the term ‘Secretary’” and inserting  
22             “the term ‘applicable Secretary’”; and

23                (5) by adding at the end the following new subsection:

24                “(h) For purposes of this section, the term ‘applicable Sec-  
25             retary’ means—

26                         “(1) the Secretary of Housing and Urban Develop-  
27                         ment, with respect to financial assistance administered by  
28                         such Secretary and financial assistance under subtitle A of  
29                         title III of the Cranston-Gonzalez National Affordable  
30                         Housing Act; and

31                         “(2) the Secretary of Agriculture, with respect to fi-  
32                         nancial assistance administered by such Secretary.”.

33             (b) **CONFORMING AMENDMENTS.**—Section 501(h) of the  
34     Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

35                 (1) by striking “(1)”;

1 (2) by striking "by the Secretary of Housing and  
2 Urban Development"; and

3 (3) by striking paragraph (2).

4 Subtitle F—Earned Income Credit Denied to  
5 Unauthorized Employees

6 SEC. 451. EARNED INCOME CREDIT DENIED TO INDIVID-  
7 UALS NOT AUTHORIZED TO BE EMPLOYED  
8 IN THE UNITED STATES.

9 (a) IN GENERAL.—Section 32(c)(1) of the Internal Reve-  
10 nue Code of 1986 (relating to individuals eligible to claim the  
11 earned income credit) is amended by adding at the end the fol-  
12 lowing new subparagraph:

13 "(F) IDENTIFICATION NUMBER REQUIREMENT.—  
14 The term 'eligible individual' does not include any indi-  
15 vidual who does not include on the return of tax for the  
16 taxable year—

17 "(i) such individual's taxpayer identification  
18 number, and

19 "(ii) if the individual is married (within the  
20 meaning of section 7703), the taxpayer identifica-  
21 tion number of such individual's spouse."

22 (b) SPECIAL IDENTIFICATION NUMBER.—Section 32 of  
23 such Code is amended by adding at the end the following new  
24 subsection:

25 "(1) IDENTIFICATION NUMBERS.—Solely for purposes of  
26 subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification  
27 number means a social security number issued to an individual  
28 by the Social Security Administration (other than a social secu-  
29 rity number issued pursuant to clause (II) (or that portion of  
30 clause (III) that relates to clause (II)) of section  
31 205(c)(2)(B)(i) of the Social Security Act)."

32 (c) EXTENSION OF PROCEDURES APPLICABLE TO MATHE-  
33 MATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such  
34 Code (relating to the definition of mathematical or clerical er-  
35 rors) is amended by striking "and" at the end of subparagraph  
36 (D), by striking the period at the end of subparagraph (E) and

1 inserting a comma, and by inserting after subparagraph (E)  
2 the following new subparagraphs:

3           “(F) an omission of a correct taxpayer identifica-  
4 tion number required under section 32 (relating to the  
5 earned income credit) to be included on a return, and

6           “(G) an entry on a return claiming the credit  
7 under section 32 with respect to net earnings from self-  
8 employment described in section 32(c)(2)(A) to the ex-  
9 tent the tax imposed by section 1401 (relating to self-  
10 employment tax) on such net earnings has not been  
11 paid.”.

12       (d) EFFECTIVE DATE.—The amendments made by this  
13 section shall apply with respect to returns the due date for  
14 which (without regard to extensions) is more than 30 days  
15 after the date of the enactment of this Act.

1           **TITLE V—CHILD PROTECTION**

2   **SEC. 501. AUTHORITY OF STATES TO MAKE FOSTER**  
3           **CARE MAINTENANCE PAYMENTS ON BEHALF**  
4           **OF CHILDREN IN ANY PRIVATE CHILD CARE**  
5           **INSTITUTION.**

6           Section 472(c)(2) of the Social Security Act (42 U.S.C.  
7   672(c)(2)) is amended by striking “nonprofit”.

8   **SEC. 502. EXTENSION OF ENHANCED MATCH FOR IM-**  
9           **PLEMENTATION OF STATEWIDE AUTOMATED**  
10          **CHILD WELFARE INFORMATION SYSTEMS.**

11          Section 13713(b)(2) of the Omnibus Budget Reconciliation  
12   Act of 1993 (42 U.S.C. 674 note; 107 Stat. 657) is amended  
13   by striking “1996” and inserting “1997”.

14   **SEC. 503. NATIONAL RANDOM SAMPLE STUDY OF CHILD**  
15          **WELFARE.**

16          Part B of title IV of the Social Security Act (42 U.S.C.  
17   620–628a) is amended by adding at the end the following:

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

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

24          “(b) REQUIREMENTS.—The study required by subsection  
25   (a) shall—

26               “(1) have a longitudinal component; and

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

29          “(c) PREFERRED CONTENTS.—In conducting the study re-  
30   quired by subsection (a), the Secretary should—

31               “(1) carefully consider selecting the sample from cases  
32   of confirmed abuse or neglect; and

33               “(2) follow each case for several years while obtaining  
34   information on, among other things—

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

36                       “(B) the frequency of contact with State or local  
37   agencies;

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

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

5           “(E) the average duration of each placement.

6           “(d) REPORTS.—

7           “(1) IN GENERAL.—From time to time, the Secretary  
8           shall prepare reports summarizing the results of the study  
9           required by subsection (a).

10           “(2) AVAILABILITY.—The Secretary shall make avail-  
11           able to the public any report prepared under paragraph (1),  
12           in writing or in the form of an electronic data tape.

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

16           “(e) APPROPRIATION.—Out of any money in the Treasury  
17           of the United States not otherwise appropriated, there are ap-  
18           propriated to the Secretary for each of fiscal years 1996  
19           through 2002 \$6,000,000 to carry out this section.”.

20           **SEC. 504. REDESIGNATION OF SECTION 1123.**

21           The Social Security Act is amended by redesignating sec-  
22           tion 1123, the second place it appears (42 U.S.C. 1320a-1a),  
23           as section 1123A.

24           **SEC. 505. KINSHIP CARE.**

25           Section 471(a) of the Social Security Act (42 U.S.C.  
26           671(a)) is amended—

27           (1) by striking “and” at the end of paragraph (16);

28           (2) by striking the period at the end of paragraph (17)

29           and inserting “; and”; and

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

31           “(18) provides that the State shall consider giving  
32           preference to an adult relative over a non-related caregiver  
33           when determining a placement for a child, provided that  
34           the relative caregiver meets all relevant State child protec-  
35           tion standards.”.

1 TITLE VI—CHILD CARE

2 SEC. 601. SHORT TITLE AND REFERENCES.

3 (a) SHORT TITLE.—This title may be cited as the “Child  
4 Care and Development Block Grant Amendments of 1996”.

5 (b) REFERENCES.—Except as otherwise expressly pro-  
6 vided, whenever in this title an amendment or repeal is ex-  
7 pressed in terms of an amendment to, or repeal of, a section  
8 or other provision, the reference shall be considered to be made  
9 to a section or other provision of the Child Care and Develop-  
10 ment Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

11 SEC. 602. GOALS.

12 Section 658A (42 U.S.C. 9801 note) is amended—

13 (1) in the section heading by inserting “AND GOALS”  
14 after “TITLE”;

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

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

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

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

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

25 “(3) to encourage States to provide consumer edu-  
26 cation information to help parents make informed choices  
27 about child care;

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

30 “(5) to assist States in implementing the health, safe-  
31 ty, licensing, and registration standards established in  
32 State regulations.”.

33 SEC. 603. AUTHORIZATION OF APPROPRIATIONS AND  
34 ENTITLEMENT AUTHORITY.

35 (a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is  
36 amended to read as follows:

1 "SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

2 "There is authorized to be appropriated to carry out this  
3 subchapter \$1,000,000,000 for each of the fiscal years 1996  
4 through 2002."

5 (b) SOCIAL SECURITY ACT.—Part A of title IV of the So-  
6 cial Security Act (42 U.S.C. 601-617) is amended by adding  
7 at the end the following new section:

8 "SEC. 418. FUNDING FOR CHILD CARE.

9 "(a) GENERAL CHILD CARE ENTITLEMENT.—

10 "(1) GENERAL ENTITLEMENT.—Subject to the  
11 amount appropriated under paragraph (3), each State  
12 shall, for the purpose of providing child care assistance, be  
13 entitled to payments under a grant under this subsection  
14 for a fiscal year in an amount equal to—

15 "(A) the sum of the total amount required to be  
16 paid to the State under section 403 for fiscal year 1994  
17 or 1995 (whichever is greater) with respect to amounts  
18 expended for child care under section—

19 "(i) 402(g) of this Act (as such section was in  
20 effect before October 1, 1995); and

21 "(ii) 402(i) of this Act (as so in effect); or

22 "(B) the average of the total amounts required to  
23 be paid to the State for fiscal years 1992 through 1994  
24 under the sections referred to in subparagraph (A);  
25 whichever is greater.

26 "(2) REMAINDER.—

27 "(A) GRANTS.—The Secretary shall use any  
28 amounts appropriated for a fiscal year under para-  
29 graph (3), and remaining after the reservation de-  
30 scribed in paragraph (4) and after grants are awarded  
31 under paragraph (1), to make grants to States under  
32 this paragraph.

33 "(B) AMOUNT.—Subject to subparagraph (C), the  
34 amount of a grant awarded to a State for a fiscal year  
35 under this paragraph shall be based on the formula  
36 used for determining the amount of Federal payments

1 to the State under section 403(n) (as such section was  
2 in effect before October 1, 1995).

3 "(C) MATCHING REQUIREMENT.—The Secretary  
4 shall pay to each eligible State in a fiscal year an  
5 amount, under a grant under subparagraph (A), equal  
6 to the Federal medical assistance percentage for such  
7 State for fiscal year 1995 (as defined in section  
8 1905(b)) of so much of the expenditures by the State  
9 for child care in such year as exceed the State set-aside  
10 for such State under paragraph (1)(A) for such year  
11 and the amount of State expenditures in fiscal year  
12 1994 or 1995 (whichever is greater) that equal the  
13 non-Federal share for the programs described in sub-  
14 paragraph (A) of paragraph (1).

15 "(D) REDISTRIBUTION.—

16 "(i) IN GENERAL.—With respect to any fiscal  
17 year, if the Secretary determines (in accordance  
18 with clause (ii)) that amounts under any grant  
19 awarded to a State under this paragraph for such  
20 fiscal year will not be used by such State during  
21 such fiscal year for carrying out the purpose for  
22 which the grant is made, the Secretary shall make  
23 such amounts available in the subsequent fiscal  
24 year for carrying out such purpose to 1 or more  
25 States which apply for such funds to the extent the  
26 Secretary determines that such States will be able  
27 to use such additional amounts for carrying out  
28 such purpose. Such available amounts shall be re-  
29 distributed to a State pursuant to section 403(n)  
30 (as such section was in effect before October 1,  
31 1995) by substituting 'the number of children re-  
32 siding in all States applying for such funds' for 'the  
33 number of children residing in the United States in  
34 the second preceding fiscal year'.

35 "(ii) TIME OF DETERMINATION AND DIS-  
36 TRIBUTION.—The determination of the Secretary

1 under clause (i) for a fiscal year shall be made not  
2 later than the end of the first quarter of the subse-  
3 quent fiscal year. The redistribution of amounts  
4 under clause (i) shall be made as close as prac-  
5 ticable to the date on which such determination is  
6 made. Any amount made available to a State from  
7 an appropriation for a fiscal year in accordance  
8 with this subparagraph shall, for purposes of this  
9 part, be regarded as part of such State's payment  
10 (as determined under this subsection) for the fiscal  
11 year in which the redistribution is made.

12 "(3) APPROPRIATION.—For grants under this section,  
13 there are appropriated—

14 "(A) \$1,967,000,000 for fiscal year 1997;

15 "(B) \$2,067,000,000 for fiscal year 1998;

16 "(C) \$2,167,000,000 for fiscal year 1999;

17 "(D) \$2,367,000,000 for fiscal year 2000;

18 "(E) \$2,567,000,000 for fiscal year 2001; and

19 "(F) \$2,717,000,000 for fiscal year 2002.

20 "(4) INDIAN TRIBES.—The Secretary shall reserve not  
21 less than 1 percent, and not more 2 percent, of the aggre-  
22 gate amount appropriated to carry out this section in each  
23 fiscal year for payments to Indian tribes and tribal organi-  
24 zations.

25 "(b) USE OF FUNDS.—

26 "(1) IN GENERAL.—Amounts received by a State  
27 under this section shall only be used to provide child care  
28 assistance. Amounts received by a State under a grant  
29 under subsection (a)(1) shall be available for use by the  
30 State without fiscal year limitation.

31 "(2) USE FOR CERTAIN POPULATIONS.—A State shall  
32 ensure that not less than 70 percent of the total amount  
33 of funds received by the State in a fiscal year under this  
34 section are used to provide child-care assistance to families  
35 who are receiving assistance under a State program under  
36 this part, families who are attempting through work activi-

1 ties to transition off of such assistance program, and fami-  
2 lies who are at risk of becoming dependent on such assist-  
3 ance program.

4 “(c) APPLICATION OF CHILD CARE AND DEVELOPMENT  
5 BLOCK GRANT ACT of 1990.—Notwithstanding any other pro-  
6 vision of law, amounts provided to a State under this section  
7 shall be transferred to the lead agency under the Child Care  
8 and Development Block Grant Act of 1990, integrated by the  
9 State into the programs established by the State under such  
10 Act, and be subject to requirements and limitations of such  
11 Act.

12 “(d) DEFINITION.—As used in this section, the term  
13 ‘State’ means each of the 50 States or the District of Colum-  
14 bia.”.

15 **SEC. 604. LEAD AGENCY.**

16 Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

17 (1) in paragraph (1)—

18 (A) in subparagraph (A), by striking “State” the  
19 first place that such appears and inserting “govern-  
20 mental or nongovernmental”; and

21 (B) in subparagraph (C), by inserting “with suffi-  
22 cient time and Statewide distribution of the notice of  
23 such hearing,” after “hearing in the State”; and

24 (2) in paragraph (2), by striking the second sentence.

25 **SEC. 605. APPLICATION AND PLAN.**

26 Section 658E (42 U.S.C. 9858e) is amended—

27 (1) in subsection (b)—

28 (A) by striking “implemented—” and all that fol-  
29 lows through “(2)” and inserting “implemented”; and

30 (B) by striking “for subsequent State plans”;

31 (2) in subsection (c)—

32 (A) in paragraph (2)—

33 (i) in subparagraph (A)—

34 (I) in clause (i) by striking “, other than  
35 through assistance provided under paragraph  
36 (3)(C),”; and

1 (II) by striking "except" and all that fol-  
2 lows through "1992", and inserting "and pro-  
3 vide a detailed description of the procedures  
4 the State will implement to carry out the re-  
5 quirements of this subparagraph";

6 (ii) in subparagraph (B)—

7 (I) by striking "Provide assurances" and  
8 inserting "Certify"; and

9 (II) by inserting before the period at the  
10 end "and provide a detailed description of such  
11 procedures";

12 (iii) in subparagraph (C)—

13 (I) by striking "Provide assurances" and  
14 inserting "Certify"; and

15 (II) by inserting before the period at the  
16 end "and provide a detailed description of how  
17 such record is maintained and is made avail-  
18 able";

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

21 "(D) CONSUMER EDUCATION INFORMATION.—Cer-  
22 tify that the State will collect and disseminate to par-  
23 ents of eligible children and the general public,  
24 consumer education information that will promote in-  
25 formed child care choices.";

26 (v) in subparagraph (E), to read as follows:

27 "(E) COMPLIANCE WITH STATE LICENSING RE-  
28 QUIREMENTS.—

29 "(i) IN GENERAL.—Certify that the State has  
30 in effect licensing requirements applicable to child  
31 care services provided within the State, and provide  
32 a detailed description of such requirements and of  
33 how such requirements are effectively enforced.  
34 Nothing in the preceding sentence shall be con-  
35 strued to require that licensing requirements be ap-

1           plied to specific types of providers of child care  
2           services.

3           “(ii) INDIAN TRIBES AND TRIBAL ORGANIZA-  
4           TIONS.—In lieu of any licensing and regulatory re-  
5           quirements applicable under State and local law,  
6           the Secretary, in consultation with Indian tribes  
7           and tribal organizations, shall develop minimum  
8           child care standards (that appropriately reflect  
9           tribal needs and available resources) that shall be  
10          applicable to Indian tribes and tribal organization  
11          receiving assistance under this subchapter.”;

12          (vi) in subparagraph (F) by striking “Provide  
13          assurances” and inserting “Certify”;

14          (vii) in subparagraph (G) by striking “Provide  
15          assurances” and inserting “Certify”; and

16          (viii) by striking subparagraphs (H), (I), and  
17          (J) and inserting the following:

18          “(H) MEETING THE NEEDS OF CERTAIN POPU-  
19          LATIONS.—Demonstrate the manner in which the State  
20          will meet the specific child care needs of families who  
21          are receiving assistance under a State program under  
22          part A of title IV of the Social Security Act, families  
23          who are attempting through work activities to transi-  
24          tion off of such assistance program, and families that  
25          are at risk of becoming dependent on such assistance  
26          program.”;

27          (B) in paragraph (3)—

28               (i) in subparagraph (A), by striking “(B) and  
29               (C)” and inserting “(B) through (D)”;

30               (ii) in subparagraph (B)—

31                       (I) by striking “.—Subject to the reserva-  
32                       tion contained in subparagraph (C), the” and  
33                       inserting “AND RELATED ACTIVITIES.—The”;

34                       (II) in clause (i) by striking “; and” at the  
35                       end and inserting a period;

1 (III) by striking "for—" and all that fol-  
2 lows through "section 658E(c)(2)(A)" and in-  
3 sserting "for child care services on a sliding fee  
4 scale basis, activities that improve the quality  
5 or availability of such services, and any other  
6 activity that the State deems appropriate to re-  
7 alize any of the goals specified in paragraphs  
8 (2) through (5) of section 658A(b)"; and

9 (IV) by striking clause (ii);

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

12 "(C) LIMITATION ON ADMINISTRATIVE COSTS.—  
13 Not more than 5 percent of the aggregate amount of  
14 funds available to the State to carry out this sub-  
15 chapter by a State in each fiscal year may be expended  
16 for administrative costs incurred by such State to carry  
17 out all of its functions and duties under this sub-  
18 chapter. As used in the preceding sentence, the term  
19 'administrative costs' shall not include the costs of pro-  
20 viding direct services."; and

21 (iv) by adding at the end thereof the following:

22 "(D) ASSISTANCE FOR CERTAIN FAMILIES.—A  
23 State shall ensure that a substantial portion of the  
24 amounts available (after the State has complied with  
25 the requirement of section 418(b)(2) of the Social Se-  
26 curity Act with respect to each of the fiscal years 1997  
27 through 2002) to the State to carry out activities under  
28 this subchapter in each fiscal year is used to provide  
29 assistance to low-income working families other than  
30 families described in paragraph (2)(H)."; and

31 (C) in paragraph (4)(A)—

32 (i) by striking "provide assurances" and in-  
33 sserting "certify";

34 (ii) in the first sentence by inserting "and  
35 shall provide a summary of the facts relied on by

1 the State to determine that such rates are suffi-  
2 cient to ensure such access" before the period; and  
3 (iii) by striking the last sentence.

4 **SEC. 606. LIMITATION ON STATE ALLOTMENTS.**

5 Section 658F(b)(1) (42 U.S.C. 9858d(b)(1)) is amended  
6 by striking "No" and inserting "Except as provided for in sec-  
7 tion 658O(c)(6), no".

8 **SEC. 607. ACTIVITIES TO IMPROVE THE QUALITY OF**  
9 **CHILD CARE.**

10 Section 658G (42 U.S.C. 9858e) is amended to read as  
11 follows:

12 **"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**  
13 **CHILD CARE.**

14 "A State that receives funds to carry out this subchapter  
15 for a fiscal year, shall use not less than 4 percent of the  
16 amount of such funds for activities that are designed to provide  
17 comprehensive consumer education to parents and the public,  
18 activities that increase parental choice, and activities designed  
19 to improve the quality and availability of child care (such as  
20 resource and referral services)."

21 **SEC. 608. REPEAL OF EARLY CHILDHOOD DEVELOP-**  
22 **MENT AND BEFORE- AND AFTER-SCHOOL**  
23 **CARE REQUIREMENT.**

24 Section 658H (42 U.S.C. 9858f) is repealed.

25 **SEC. 609. ADMINISTRATION AND ENFORCEMENT.**

26 Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

27 (1) in paragraph (1), by striking ", and shall have"  
28 and all that follows through "(2)"; and

29 (2) in the matter following clause (ii) of paragraph  
30 (2)(A), by striking "finding and that" and all that follows  
31 through the period and inserting "finding and shall require  
32 that the State reimburse the Secretary for any funds that  
33 were improperly expended for purposes prohibited or not  
34 authorized by this subchapter, that the Secretary deduct  
35 from the administrative portion of the State allotment for  
36 the following fiscal year an amount that is less than or

1 equal to any improperly expended funds, or a combination  
2 of such options.”.

3 SEC. 610. PAYMENTS.

4 Section 658J(c) (42 U.S.C. 9858h(c)) is amended—

5 (1) by striking “expended” and inserting “obligated”;  
6 and

7 (2) by striking “3 fiscal years” and inserting “fiscal  
8 year”.

9 SEC. 611. ANNUAL REPORT AND AUDITS.

10 Section 658K (42 U.S.C. 9858i) is amended—

11 (1) in the section heading by striking “ANNUAL RE-  
12 PORT” and inserting “REPORTS”;

13 (2) in subsection (a), to read as follows:

14 “(a) REPORTS.—

15 “(1) COLLECTION OF INFORMATION BY STATES.—

16 “(A) IN GENERAL.—A State that receives funds to  
17 carry out this subchapter shall collect the information  
18 described in subparagraph (B) on a monthly basis.

19 “(B) REQUIRED INFORMATION.—The information  
20 required under this subparagraph shall include, with  
21 respect to a family unit receiving assistance under this  
22 subchapter information concerning—

23 “(i) family income;

24 “(ii) county of residence;

25 “(iii) the gender, race, and age of children re-  
26 ceiving such assistance;

27 “(iv) whether the family includes only 1 par-  
28 ent;

29 “(v) the sources of family income, including  
30 the amount obtained from (and separately identi-  
31 fied)—

32 “(I) employment, including self-employ-  
33 ment;

34 “(II) cash or other assistance under part  
35 A of title IV of the Social Security Act;

36 “(III) housing assistance;

1                   “(IV) assistance under the Food Stamp  
2                   Act of 1977; and

3                   “(V) other assistance programs;

4                   “(vi) the number of months the family has re-  
5                   ceived benefits;

6                   “(vii) the type of child care in which the child  
7                   was enrolled (such as family child care, home care,  
8                   or center-based child care);

9                   “(viii) whether the child care provider involved  
10                  was a relative;

11                  “(ix) the cost of child care for such families;  
12                  and

13                  “(x) the average hours per week of such care;  
14                  during the period for which such information is re-  
15                  quired to be submitted.

16                  “(C) SUBMISSION TO SECRETARY.—A State de-  
17                  scribed in subparagraph (A) shall, on a quarterly basis,  
18                  submit the information required to be collected under  
19                  subparagraph (B) to the Secretary.

20                  “(D) SAMPLING.—The Secretary may disapprove  
21                  the information collected by a State under this para-  
22                  graph if the State uses sampling methods to collect  
23                  such information.

24                  “(2) BIENNIAL REPORTS.—Not later than December  
25                  31, 1997, and every 6 months thereafter, a State described  
26                  in paragraph (1)(A) shall prepare and submit to the Sec-  
27                  retary a report that includes aggregate data concerning—

28                  “(A) the number of child care providers that re-  
29                  ceived funding under this subchapter as separately  
30                  identified based on the types of providers listed in sec-  
31                  tion 658P(5);

32                  “(B) the monthly cost of child care services, and  
33                  the portion of such cost that is paid for with assistance  
34                  provided under this subchapter, listed by the type of  
35                  child care services provided;

1           “(C) the number of payments made by the State  
2 through vouchers, contracts, cash, and disregards  
3 under public benefit programs, listed by the type of  
4 child care services provided;

5           “(D) the manner in which consumer education in-  
6 formation was provided to parents and the number of  
7 parents to whom such information was provided; and

8           “(E) the total number (without duplication) of  
9 children and families served under this subchapter;  
10 during the period for which such report is required to be  
11 submitted.”; and

12           (2) in subsection (b)—

13           (A) in paragraph (1) by striking “a application”  
14 and inserting “an application”;

15           (B) in paragraph (2) by striking “any agency ad-  
16 ministering activities that receive” and inserting “the  
17 State that receives”; and

18           (C) in paragraph (4) by striking “entitles” and in-  
19 serting “entitled”.

20 **SEC. 612. REPORT BY THE SECRETARY.**

21           Section 658L (42 U.S.C. 9858j) is amended—

22           (1) by striking “1993” and inserting “1997”;

23           (2) by striking “annually” and inserting “biennially”;

24           and

25           (3) by striking “Education and Labor” and inserting  
26 “Economic and Educational Opportunities”.

27 **SEC. 613. ALLOTMENTS.**

28           Section 658O (42 U.S.C. 9858m) is amended—

29           (1) in subsection (a)—

30           (A) in paragraph (1)

31           (i) by striking “POSSESSIONS” and inserting  
32 “POSSESSIONS”;

33           (ii) by inserting “and” after “States,”; and

34           (iii) by striking “, and the Trust Territory of  
35 the Pacific Islands”; and

1 (B) in paragraph (2), by striking "more than 3  
2 percent" and inserting "less than 1 percent, and not  
3 more than 2 percent,";

4 (2) in subsection (c)—

5 (A) in paragraph (5) by striking "our" and insert-  
6 ing "out"; and

7 (B) by adding at the end thereof the following new  
8 paragraph:

9 "(6) CONSTRUCTION OR RENOVATION OF FACILI-  
10 TIES.—

11 "(A) REQUEST FOR USE OF FUNDS.—An Indian  
12 tribe or tribal organization may submit to the Sec-  
13 retary a request to use amounts provided under this  
14 subsection for construction or renovation purposes.

15 "(B) DETERMINATION.—With respect to a request  
16 submitted under subparagraph (A), and except as pro-  
17 vided in subparagraph (C), upon a determination by  
18 the Secretary that adequate facilities are not otherwise  
19 available to an Indian tribe or tribal organization to en-  
20 able such tribe or organization to carry out child care  
21 programs in accordance with this subchapter, and that  
22 the lack of such facilities will inhibit the operation of  
23 such programs in the future, the Secretary may permit  
24 the tribe or organization to use assistance provided  
25 under this subsection to make payments for the con-  
26 struction or renovation of facilities that will be used to  
27 carry out such programs.

28 "(C) LIMITATION.—The Secretary may not permit  
29 an Indian tribe or tribal organization to use amounts  
30 provided under this subsection for construction or ren-  
31 ovation if such use will result in a decrease in the level  
32 of child care services provided by the tribe or organiza-  
33 tion as compared to the level of such services provided  
34 by the tribe or organization in the fiscal year preceding  
35 the year for which the determination under subpara-  
36 graph (A) is being made.

1           “(D) UNIFORM PROCEDURES.—The Secretary  
2 shall develop and implement uniform procedures for the  
3 solicitation and consideration of requests under this  
4 paragraph.”; and

5           (3) in subsection (e), by adding at the end thereof the  
6 following new paragraph:

7           “(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—  
8 Any portion of a grant or contract made to an Indian tribe  
9 or tribal organization under subsection (c) that the Sec-  
10 retary determines is not being used in a manner consistent  
11 with the provision of this subchapter in the period for  
12 which the grant or contract is made available, shall be al-  
13 lotted by the Secretary to other tribes or organizations that  
14 have submitted applications under subsection (c) in accord-  
15 ance with their respective needs.”.

16 SEC. 614. DEFINITIONS.

17           Section 658P (42 U.S.C. 9858n) is amended—

18           (1) in paragraph (2), in the first sentence by inserting  
19 “or as a deposit for child care services if such a deposit is  
20 required of other children being cared for by the provider”  
21 after “child care services”; and

22           (2) by striking paragraph (3);

23           (3) in paragraph (4)(B), by striking “75 percent” and  
24 inserting “85 percent”;

25           (4) in paragraph (5)(B)—

26           (A) by inserting “great grandchild, sibling (if such  
27 provider lives in a separate residence),” after “grand-  
28 child,”;

29           (B) by striking “is registered and”; and

30           (C) by striking “State” and inserting “applicable”.

31           (5) by striking paragraph (10);

32           (6) in paragraph (13)—

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

34           (B) by striking “, and the Trust Territory of the  
35 Pacific Islands”;

36           (7) in paragraph (14)—

1 (A) by striking "The term" and inserting the fol-  
2 lowing:

3 "(A) IN GENERAL.—The term"; and

4 (B) by adding at the end thereof the following new  
5 subparagraph:

6 "(B) OTHER ORGANIZATIONS.—Such term in-  
7 cludes a Native Hawaiian Organization, as defined in  
8 section 4009(4) of the Augustus F. Hawkins-Robert T.  
9 Stafford Elementary and Secondary School Improve-  
10 ment Amendments of 1988 (20 U.S.C. 4909(4)) and a  
11 private nonprofit organization established for the pur-  
12 pose of serving youth who are Indians or Native Ha-  
13 waiians."

14 **SEC. 615. EFFECTIVE DATE.**

15 (a) IN GENERAL.—Except as provided in subsection (b),  
16 this title and the amendments made by this title shall take ef-  
17 fect on October 1, 1996.

18 (b) EXCEPTION.—The amendment made by section 603(a)  
19 shall take effect on the date of enactment of this Act.

1           **TITLE VII—CHILD NUTRITION**  
2                           **PROGRAMS**  
3           **Subtitle A—National School Lunch**  
4                           **Act**

5   **SEC. 701. STATE DISBURSEMENT TO SCHOOLS.**

6           (a) **IN GENERAL.**—Section 8 of the National School  
7   Lunch Act (42 U.S.C. 1757) is amended—

8                   (1) in the third sentence, by striking “Nothing” and  
9                   all that follows through “educational agency to” and insert-  
10                   ing “The State educational agency may”;

11                   (2) by striking the fourth and fifth sentences;

12                   (3) by redesignating the first through seventh sen-  
13                   tences, as amended by paragraph (2), as subsections (a)  
14                   through (g), respectively;

15                   (4) in subsection (b), as redesignated by paragraph  
16                   (3), by striking “the preceding sentence” and inserting  
17                   “subsection (a)”; and

18                   (5) in subsection (d), as redesignated by paragraph  
19                   (3), by striking “Such food costs” and inserting “Use of  
20                   funds paid to States”.

21           (b) **DEFINITION OF CHILD.**—Section 12(d) of the Na-  
22   tional School Lunch Act (42 U.S.C. 1760(d)) is amended by  
23   adding at the end the following:

24                   “(9) **CHILD.**—

25                           “(A) **IN GENERAL.**—The term ‘child’ includes an  
26                   individual, regardless of age, who—

27                                   “(i) is determined by a State educational  
28                   agency, in accordance with regulations prescribed  
29                   by the Secretary, to have 1 or more mental or  
30                   physical disabilities; and

31                                   “(ii) is attending any institution, as defined in  
32                   section 17(a), or any nonresidential public or non-  
33                   profit private school of high school grade or under,  
34                   for the purpose of participating in a school pro-

1           gram established for individuals with mental or  
2           physical disabilities.

3           “(B) RELATIONSHIP TO CHILD AND ADULT CARE  
4           FOOD PROGRAM.—No institution that is not otherwise  
5           eligible to participate in the program under section 17  
6           shall be considered eligible because of this paragraph.”.

7   SEC. 702. NUTRITIONAL AND OTHER PROGRAM RE-  
8           QUIREMENTS.

9           (a) NUTRITIONAL STANDARDS.—Section 9(a) of the Na-  
10          tional School Lunch Act (42 U.S.C. 1758(a)) is amended—

11           (1) in paragraph (2)—

12           (A) by striking “(2)(A) Lunches” and inserting  
13           “(2) Lunches”;

14           (B) by striking subparagraph (B); and

15           (C) by redesignating clauses (i) and (ii) as sub-  
16           paragraphs (A) and (B), respectively;

17           (2) by striking paragraph (3); and

18           (3) by redesignating paragraph (4) as paragraph (3).

19           (b) UTILIZATION OF AGRICULTURAL COMMODITIES.—Sec-  
20          tion 9(c) of the National School Lunch Act (42 U.S.C.  
21          1758(c)) is amended—

22           (1) in the fifth sentence, by striking “of the provisions  
23           of law referred to in the preceding sentence” and inserting  
24           “provision of law”; and

25           (2) by striking the second, fourth, and sixth sentences.

26           (c) NUTRITIONAL INFORMATION.—Section 9(f) of the Na-  
27          tional School Lunch Act (42 U.S.C. 1758(f)) is amended—

28           (1) by striking paragraph (1);

29           (2) by striking “(2)”;

30           (3) by redesignating subparagraphs (A) through (D)  
31           as paragraphs (1) through (4), respectively;

32           (4) by striking paragraph (1), as redesignated by  
33           paragraph (3), and inserting the following:

34           “(1) NUTRITIONAL REQUIREMENTS.—Except as pro-  
35           vided in paragraph (2), not later than the first day of the  
36           1996–1997 school year, schools that are participating in

1 the school lunch or school breakfast program shall serve  
2 lunches and breakfasts under the program that—

3 “(A) are consistent with the goals of the most re-  
4 cent Dietary Guidelines for Americans published under  
5 section 301 of the National Nutrition Monitoring and  
6 Related Research Act of 1990 (7 U.S.C. 5341); and

7 “(B) provide, on the average over each week, at  
8 least—

9 “(i) with respect to school lunches,  $\frac{1}{3}$  of the  
10 daily recommended dietary allowance established by  
11 the Food and Nutrition Board of the National Re-  
12 search Council of the National Academy of  
13 Sciences; and

14 “(ii) with respect to school breakfasts,  $\frac{1}{4}$  of  
15 the daily recommended dietary allowance estab-  
16 lished by the Food and Nutrition Board of the Na-  
17 tional Research Council of the National Academy  
18 of Sciences.”;

19 (5) in paragraph (3), as redesignated by paragraph  
20 (3)—

21 (A) by redesignating clauses (i) and (ii) as sub-  
22 paragraphs (A) and (B), respectively; and

23 (B) in subparagraph (A), as so redesignated, by  
24 redesignating subclauses (I) and (II) as clauses (i) and  
25 (ii), respectively; and

26 (6) in paragraph (4), as redesignated by paragraph  
27 (3)—

28 (A) by redesignating clauses (i) and (ii) as sub-  
29 paragraphs (A) and (B), respectively;

30 (B) in subparagraph (A), as redesignated by sub-  
31 paragraph (A), by redesignating subclauses (I) and (II)  
32 as clauses (i) and (ii), respectively; and

33 (C) in subparagraph (A)(ii), as redesignated by  
34 subparagraph (B), by striking “subparagraph (C)” and  
35 inserting “paragraph (3)”.

1 (d) USE OF RESOURCES.—Section 9 of the National  
2 School Lunch Act (42 U.S.C. 1758) is amended by striking  
3 subsection (h).

4 SEC. 703. FREE AND REDUCED PRICE POLICY STATE-  
5 MENT.

6 Section 9(b)(2) of the National School Lunch Act (42  
7 U.S.C. 1758(b)(2)) is amended by adding at the end the follow-  
8 ing:

9 “(D) FREE AND REDUCED PRICE POLICY STATE-  
10 MENT.—After the initial submission, a school food au-  
11 thority shall not be required to submit a free and re-  
12 duced price policy statement to a State educational  
13 agency under this Act unless there is a substantive  
14 change in the free and reduced price policy of the  
15 school food authority. A routine change in the policy of  
16 a school food authority, such as an annual adjustment  
17 of the income eligibility guidelines for free and reduced  
18 price meals, shall not be sufficient cause for requiring  
19 the school food authority to submit a policy state-  
20 ment.”.

21 SEC. 704. SPECIAL ASSISTANCE.

22 (a) EXTENSION OF PAYMENT PERIOD.—Section  
23 11(a)(1)(D)(i) of the National School Lunch Act (42 U.S.C.  
24 1759a(a)(1)(D)(i)) is amended by striking “, on the date of en-  
25 actment of this subparagraph,”.

26 (b) ROUNDING RULE FOR LUNCH, BREAKFAST, AND SUP-  
27 PLEMENT RATES.—

28 (1) IN GENERAL.—The third sentence of section  
29 11(a)(3)(B) of the National School Lunch Act (42 U.S.C.  
30 1759a(a)(3)(B)) is amended by adding before the period at  
31 the end the following: “, except that adjustments to pay-  
32 ment rates for meals and supplements served to individuals  
33 not determined to be eligible for free or reduced price meals  
34 and supplements shall be computed to the nearest lower  
35 cent increment and based on the unrounded amount for the  
36 preceding 12-month period”.

1 (2) EFFECTIVE DATE.—The amendment made by  
2 paragraph (1) shall become effective on July 1, 1997.

3 (c) APPLICABILITY OF OTHER PROVISIONS.—Section 11  
4 of the National School Lunch Act (42 U.S.C. 1759a) is amend-  
5 ed—

6 (1) by striking subsection (d);

7 (2) in subsection (e)(2)—

8 (A) by striking “The” and inserting “On request  
9 of the Secretary, the”; and

10 (B) by striking “each month”; and

11 (3) by redesignating subsections (e) and (f), as so  
12 amended, as subsections (d) and (e), respectively.

13 SEC. 705. MISCELLANEOUS PROVISIONS AND DEFINI-  
14 TIONS.

15 (a) ACCOUNTS AND RECORDS.—The second sentence of  
16 section 12(a) of the National School Lunch Act (42 U.S.C.  
17 1760(a)) is amended by striking “at all times be available” and  
18 inserting “be available at any reasonable time”.

19 (b) RESTRICTION ON REQUIREMENTS.—Section 12(c) of  
20 the National School Lunch Act (42 U.S.C. 1760(c)) is amended  
21 by striking “neither the Secretary nor the State shall” and in-  
22 serting “the Secretary shall not”.

23 (c) DEFINITIONS.—Section 12(d) of the National School  
24 Lunch Act (42 U.S.C. 1760(d)), as amended by section 701(b),  
25 is amended—

26 (1) in paragraph (1), by striking “the Trust Territory  
27 of the Pacific Islands” and inserting “the Commonwealth  
28 of the Northern Mariana Islands”;

29 (2) by striking paragraphs (3) and (4); and

30 (3) by redesignating paragraphs (1), (2), and (5)  
31 through (9) as paragraphs (6), (7), (3), (4), (2), (5), and  
32 (1), respectively, and rearranging the paragraphs so as to  
33 appear in numerical order.

34 (d) ADJUSTMENTS TO NATIONAL AVERAGE PAYMENT  
35 RATES.—Section 12(f) of the National School Lunch Act (42

1 U.S.C. 1760(f) is amended by striking "the Trust Territory of  
2 the Pacific Islands,".

3 (e) EXPEDITED RULEMAKING.—Section 12(k) of the Na-  
4 tional School Lunch Act (42 U.S.C. 1760(k)) is amended—

5 (1) by striking paragraphs (1), (2), and (5);

6 (2) by redesignating paragraphs (3) and (4) as para-  
7 graphs (1) and (2), respectively; and

8 (3) in paragraph (1), as redesignated by paragraph  
9 (2), by striking "Guidelines" and inserting "guidelines con-  
10 tained in the most recent 'Dietary Guidelines for Ameri-  
11 cans' that is published under section 301 of the National  
12 Nutrition Monitoring and Related Research Act of 1990 (7  
13 U.S.C. 5341)".

14 (f) WAIVER.—Section 12(l) of the National School Lunch  
15 Act (42 U.S.C. 1760(l)) is amended—

16 (1) in paragraph (2)(A)—

17 (A) in clause (iii), by adding "and" at the end;

18 (B) in clause (iv), by striking the semicolon at the  
19 end and inserting a period; and

20 (C) by striking clauses (v) through (vii);

21 (2) in paragraph (3)—

22 (A) in subparagraph (A), by striking "(A)"; and

23 (B) by striking subparagraphs (B) through (D);

24 (3) in paragraph (4)—

25 (A) in the matter preceding subparagraph (A), by  
26 striking "of any requirement relating" and inserting  
27 "that increases Federal costs or that relates";

28 (B) by striking subparagraph (D);

29 (C) by redesignating subparagraphs (E) through  
30 (N) as subparagraphs (D) through (M), respectively;  
31 and

32 (D) in subparagraph (L), as redesignated by sub-  
33 paragraph (C), by striking "and" at the end and in-  
34 serting "or"; and

35 (4) in paragraph (6)—

1 (A) by striking "(A)(i)" and all that follows  
2 through "(B)"; and

3 (B) by redesignating clauses (i) through (iv) as  
4 subparagraphs (A) through (D), respectively.

5 SEC. 706. SUMMER FOOD SERVICE PROGRAM FOR CHIL-  
6 DREN.

7 (a) ESTABLISHMENT OF PROGRAM.—Section 13(a) of the  
8 National School Lunch Act (42 U.S.C. 1761(a)) is amended—

9 (1) in paragraph (1)—

10 (A) in the first sentence, by striking "initiate,  
11 maintain, and expand" and inserting "initiate and  
12 maintain"; and

13 (B) in subparagraph (E) of the second sentence,  
14 by striking "the Trust Territory of the Pacific Is-  
15 lands,"; and

16 (2) in paragraph (7)(A), by striking "Except as pro-  
17 vided in subparagraph (C), private" and inserting "Pri-  
18 vate".

19 (b) SERVICE INSTITUTIONS.—Section 13(b) of the Na-  
20 tional School Lunch Act (42 U.S.C. 1761(b)) is amended by  
21 striking "(b)(1)" and all that follows through the end of para-  
22 graph (1) and inserting the following:

23 "(b) SERVICE INSTITUTIONS.—

24 "(1) PAYMENTS.—

25 "(A) IN GENERAL.—Except as otherwise provided  
26 in this paragraph, payments to service institutions shall  
27 equal the full cost of food service operations (which  
28 cost shall include the costs of obtaining, preparing, and  
29 serving food, but shall not include administrative  
30 costs).

31 "(B) MAXIMUM AMOUNTS.—Subject to subpara-  
32 graph (C), payments to any institution under subpara-  
33 graph (A) shall not exceed—

34 "(i) \$1.97 for each lunch and supper served;

35 "(ii) \$1.13 for each breakfast served; and

1                   “(iii) 46 cents for each meal supplement  
2                   served.

3                   “(C) ADJUSTMENTS.—Amounts specified in sub-  
4                   paragraph (B) shall be adjusted on January 1, 1997,  
5                   and each January 1 thereafter, to the nearest lower  
6                   cent increment to reflect changes for the 12-month pe-  
7                   riod ending the preceding November 30 in the series  
8                   for food away from home of the Consumer Price Index  
9                   for All Urban Consumers published by the Bureau of  
10                  Labor Statistics of the Department of Labor. Each ad-  
11                  justment shall be based on the unrounded adjustment  
12                  for the prior 12-month period.”.

13                  (c) ADMINISTRATION OF SERVICE INSTITUTIONS.—Section  
14                  13(b)(2) of the National School Lunch Act (42 U.S.C.  
15                  1761(b)(2)) is amended—

16                  (1) in the first sentence, by striking “four meals” and  
17                  inserting “3 meals, or 2 meals and 1 supplement,”; and

18                  (2) by striking the second sentence.

19                  (d) REIMBURSEMENTS.—Section 13(c)(2) of the National  
20                  School Lunch Act (42 U.S.C. 1761(c)(2)) is amended—

21                  (1) by striking subparagraphs (A), (C), (D), and (E);

22                  (2) by striking “(B)”;

23                  (3) by striking “, and such higher education institu-  
24                  tions,”; and

25                  (4) by striking “without application” and inserting  
26                  “on showing residence in areas in which poor economic con-  
27                  ditions exist or on the basis of income eligibility statements  
28                  for children enrolled in the program”.

29                  (e) ADVANCE PROGRAM PAYMENTS.—Section 13(e)(1) of  
30                  the National School Lunch Act (42 U.S.C. 1761(e)(1)) is  
31                  amended—

32                  (1) by striking “institution: *Provided*, That (A) the”  
33                  and inserting “institution. The”;

34                  (2) by inserting “(excluding a school)” after “any  
35                  service institution”; and

1 (3) by striking "responsibilities, and (B) no" and in-  
2 sserting "responsibilities. No".

3 (f) FOOD REQUIREMENTS.—Section 13(f) of the National  
4 School Lunch Act (42 U.S.C. 1761(f)) is amended—

5 (1) by redesignating the first through seventh sen-  
6 tences as paragraphs (1) through (7), respectively;

7 (2) by striking paragraph (3), as redesignated by  
8 paragraph (1);

9 (3) in paragraph (4), as redesignated by paragraph  
10 (1), by striking "the first sentence" and inserting "para-  
11 graph (1)";

12 (4) in subparagraph (B) of paragraph (6), as redesi-  
13 gnated by paragraph (1), by striking "that bacteria levels"  
14 and all that follows through the period at the end and in-  
15 sserting "conformance with standards set by local health au-  
16 thorities."; and

17 (5) by redesignating paragraphs (4) through (7), as  
18 redesignated by paragraph (1), as paragraphs (3) through  
19 (6), respectively.

20 (g) PERMITTING OFFER VERSUS SERVE.—Section 13(f) of  
21 the National School Lunch Act (42 U.S.C. 1761(f)), as amend-  
22 ed by subsection (f), is amended by adding at the end the fol-  
23 lowing:

24 "(7) OFFER VERSUS SERVE.—A school food authority  
25 participating as a service institution may permit a child at-  
26 tending a site on school premises operated directly by the  
27 authority to refuse 1 or more items of a meal that the child  
28 does not intend to consume, under rules that the school  
29 uses for school meals programs. A refusal of an offered  
30 food item shall not affect the amount of payments made  
31 under this section to a school for the meal."

32 (h) RECORDS.—The second sentence of section 13(m) of  
33 the National School Lunch Act (42 U.S.C. 1761(m)) is amend-  
34 ed by striking "at all times be available" and inserting "be  
35 available at any reasonable time".

1 (i) REMOVING MANDATORY NOTICE TO INSTITUTIONS.—  
2 Section 13(n)(2) of the National School Lunch Act (42 U.S.C.  
3 1761(n)(2)) is amended by striking “, and its plans and sched-  
4 ule for informing service institutions of the availability of the  
5 program”.

6 (j) PLAN.—Section 13(n) of the National School Lunch  
7 Act (42 U.S.C. 1761(n)), as amended by subsection (i), is  
8 amended—

9 (1) in paragraph (2), by striking “, including the  
10 State’s methods of assessing need”;

11 (2) by striking paragraph (3);

12 (3) in paragraph (4), by striking “and schedule”; and

13 (4) by redesignating paragraphs (4) through (7) as  
14 paragraphs (3) through (6), respectively.

15 (k) MONITORING AND TRAINING.—Section 13(q) of the  
16 National School Lunch Act (42 U.S.C. 1761(q)) is amended—

17 (1) by striking paragraphs (2) and (4);

18 (2) in paragraph (3), by striking “paragraphs (1) and  
19 (2) of this subsection” and inserting “paragraph (1)”; and

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

21 (l) EXPIRED PROGRAM.—Section 13 of the National  
22 School Lunch Act (42 U.S.C. 1761) is amended—

23 (1) by striking subsection (p); and

24 (2) by redesignating subsections (q) and (r) as sub-  
25 sections (p) and (q), respectively.

26 (m) EFFECTIVE DATE.—The amendments made by sub-  
27 section (b) shall become effective on January 1, 1997.

28 **SEC. 707. COMMODITY DISTRIBUTION.**

29 (a) CEREAL AND SHORTENING IN COMMODITY DONA-  
30 TIONS.—Section 14(b) of the National School Lunch Act (42  
31 U.S.C. 1762a(b)) is amended—

32 (1) by striking paragraph (1); and

33 (2) by redesignating paragraphs (2) and (3) as para-  
34 graphs (1) and (2), respectively.

1 (b) STATE ADVISORY COUNCIL.—Section 14(e) of the Na-  
2 tional School Lunch Act (42 U.S.C. 1762a(e)) is amended to  
3 read as follows:

4 “(e) Each State agency that receives food assistance pay-  
5 ments under this section for any school year shall consult with  
6 representatives of schools in the State that participate in the  
7 school lunch program with respect to the needs of such schools  
8 relating to the manner of selection and distribution of commod-  
9 ity assistance for such program”.

10 (c) CASH COMPENSATION FOR PILOT PROJECT  
11 SCHOOLS.—Section 14(g) of the National School Lunch Act  
12 (42 U.S.C. 1762a(g)) is amended by striking paragraph (3).

13 SEC. 708. CHILD AND ADULT CARE FOOD PROGRAM.

14 (a) ESTABLISHMENT OF PROGRAM.—Section 17 of the  
15 National School Lunch Act (42 U.S.C. 1766) is amended in the  
16 first sentence of subsection (a), by striking “initiate, maintain,  
17 and expand” and inserting “initiate and maintain”.

18 (b) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2)  
19 of the last sentence of section 17(a) of the National School  
20 Lunch Act (42 U.S.C. 1766(a)) is amended—

21 (1) in subparagraph (B), by striking “and” at the end;

22 (2) in subparagraph (C), by striking the period at the  
23 end and inserting “; and”; and

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

25 “(D) in the case of a family or group day care  
26 home sponsoring organization that employs more than  
27 1 employee, the organization does not base payments to  
28 an employee of the organization on the number of fam-  
29 ily or group day care homes recruited.”

30 (c) TECHNICAL ASSISTANCE.—The last sentence of section  
31 17(d)(1) of the National School Lunch Act (42 U.S.C.  
32 1766(d)(1)) is amended by striking “, and shall provide tech-  
33 nical assistance” and all that follows through “its application”.

34 (d) REIMBURSEMENT OF CHILD CARE INSTITUTIONS.—  
35 Section 17(f)(2)(B) of the National School Lunch Act (42  
36 U.S.C. 1766(f)(2)(B)) is amended by striking “two meals and

1 two supplements or three meals and one supplement" and in-  
2 sserting "2 meals and 1 supplement".

3 (e) IMPROVED TARGETING OF DAY CARE HOME REIM-  
4 BURSEMENTS.—

5 (1) RESTRUCTURED DAY CARE HOME REIMBURSE-  
6 MENTS.—Section 17(f)(3) of the National School Lunch  
7 Act (42 U.S.C. 1766(f)(3)) is amended by striking "(3)(A)  
8 Institutions" and all that follows through the end of sub-  
9 paragraph (A) and inserting the following:

10 "(3) REIMBURSEMENT OF FAMILY OR GROUP DAY  
11 CARE HOME SPONSORING ORGANIZATIONS.—

12 "(A) REIMBURSEMENT FACTOR.—

13 "(i) IN GENERAL.—An institution that partici-  
14 pates in the program under this section as a family  
15 or group day care home sponsoring organization  
16 shall be provided, for payment to a home sponsored  
17 by the organization, reimbursement factors in ac-  
18 cordance with this subparagraph for the cost of ob-  
19 taining and preparing food and prescribed labor  
20 costs involved in providing meals under this section.

21 "(ii) TIER I FAMILY OR GROUP DAY CARE  
22 HOMES.—

23 "(I) DEFINITION OF TIER I FAMILY OR  
24 GROUP DAY CARE HOME.—In this paragraph,  
25 the term 'tier I family or group day care home'  
26 means—

27 "(aa) a family or group day care home  
28 that is located in a geographic area, as de-  
29 fined by the Secretary based on census  
30 data, in which at least 50 percent of the  
31 children residing in the area are members  
32 of households whose incomes meet the in-  
33 come eligibility guidelines for free or re-  
34 duced price meals under section 9;

35 "(bb) a family or group day care home  
36 that is located in an area served by a

1 school enrolling elementary students in  
2 which at least 50 percent of the total num-  
3 ber of children enrolled are certified eligible  
4 to receive free or reduced price school  
5 meals under this Act or the Child Nutrition  
6 Act of 1966 (42 U.S.C. 1771 et seq.); or  
7 “(cc) a family or group day care home  
8 that is operated by a provider whose house-  
9 hold meets the income eligibility guidelines  
10 for free or reduced price meals under sec-  
11 tion 9 and whose income is verified by the  
12 sponsoring or organization of the home  
13 under regulations established by the Sec-  
14 retary.

15 “(II) REIMBURSEMENT.—Except as pro-  
16 vided in subclause (III), a tier I family or  
17 group day care home shall be provided reim-  
18 bursement factors under this clause without a  
19 requirement for documentation of the costs de-  
20 scribed in clause (i), except that reimbursement  
21 shall not be provided under this subclause for  
22 meals or supplements served to the children of  
23 a person acting as a family or group day care  
24 home provider unless the children meet the in-  
25 come eligibility guidelines for free or reduced  
26 price meals under section 9.

27 “(III) FACTORS.—Except as provided in  
28 subclause (IV), the reimbursement factors ap-  
29 plied to a home referred to in subclause (II)  
30 shall be the factors in effect on July 1, 1996.

31 “(IV) ADJUSTMENTS.—The reimburse-  
32 ment factors under this subparagraph shall be  
33 adjusted on July 1, 1997, and each July 1  
34 thereafter, to reflect changes in the Consumer  
35 Price Index for food at home for the most re-  
36 cent 12-month period for which the data are

1 available. The reimbursement factors under  
2 this subparagraph shall be rounded to the near-  
3 est lower cent increment and based on the  
4 unrounded adjustment in effect on June 30 of  
5 the preceding school year.

6 “(iii) TIER II FAMILY OR GROUP DAY CARE  
7 HOMES.—

8 “(I) IN GENERAL.—

9 “(aa) FACTORS.—Except as provided  
10 in subclause (II), with respect to meals or  
11 supplements served under this clause by a  
12 family or group day care home that does  
13 not meet the criteria set forth in clause  
14 (ii)(I), the reimbursement factors shall be  
15 95 cents for lunches and suppers, 27 cents  
16 for breakfasts, and 13 cents for supple-  
17 ments.

18 “(bb) ADJUSTMENTS.—The factors  
19 shall be adjusted on July 1, 1997, and each  
20 July 1 thereafter, to reflect changes in the  
21 Consumer Price Index for food at home for  
22 the most recent 12-month period for which  
23 the data are available. The reimbursement  
24 factors under this item shall be rounded  
25 down to the nearest lower cent increment  
26 and based on the unrounded adjustment  
27 for the preceding 12-month period.

28 “(cc) REIMBURSEMENT.—A family or  
29 group day care home shall be provided re-  
30 imbursement factors under this subclause  
31 without a requirement for documentation of  
32 the costs described in clause (i), except that  
33 reimbursement shall not be provided under  
34 this subclause for meals or supplements  
35 served to the children of a person acting as  
36 a family or group day care home provider

1 unless the children meet the income eligi-  
2 bility guidelines for free or reduced price  
3 meals under section 9.

4 “(II) OTHER FACTORS.—A family or  
5 group day care home that does not meet the  
6 criteria set forth in clause (ii)(I) may elect to  
7 be provided reimbursement factors determined  
8 in accordance with the following requirements:

9 “(aa) CHILDREN ELIGIBLE FOR FREE  
10 OR REDUCED PRICE MEALS.—In the case  
11 of meals or supplements served under this  
12 subsection to children who are members of  
13 households whose incomes meet the income  
14 eligibility guidelines for free or reduced  
15 price meals under section 9, the family or  
16 group day care home shall be provided re-  
17 imbursement factors set by the Secretary  
18 in accordance with clause (ii)(III).

19 “(bb) INELIGIBLE CHILDREN.—In the  
20 case of meals or supplements served under  
21 this subsection to children who are mem-  
22 bers of households whose incomes do not  
23 meet the income eligibility guidelines, the  
24 family or group day care home shall be  
25 provided reimbursement factors in accord-  
26 ance with subclause (I).

27 “(III) INFORMATION AND DETERMINA-  
28 TIONS.—

29 “(aa) IN GENERAL.—If a family or  
30 group day care home elects to claim the  
31 factors described in subclause (II), the  
32 family or group day care home sponsoring  
33 organization serving the home shall collect  
34 the necessary income information, as deter-  
35 mined by the Secretary, from any parent or  
36 other caretaker to make the determinations

1 specified in subclause (II) and shall make  
2 the determinations in accordance with rules  
3 prescribed by the Secretary.

4 “(bb) CATEGORICAL ELIGIBILITY.—In  
5 making a determination under item (aa), a  
6 family or group day care home sponsoring  
7 organization may consider a child partici-  
8 pating in or subsidized under, or a child  
9 with a parent participating in or subsidized  
10 under, a federally or State supported child  
11 care or other benefit program with an in-  
12 come eligibility limit that does not exceed  
13 the eligibility standard for free or reduced  
14 price meals under section 9 to be a child  
15 who is a member of a household whose in-  
16 come meets the income eligibility guidelines  
17 under section 9.

18 “(cc) FACTORS FOR CHILDREN  
19 ONLY.—A family or group day care home  
20 may elect to receive the reimbursement fac-  
21 tors prescribed under clause (ii)(III) solely  
22 for the children participating in a program  
23 referred to in item (bb) if the home elects  
24 not to have income statements collected  
25 from parents or other caretakers.

26 “(IV) SIMPLIFIED MEAL COUNTING AND  
27 REPORTING PROCEDURES.—The Secretary shall  
28 prescribe simplified meal counting and report-  
29 ing procedures for use by a family or group day  
30 care home that elects to claim the factors  
31 under subclause (II) and by a family or group  
32 day care home sponsoring organization that  
33 sponsors the home. The procedures the Sec-  
34 retary prescribes may include 1 or more of the  
35 following:

1                   “(aa) Setting an annual percentage  
2 for each home of the number of meals  
3 served that are to be reimbursed in accord-  
4 ance with the reimbursement factors pre-  
5 scribed under clause (ii)(III) and an annual  
6 percentage of the number of meals served  
7 that are to be reimbursed in accordance  
8 with the reimbursement factors prescribed  
9 under subclause (I), based on the family in-  
10 come of children enrolled in the home in a  
11 specified month or other period.

12                   “(bb) Placing a home into 1 of 2 or  
13 more reimbursement categories annually  
14 based on the percentage of children in the  
15 home whose households have incomes that  
16 meet the income eligibility guidelines under  
17 section 9, with each such reimbursement  
18 category carrying a set of reimbursement  
19 factors such as the factors prescribed under  
20 clause (ii)(III) or subclause (I) or factors  
21 established within the range of factors pre-  
22 scribed under clause (ii)(III) and subclause  
23 (I).

24                   “(cc) Such other simplified procedures  
25 as the Secretary may prescribe.

26                   “(V) MINIMUM VERIFICATION REQUIRE-  
27 MENTS.—The Secretary may establish any min-  
28 imum verification requirements that are nec-  
29 essary to carry out this clause.”

30                   (2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO  
31 FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of  
32 the National School Lunch Act (42 U.S.C. 1766(f)(3)) is  
33 amended by adding at the end the following:

34                   “(D) GRANTS TO STATES TO PROVIDE ASSISTANCE  
35 TO FAMILY OR GROUP DAY CARE HOMES.—

36                   “(i) IN GENERAL.—

1           “(I) RESERVATION.—From amounts made  
2 available to carry out this section, the Sec-  
3 retary shall reserve \$5,000,000 of the amount  
4 made available for fiscal year 1997.

5           “(II) PURPOSE.—The Secretary shall use  
6 the funds made available under subclause (I) to  
7 provide grants to States for the purpose of pro-  
8 viding—

9           “(aa) assistance, including grants, to  
10 family and day care home sponsoring orga-  
11 nizations and other appropriate organiza-  
12 tions, in securing and providing training,  
13 materials, automated data processing as-  
14 sistance, and other assistance for the staff  
15 of the sponsoring organizations; and

16           “(bb) training and other assistance to  
17 family and group day care homes in the  
18 implementation of the amendment to sub-  
19 paragraph (A) made by section 708(e)(1)  
20 of the Personal Responsibility and Work  
21 Opportunity Reconciliation Act of 1996.

22           “(ii) ALLOCATION.—The Secretary shall allo-  
23 cate from the funds reserved under clause (i)(I)—

24           “(I) \$30,000 in base funding to each  
25 State; and

26           “(II) any remaining amount among the  
27 States, based on the number of family day care  
28 homes participating in the program in a State  
29 during fiscal year 1995 as a percentage of the  
30 number of all family day care homes participat-  
31 ing in the program during fiscal year 1995.

32           “(iii) RETENTION OF FUNDS.—Of the amount  
33 of funds made available to a State for fiscal year  
34 1997 under clause (i), the State may retain not to  
35 exceed 30 percent of the amount to carry out this  
36 subparagraph.

1           “(iv) ADDITIONAL PAYMENTS.—Any payments  
2           received under this subparagraph shall be in addi-  
3           tion to payments that a State receives under sub-  
4           paragraph (A).”.

5           (3) PROVISION OF DATA.—Section 17(f)(3) of the Na-  
6           tional School Lunch Act (42 U.S.C. 1766(f)(3)), as amend-  
7           ed by paragraph (2), is amended by adding at the end the  
8           following:

9           “(E) PROVISION OF DATA TO FAMILY OR GROUP  
10          DAY CARE HOME SPONSORING ORGANIZATIONS.—

11          “(i) CENSUS DATA.—The Secretary shall pro-  
12          vide to each State agency administering a child and  
13          adult care food program under this section data  
14          from the most recent decennial census survey or  
15          other appropriate census survey for which the data  
16          are available showing which areas in the State meet  
17          the requirements of subparagraph (A)(ii)(I)(aa).  
18          The State agency shall provide the data to family  
19          or group day care home sponsoring organizations  
20          located in the State.

21          “(ii) SCHOOL DATA.—

22          “(I) IN GENERAL.—A State agency ad-  
23          ministering the school lunch program under  
24          this Act or the school breakfast program under  
25          the Child Nutrition Act of 1966 (42 U.S.C.  
26          1771 et seq.) shall provide to approved family  
27          or group day care home sponsoring organiza-  
28          tions a list of schools serving elementary school  
29          children in the State in which not less than ½  
30          of the children enrolled are certified to receive  
31          free or reduced price meals. The State agency  
32          shall collect the data necessary to create the  
33          list annually and provide the list on a timely  
34          basis to any approved family or group day care  
35          home sponsoring organization that requests the  
36          list.

1                   “(II) USE OF DATA FROM PRECEDING  
2                   SCHOOL YEAR.—In determining for a fiscal  
3                   year or other annual period whether a home  
4                   qualifies as a tier I family or group day care  
5                   home under subparagraph (A)(ii)(I), the State  
6                   agency administering the program under this  
7                   section, and a family or group day care home  
8                   sponsoring organization, shall use the most  
9                   current available data at the time of the deter-  
10                   mination.

11                   “(iii) DURATION OF DETERMINATION.—For  
12                   purposes of this section, a determination that a  
13                   family or group day care home is located in an area  
14                   that qualifies the home as a tier I family or group  
15                   day care home (as the term is defined in subpara-  
16                   graph (A)(ii)(I)), shall be in effect for 3 years (un-  
17                   less the determination is made on the basis of cen-  
18                   sus data, in which case the determination shall re-  
19                   main in effect until more recent census data are  
20                   available) unless the State agency determines that  
21                   the area in which the home is located no longer  
22                   qualifies the home as a tier I family or group day  
23                   care home.”.

24                   (4) CONFORMING AMENDMENTS.—Section 17(c) of the  
25                   National School Lunch Act (42 U.S.C. 1766(c)) is amend-  
26                   ed by inserting “except as provided in subsection (f)(3),”  
27                   after “For purposes of this section,” each place it appears  
28                   in paragraphs (1), (2), and (3).

29                   (f) REIMBURSEMENT.—Section 17(f) of the National  
30                   School Lunch Act (42 U.S.C. 1766(f)) is amended—

31                   (1) in paragraph (3)—

32                   (A) in subparagraph (B), by striking the third and  
33                   fourth sentences; and

34                   (B) in subparagraph (C)(ii), by striking “conduct  
35                   outreach” and all that follows through “may become”

1 and inserting "assist unlicensed family or group day  
2 care homes in becoming"; and

3 (2) in the first sentence of paragraph (4), by striking  
4 "shall" and inserting "may".

5 (g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of  
6 the National School Lunch Act (42 U.S.C. 1766(g)(1)) is  
7 amended—

8 (1) in subparagraph (A), by striking the second sen-  
9 tence; and

10 (2) in subparagraph (B), by striking the second sen-  
11 tence.

12 (h) ELIMINATION OF STATE PAPERWORK AND OUTREACH  
13 BURDEN.—Section 17 of the National School Lunch Act (42  
14 U.S.C. 1766) is amended by striking subsection (k) and insert-  
15 ing the following:

16 "(k) TRAINING AND TECHNICAL ASSISTANCE.—A State  
17 participating in the program established under this section  
18 shall provide sufficient training, technical assistance, and mon-  
19 itoring to facilitate effective operation of the program. The Sec-  
20 retary shall assist the State in developing plans to fulfill the  
21 requirements of this subsection."

22 (i) RECORDS.—The second sentence of section 17(m) of  
23 the National School Lunch Act (42 U.S.C. 1766(m)) is amend-  
24 ed by striking "at all times" and inserting "at any reasonable  
25 time".

26 (j) UNNEEDED PROVISION.—Section 17 of the National  
27 School Lunch Act is amended by striking subsection (q).

28 (k) EFFECTIVE DATE.—

29 (1) IN GENERAL.—Except as provided in paragraph  
30 (2), the amendments made by this section shall become ef-  
31 fective on the date of enactment of this Act.

32 (2) IMPROVED TARGETING OF DAY CARE HOME REIM-  
33 BURSEMENTS.—The amendments made by paragraphs (1)  
34 and (4) of subsection (e) shall become effective on July 1,  
35 1997.

36 (3) REGULATIONS.—

1 (A) INTERIM REGULATIONS.—Not later than Jan-  
2 uary 1, 1997, the Secretary of Agriculture shall issue  
3 interim regulations to implement—

4 (i) the amendments made by paragraphs (1),  
5 (3), and (4) of subsection (e); and

6 (ii) section 17(f)(3)(C) of the National School  
7 Lunch Act (42 U.S.C. 1766(f)(3)(C)).

8 (B) FINAL REGULATIONS.—Not later than July 1,  
9 1997, the Secretary of Agriculture shall issue final reg-  
10 ulations to implement the provisions of law referred to  
11 in subparagraph (A).

12 (I) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM  
13 PARTICIPATION AND FAMILY DAY CARE LICENSING.—

14 (1) IN GENERAL.—The Secretary of Agriculture, in  
15 conjunction with the Secretary of Health and Human Serv-  
16 ices, shall study the impact of the amendments made by  
17 this section on—

18 (A) the number of family day care homes partici-  
19 pating in the child and adult care food program estab-  
20 lished under section 17 of the National School Lunch  
21 Act (42 U.S.C. 1766);

22 (B) the number of day care home sponsoring orga-  
23 nizations participating in the program;

24 (C) the number of day care homes that are li-  
25 censed, certified, registered, or approved by each State  
26 in accordance with regulations issued by the Secretary;

27 (D) the rate of growth of the numbers referred to  
28 in subparagraphs (A) through (C);

29 (E) the nutritional adequacy and quality of meals  
30 served in family day care homes that—

31 (i) received reimbursement under the program  
32 prior to the amendments made by this section but  
33 do not receive reimbursement after the amend-  
34 ments made by this section; or

35 (ii) received full reimbursement under the pro-  
36 gram prior to the amendments made by this section

1 but do not receive full reimbursement after the  
2 amendments made by this section; and

3 (F) the proportion of low-income children partici-  
4 pating in the program prior to the amendments made  
5 by this section and the proportion of low-income chil-  
6 dren participating in the program after the amend-  
7 ments made by this section.

8 (2) REQUIRED DATA.—Each State agency participat-  
9 ing in the child and adult care food program under section  
10 17 of the National School Lunch Act (42 U.S.C. 1766)  
11 shall submit to the Secretary of Agriculture data on—

12 (A) the number of family day care homes partici-  
13 pating in the program on June 30, 1997, and June 30,  
14 1998;

15 (B) the number of family day care homes licensed,  
16 certified, registered, or approved for service on June  
17 30, 1997, and June 30, 1998; and

18 (C) such other data as the Secretary may require  
19 to carry out this subsection.

20 (3) SUBMISSION OF REPORT.—Not later than 2 years  
21 after the date of enactment of this section, the Secretary  
22 of Agriculture shall submit the study required under this  
23 subsection to the Committee on Economic and Educational  
24 Opportunities of the House of Representatives and the  
25 Committee on Agriculture, Nutrition, and Forestry of the  
26 Senate.

27 **SEC. 709. PILOT PROJECTS.**

28 (a) UNIVERSAL FREE PILOT.—Section 18(d) of the Na-  
29 tional School Lunch Act (42 U.S.C. 1769(d)) is amended—

30 (1) by striking paragraph (3); and

31 (2) by redesignating paragraphs (4) and (5) as para-  
32 graphs (3) and (4), respectively.

33 (b) DEMONSTRATION PROJECT OUTSIDE SCHOOL  
34 HOURS.—Section 18(e) of the National School Lunch Act (42  
35 U.S.C. 1769(e)) is amended—

36 (1) in paragraph (1)—

1 (A) in subparagraph (A)—  
2 (i) by striking “(A)”; and  
3 (ii) by striking “shall” and inserting “may”;  
4 and  
5 (B) by striking subparagraph (B); and  
6 (2) by striking paragraph (5) and inserting the follow-  
7 ing:

8 “(5) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated to carry out this sub-  
10 section such sums as are necessary for each of fiscal years  
11 1997 and 1998.”.

12 **SEC. 710. REDUCTION OF PAPERWORK.**

13 Section 19 of the National School Lunch Act (42 U.S.C.  
14 1769a) is repealed.

15 **SEC. 711. INFORMATION ON INCOME ELIGIBILITY.**

16 Section 23 of the National School Lunch Act (42 U.S.C.  
17 1769d) is repealed.

18 **SEC. 712. NUTRITION GUIDANCE FOR CHILD NUTRITION**  
19 **PROGRAMS.**

20 Section 24 of the National School Lunch Act (42 U.S.C.  
21 1769e) is repealed.

22 **Subtitle B—Child Nutrition Act of**  
23 **1966**

24 **SEC. 721. SPECIAL MILK PROGRAM.**

25 Section 3(a)(3) of the Child Nutrition Act of 1966 (42  
26 U.S.C. 1772(a)(3)) is amended by striking “the Trust Terri-  
27 tory of the Pacific Islands” and inserting “the Commonwealth  
28 of the Northern Mariana Islands”.

29 **SEC. 722. FREE AND REDUCED PRICE POLICY STATE-**  
30 **MENT.**

31 Section 4(b)(1) of the Child Nutrition Act of 1966 (42  
32 U.S.C. 1773(b)(1)) is amended by adding at the end the follow-  
33 ing:

34 “(E) FREE AND REDUCED PRICE POLICY STATE-  
35 MENT.—After the initial submission, a school food au-  
36 thority shall not be required to submit a free and re-

1           duced price policy statement to a State educational  
2           agency under this Act unless there is a substantive  
3           change in the free and reduced price policy of the  
4           school food authority. A routine change in the policy of  
5           a school food authority, such as an annual adjustment  
6           of the income eligibility guidelines for free and reduced  
7           price meals, shall not be sufficient cause for requiring  
8           the school food authority to submit a policy state-  
9           ment.”.

10       **SEC. 723. SCHOOL BREAKFAST PROGRAM AUTHORIZA-**  
11           **TION.**

12           (a) **TRAINING AND TECHNICAL ASSISTANCE IN FOOD**  
13       **PREPARATION.**—Section 4(e)(1)(B) of the Child Nutrition Act  
14       of 1966 (42 U.S.C. 1773(e)(1)(B)) is amended by striking the  
15       second sentence.

16           (b) **EXPANSION OF PROGRAM; STARTUP AND EXPANSION**  
17       **COSTS.**—

18           (1) **IN GENERAL.**—Section 4 of the Child Nutrition  
19       Act of 1966 (42 U.S.C. 1773) is amended by striking sub-  
20       sections (f) and (g).

21           (2) **EFFECTIVE DATE.**—The amendments made by  
22       paragraph (1) shall become effective on October 1, 1996.

23       **SEC. 724. STATE ADMINISTRATIVE EXPENSES.**

24           (a) **USE OF FUNDS FOR COMMODITY DISTRIBUTION AD-**  
25       **MINISTRATION; STUDIES.**—Section 7 of the Child Nutrition Act  
26       of 1966 (42 U.S.C. 1776) is amended—

27           (1) by striking subsections (e) and (h); and

28           (2) by redesignating subsections (f), (g), and (i) as  
29       subsections (e), (f), and (g), respectively.

30           (b) **APPROVAL OF CHANGES.**—Section 7(e) of the Child  
31       Nutrition Act of 1966 (42 U.S.C. 1776(e)), as so redesignated,  
32       is amended—

33           (1) by striking “each year an annual plan” and insert-  
34       ing “the initial fiscal year a plan”; and

35           (2) by adding at the end the following: “After submit-  
36       ting the initial plan, a State shall be required to submit to

1 the Secretary for approval only a substantive change in the  
2 plan.”.

3 **SEC. 725. REGULATIONS.**

4 Section 10(b) of the Child Nutrition Act of 1966 (42  
5 U.S.C. 1779(b)) is amended—

- 6 (1) in paragraph (1), by striking “(1)”; and  
7 (2) by striking paragraphs (2) through (4).

8 **SEC. 726. PROHIBITIONS.**

9 Section 11(a) of the Child Nutrition Act of 1966 (42  
10 U.S.C. 1780(a)) is amended by striking “neither the Secretary  
11 nor the State shall” and inserting “the Secretary shall not”.

12 **SEC. 727. MISCELLANEOUS PROVISIONS AND DEFINI-**  
13 **TIONS.**

14 Section 15 of the Child Nutrition Act of 1966 (42 U.S.C.  
15 1784) is amended—

16 (1) in paragraph (1), by striking “the Trust Territory  
17 of the Pacific Islands” and inserting “the Commonwealth  
18 of the Northern Mariana Islands”; and

19 (2) in the first sentence of paragraph (3)—

20 (A) in subparagraph (A), by inserting “and” at  
21 the end; and

22 (B) by striking “, and (C)” and all that follows  
23 through “Governor of Puerto Rico”.

24 **SEC. 728. ACCOUNTS AND RECORDS.**

25 The second sentence of section 16(a) of the Child Nutri-  
26 tion Act of 1966 (42 U.S.C. 1785(a)) is amended by striking  
27 “at all times be available” and inserting “be available at any  
28 reasonable time”.

29 **SEC. 729. SPECIAL SUPPLEMENTAL NUTRITION PRO-**  
30 **GRAM FOR WOMEN, INFANTS, AND CHIL-**  
31 **DREN.**

32 (a) **DEFINITIONS.**—Section 17(b) of the Child Nutrition  
33 Act of 1966 (42 U.S.C. 1786(b)) is amended—

34 (1) in paragraph (15)(B)(iii), by inserting “of not  
35 more than 365 days” after “accommodation”; and

36 (2) in paragraph (16)—

1 (A) in subparagraph (A), by adding “and” at the  
2 end; and

3 (B) in subparagraph (B), by striking “; and” and  
4 inserting a period; and

5 (C) by striking subparagraph (C).

6 (b) SECRETARY'S PROMOTION OF WIC.—Section 17(e) of  
7 the Child Nutrition Act of 1966 (42 U.S.C. 1786(c)) is amend-  
8 ed by striking paragraph (5).

9 (c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the Child  
10 Nutrition Act of 1966 (42 U.S.C. 1786(d)) is amended by  
11 striking paragraph (4).

12 (d) NUTRITION EDUCATION.—Section 17(e) of the Child  
13 Nutrition Act of 1966 (42 U.S.C. 1786(e)) is amended—

14 (1) in paragraph (2), by striking the third sentence;

15 (2) in paragraph (4)—

16 (A) in the matter preceding subparagraph (A), by  
17 striking “shall”;

18 (B) by striking subparagraph (A);

19 (C) by redesignating subparagraphs (B) and (C)  
20 as subparagraphs (A) and (B), respectively;

21 (D) in subparagraph (A), as so redesignated—

22 (i) by inserting “shall” before “provide”; and

23 (ii) by striking “and” at the end;

24 (E) in subparagraph (B), as so redesignated—

25 (i) by inserting “shall” before “provide”; and

26 (ii) by striking the period at the end and in-  
27 serting “; and”; and

28 (F) by adding at the end the following:

29 “(C) may provide a local agency with materials de-  
30 scribing other programs for which a participant in the pro-  
31 gram may be eligible.”;

32 (3) in paragraph (5), by striking “The State agency  
33 shall ensure that each” and inserting “Each”; and

34 (4) by striking paragraph (6).

35 (e) STATE PLAN.—Section 17(f) of the Child Nutrition  
36 Act of 1966 (42 U.S.C. 1786(f)) is amended—

- 1 (1) in paragraph (1)—
- 2 (A) in subparagraph (A)—
- 3 (i) by striking “annually to the Secretary, by
- 4 a date specified by the Secretary, a” and inserting
- 5 “to the Secretary, by a date specified by the Sec-
- 6 retary, an initial”; and
- 7 (ii) by adding at the end the following: “After
- 8 submitting the initial plan, a State shall be re-
- 9 quired to submit to the Secretary for approval only
- 10 a substantive change in the plan.”;
- 11 (B) in subparagraph (C)—
- 12 (i) by striking clause (iii) and inserting the fol-
- 13 lowing:
- 14 “(iii) a plan to coordinate operations under the pro-
- 15 gram with other services or programs that may benefit par-
- 16 ticipants in, and applicants for, the program.”;
- 17 (ii) in clause (vi), by inserting after “in the
- 18 State” the following: “(including a plan to improve
- 19 access to the program for participants and prospec-
- 20 tive applicants who are employed, or who reside in
- 21 rural areas)”;
- 22 (iii) in clause (vii), by striking “to provide pro-
- 23 gram benefits” and all that follows through “em-
- 24 phasis on” and inserting “for”;
- 25 (iv) by striking clauses (ix), (x), and (xii);
- 26 (v) in clause (xiii), by striking “may require”
- 27 and inserting “may reasonably require”;
- 28 (vi) by redesignating clauses (xi) and (xiii), as
- 29 so amended, as clauses (ix) and (x), respectively;
- 30 and
- 31 (vii) in clause (ix), as so redesignated, by add-
- 32 ing “and” at the end;
- 33 (C) by striking subparagraph (D); and
- 34 (D) by redesignating subparagraph (E) as sub-
- 35 paragraph (D);
- 36 (2) by striking paragraphs (6) and (22);

1 (3) in the second sentence of paragraph (5), by strik-  
2 ing "at all times be available" and inserting "be available  
3 at any reasonable time";

4 (4) in paragraph (9)(B), by striking the second sen-  
5 tence;

6 (5) in the first sentence of paragraph (11), by striking  
7 ", including standards that will ensure sufficient State  
8 agency staff";

9 (6) in paragraph (12), by striking the third sentence;

10 (7) in paragraph (14), by striking "shall" and insert-  
11 ing "may";

12 (8) in paragraph (17), by striking "and to accommo-  
13 date" and all that follows through "facilities";

14 (9) in paragraph (19), by striking "shall" and insert-  
15 ing "may"; and

16 (10) by redesignating paragraphs (7) through (21) as  
17 paragraphs (6) through (20), and paragraphs (23) and  
18 (24) as paragraphs (21) and (22), respectively.

19 (f) INFORMATION.—Section 17(g) of the Child Nutrition  
20 Act of 1966 (42 U.S.C. 1786(g)) is amended—

21 (1) in paragraph (5), by striking "the report required  
22 under subsection (d)(4)" and inserting "reports on pro-  
23 gram participant characteristics"; and

24 (2) by striking paragraph (6).

25 (g) PROCUREMENT OF INFANT FORMULA.—

26 (1) IN GENERAL.—Section 17(h) of the Child Nutri-  
27 tion Act of 1966 (42 U.S.C. 1786(h)) is amended—

28 (A) in paragraph (4)(E), by striking "and, on"  
29 and all that follows through "(d)(4)"; and

30 (B) in paragraph (8)—

31 (i) by striking subparagraphs (A), (C), and  
32 (M);

33 (ii) in subparagraph (G)—

34 (I) in clause (i), by striking "(i)"; and

35 (II) by striking clauses (ii) through (ix);

1 (iii) in subparagraph (I), by striking "Sec-  
2 retary—" and all that follows through "(v) may"  
3 and inserting "Secretary may";

4 (iv) by redesignating subparagraphs (B) and  
5 (D) through (L) as subparagraphs (A) and (B)  
6 through (J), respectively;

7 (v) in subparagraph (A)(i), as so redesignated,  
8 by striking "subparagraphs (C), (D), and (E)(iii),  
9 in carrying out subparagraph (A)," and inserting  
10 "subparagraphs (B) and (C)(iii);"

11 (vi) in subparagraph (B)(i), as so redesign-  
12 ated, by striking "subparagraph (B)" each place  
13 it appears and inserting "subparagraph (A)"; and

14 (vii) in subparagraph (C)(iii), as so redesign-  
15 ated, by striking "subparagraph (B)" and insert-  
16 ing "subparagraph (A)".

17 (2) APPLICATION.—The amendments made by para-  
18 graph (1) shall not apply to a contract for the procurement  
19 of infant formula under section 17(h)(8) of the Child Nu-  
20 trition Act of 1966 (42 U.S.C. 1786(h)(8)) that is in effect  
21 on the date of enactment of this subsection.

22 (h) NATIONAL ADVISORY COUNCIL ON MATERNAL, IN-  
23 FANT, AND FETAL NUTRITION.—Section 17(k)(3) of the Child  
24 Nutrition Act of 1966 (42 U.S.C. 1786(k)(3)) is amended by  
25 striking "Secretary shall designate" and inserting "Council  
26 shall elect".

27 (i) COMPLETED STUDY; COMMUNITY COLLEGE DEM-  
28 ONSTRATION; GRANTS FOR INFORMATION AND DATA SYS-  
29 TEM.—Section 17 of the Child Nutrition Act of 1966 (42  
30 U.S.C. 1786) is amended by striking subsections (n), (o), and  
31 (p).

32 (j) DISQUALIFICATION OF VENDORS WHO ARE DISQUALI-  
33 FIED UNDER THE FOOD STAMP PROGRAM.—Section 17 of the  
34 Child Nutrition Act of 1966 (42 U.S.C. 1786), as amended by  
35 subsection (i), is amended by adding at the end the following:

1           “(n) DISQUALIFICATION OF VENDORS WHO ARE DIS-  
2 QUALIFIED UNDER THE FOOD STAMP PROGRAM.—

3           “(1) IN GENERAL.—The Secretary shall issue regula-  
4 tions providing criteria for the disqualification under this  
5 section of an approved vendor that is disqualified from ac-  
6 cepting benefits under the food stamp program established  
7 under the Food Stamp Act of 1977 (7 U.S.C. 2011 et  
8 seq.).

9           “(2) TERMS.—A disqualification under paragraph  
10 (1)—

11           “(A) shall be for the same period as the disquali-  
12 fication from the program referred to in paragraph (1);

13           “(B) may begin at a later date than the disquali-  
14 fication from the program referred to in paragraph (1);  
15 and

16           “(C) shall not be subject to judicial or administra-  
17 tive review.”.

18 **SEC. 730. CASH GRANTS FOR NUTRITION EDUCATION.**

19           Section 18 of the Child Nutrition Act of 1966 (42 U.S.C.  
20 1787) is repealed.

21 **SEC. 731. NUTRITION EDUCATION AND TRAINING.**

22           (a) FINDINGS.—Section 19 of the Child Nutrition Act of  
23 1966 (42 U.S.C. 1788) is amended—

24           (1) in subsection (a), by striking “that—” and all that  
25 follows through the period at the end and inserting “that  
26 effective dissemination of scientifically valid information to  
27 children participating or eligible to participate in the school  
28 lunch and related child nutrition programs should be en-  
29 couraged.”; and

30           (2) in subsection (b), by striking “encourage” and all  
31 that follows through “establishing” and inserting “estab-  
32 lish”.

33           (b) USE OF FUNDS.—Section 19(f) of the Child Nutrition  
34 Act of 1966 (42 U.S.C. 1788(f)) is amended—

35           (1) in paragraph (1)—

36           (A) by striking subparagraph (B); and

- 1 (B) in subparagraph (A)—
- 2 (i) by striking “(A)”;
- 3 (ii) by striking clauses (ix) through (xix);
- 4 (iii) by redesignating clauses (i) through (viii)
- 5 and (xx) as subparagraphs (A) through (H) and
- 6 (I), respectively;
- 7 (iv) in subparagraph (I), as so redesignated,
- 8 by striking the period at the end and inserting “;
- 9 and”;

- 10 (v) by adding at the end the following:
- 11 “(J) other appropriate related activities, as determined
- 12 by the State.”;
- 13 (2) by striking paragraphs (2) and (4); and
- 14 (3) by redesignating paragraph (3) as paragraph (2).

15 (c) ACCOUNTS, RECORDS, AND REPORTS.—The second  
16 sentence of section 19(g)(1) of the Child Nutrition Act of 1966  
17 (42 U.S.C. 1788(g)(1)) is amended by striking “at all times be  
18 available” and inserting “be available at any reasonable time”.

19 (d) STATE COORDINATORS FOR NUTRITION; STATE  
20 PLAN.—Section 19(h) of the Child Nutrition Act of 1966 (42  
21 U.S.C. 1788(h)) is amended—

- 22 (1) in the second sentence of paragraph (1)—
- 23 (A) by striking “as provided in paragraph (2) of
- 24 this subsection”; and
- 25 (B) by striking “as provided in paragraph (3) of
- 26 this subsection”;
- 27 (2) in paragraph (2), by striking the second and third
- 28 sentences; and
- 29 (3) by striking paragraph (3).

30 (e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i)  
31 of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)) is  
32 amended—

- 33 (1) in the first sentence of paragraph (2)(A), by strik-
- 34 ing “and each succeeding fiscal year”;
- 35 (2) by redesignating paragraphs (3) and (4) as para-
- 36 graphs (4) and (5), respectively; and

1 (3) by inserting after paragraph (2) the following:

2 “(3) FISCAL YEARS 1997 THROUGH 2002.—

3 “(A) IN GENERAL.—There are authorized to be  
4 appropriated to carry out this section \$10,000,000 for  
5 each of fiscal years 1997 through 2002.

6 “(B) GRANTS.—

7 “(i) IN GENERAL.—Grants to each State from  
8 the amounts made available under subparagraph  
9 (A) shall be based on a rate of 50 cents for each  
10 child enrolled in schools or institutions within the  
11 State, except that no State shall receive an amount  
12 less than \$75,000 per fiscal year.

13 “(ii) INSUFFICIENT FUNDS.—If the amount  
14 made available for any fiscal year is insufficient to  
15 pay the amount to which each State is entitled  
16 under clause (i), the amount of each grant shall be  
17 ratably reduced.”

18 (f) ASSESSMENT.—Section 19 of the Child Nutrition Act  
19 of 1966 (42 U.S.C. 1788) is amended by striking subsection  
20 (j).

21 (g) EFFECTIVE DATE.—The amendments made by sub-  
22 section (e) shall become effective on October 1, 1996.

## 23 **Subtitle C—Miscellaneous Provisions**

### 24 **SEC. 741. COORDINATION OF SCHOOL LUNCH, SCHOOL** 25 **BREAKFAST, AND SUMMER FOOD SERVICE** 26 **PROGRAMS.**

27 (a) COORDINATION.—

28 (1) IN GENERAL.—The Secretary of Agriculture shall  
29 develop proposed changes to the regulations under the  
30 school lunch program under the National School Lunch Act  
31 (42 U.S.C. 1751 et seq.), the summer food service program  
32 under section 13 of that Act (42 U.S.C. 1761), and the  
33 school breakfast program under section 4 of the Child Nu-  
34 trition Act of 1966 (42 U.S.C. 1773), for the purpose of  
35 simplifying and coordinating those programs into a com-  
36 prehensive meal program.

1 (2) CONSULTATION.—In developing proposed changes  
2 to the regulations under paragraph (1), the Secretary of  
3 Agriculture shall consult with local, State, and regional ad-  
4 ministrators of the programs described in such paragraph.

5 (b) REPORT.—Not later than November 1, 1997, the Sec-  
6 retary of Agriculture shall submit to the Committee on Agri-  
7 culture, Nutrition, and Forestry of the Senate and the Commit-  
8 tee on Economic and Educational Opportunities of the House  
9 of Representatives a report containing the proposed changes  
10 developed under subsection (a).

11 SEC. 742. REQUIREMENTS RELATING TO PROVISION OF  
12 BENEFITS BASED ON CITIZENSHIP,  
13 ALIENAGE, OR IMMIGRATION STATUS  
14 UNDER THE NATIONAL SCHOOL LUNCH ACT,  
15 THE CHILD NUTRITION ACT OF 1966, AND  
16 CERTAIN OTHER ACTS.

17 (a) SCHOOL LUNCH AND BREAKFAST PROGRAMS.—Not-  
18 withstanding any other provision of this Act, an individual who  
19 is eligible to receive free public education benefits under State  
20 or local law shall not be ineligible to receive benefits provided  
21 under the school lunch program under the National School  
22 Lunch Act (42 U.S.C. 1751 et seq.) or the school breakfast  
23 program under section 4 of the Child Nutrition Act of 1966  
24 (42 U.S.C. 1773) on the basis of citizenship, alienage, or immi-  
25 gration status.

26 (b) OTHER PROGRAMS.—

27 (1) IN GENERAL.—Nothing in this Act shall prohibit  
28 or require a State to provide to an individual who is not  
29 a citizen or a qualified alien, as defined in section 431(b),  
30 benefits under programs established under the provisions of  
31 law described in paragraph (2).

32 (2) PROVISIONS OF LAW DESCRIBED.—The provisions  
33 of law described in this paragraph are the following:

34 (A) Programs (other than the school lunch pro-  
35 gram and the school breakfast program) under the Na-  
36 tional School Lunch Act (42 U.S.C. 1751 et seq.) and

1 the Child Nutrition Act of 1966 (42 U.S.C. 1771 et  
2 seq.).

3 (B) Section 4 of the Agriculture and Consumer  
4 Protection Act of 1973 (7 U.S.C. 612c note).

5 (C) The Emergency Food Assistance Act of 1983  
6 (7 U.S.C 612c note).

7 (D) The food distribution program on Indian res-  
8 ervations established under section 4(b) of the Food  
9 Stamp Act of 1977 (7 U.S.C 2013(b)).

1 TITLE VIII—FOOD STAMPS AND  
2 COMMODITY DISTRIBUTION  
3 Subtitle A—Food Stamp Program

4 SEC. 801. DEFINITION OF CERTIFICATION PERIOD.

5 Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C.  
6 2012(c)) is amended by striking "Except as provided" and all  
7 that follows and inserting the following: "The certification pe-  
8 riod shall not exceed 12 months, except that the certification  
9 period may be up to 24 months if all adult household members  
10 are elderly or disabled. A State agency shall have at least 1  
11 contact with each certified household every 12 months."

12 SEC. 802. DEFINITION OF COUPON.

13 Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C.  
14 2012(d)) is amended by striking "or type of certificate" and in-  
15 sserting "type of certificate, authorization card, cash or check  
16 issued in lieu of a coupon, or access device, including an elec-  
17 tronic benefit transfer card or personal identification number,".

18 SEC. 803. TREATMENT OF CHILDREN LIVING AT HOME.

19 The second sentence of section 3(i) of the Food Stamp Act  
20 of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are  
21 not themselves parents living with their children or married  
22 and living with their spouses)".

23 SEC. 804. ADJUSTMENT OF THRIFTY FOOD PLAN.

24 The second sentence of section 3(o) of the Food Stamp  
25 Act of 1977 (7 U.S.C. 2012(o)) is amended—

26 (1) by striking "shall (1) make" and inserting the fol-  
27 lowing: "shall—

28 "(1) make";

29 (2) by striking "scale, (2) make" and inserting the fol-  
30 lowing: "scale;

31 "(2) make";

32 (3) by striking "Alaska, (3) make" and inserting the  
33 following: "Alaska;

34 "(3) make"; and

*adj. is not  
c.p. exceeding...  
||  
adj - what kind  
of contact*

1 (4) by striking "Columbia, (4) through" and all that  
2 follows through the end of the subsection and inserting the  
3 following: "Columbia; and

4 "(4) on October 1, 1996, and each October 1 there-  
5 after, adjust the cost of the diet to reflect the cost of the  
6 diet in the preceding June, and round the result to the  
7 nearest lower dollar increment for each household size, ex-  
8 cept that on October 1, 1996, the Secretary may not re-  
9 duce the cost of the diet in effect on September 30, 1996."

10 **SEC. 805. DEFINITION OF HOMELESS INDIVIDUAL.**

11 Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7  
12 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more  
13 than 90 days" after "temporary accommodation".

14 **SEC. 806. STATE OPTION FOR ELIGIBILITY STANDARDS.**

15 Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C.  
16 2014(d)) is amended by striking "(b) The Secretary" and in-  
17 serting the following:

18 "(b) **ELIGIBILITY STANDARDS.**—Except as otherwise pro-  
19 vided in this Act, the Secretary".

20 **SEC. 807. EARNINGS OF STUDENTS.**

21 Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C.  
22 2014(d)(7)) is amended by striking "21" and inserting "17".

23 **SEC. 808. ENERGY ASSISTANCE.**

24 (a) **IN GENERAL.**—Section 5(d) of the Food Stamp Act of  
25 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph  
26 (11) and inserting the following: "(11)(A) any payments or al-  
27 lowances made for the purpose of providing energy assistance  
28 under any Federal law (other than part A of title IV of the  
29 Social Security Act (42 U.S.C. 601 et seq.)), or (B) a 1-time  
30 payment or allowance made under a Federal or State law for  
31 the costs of weatherization or emergency repair or replacement  
32 of an unsafe or inoperative furnace or other heating or cooling  
33 device,".

34 (b) **CONFORMING AMENDMENTS.**—Section 5(k) of the  
35 Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

36 (1) in paragraph (1)—

1 (A) in subparagraph (A), by striking "plan for aid  
2 to families with dependent children approved" and in-  
3 serting "program funded"; and

4 (B) in subparagraph (B), by striking ", not in-  
5 cluding energy or utility-cost assistance,";

6 (2) in paragraph (2), by striking subparagraph (C)  
7 and inserting the following:

8 "(C) a payment or allowance described in subsection  
9 (d)(11);"; and

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

11 "(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

12 "(A) ENERGY ASSISTANCE PAYMENTS.—For pur-  
13 poses of subsection (d)(1), a payment made under a  
14 State law (other than a law referred to in paragraph  
15 (2)(H)) to provide energy assistance to a household  
16 shall be considered money payable directly to the  
17 household.

18 "(B) ENERGY ASSISTANCE EXPENSES.—For pur-  
19 poses of subsection (e)(7), an expense paid on behalf of  
20 a household under a State law to provide energy assist-  
21 ance shall be considered an out-of-pocket expense in-  
22 curred and paid by the household."

23 **SEC. 809. DEDUCTIONS FROM INCOME.**

24 (a) **IN GENERAL.**—Section 5 of the Food Stamp Act of  
25 1977 (7 U.S.C. 2014) is amended by striking subsection (e)  
26 and inserting the following:

27 "(e) **DEDUCTIONS FROM INCOME.**—

28 "(1) **STANDARD DEDUCTION.**—The Secretary shall  
29 allow a standard deduction for each household in the 48  
30 contiguous States and the District of Columbia, Alaska,  
31 Hawaii, Guam, and the Virgin Islands of the United States  
32 of \$134, \$229, \$189, \$269, and \$118, respectively.

33 "(2) **EARNED INCOME DEDUCTION.**—

34 "(A) **DEFINITION OF EARNED INCOME.**—In this  
35 paragraph, the term 'earned income' does not include—

36 "(i) income excluded by subsection (d); or

1           “(ii) any portion of income earned under a  
2           work supplementation or support program, as de-  
3           fined under section 16(b), that is attributable to  
4           public assistance.

5           “(B) DEDUCTION.—Except as provided in sub-  
6           paragraph (C), a household with earned income shall  
7           be allowed a deduction of 20 percent of all earned in-  
8           come to compensate for taxes, other mandatory deduc-  
9           tions from salary, and work expenses.

10          “(C) EXCEPTION.—The deduction described in  
11          subparagraph (B) shall not be allowed with respect to  
12          determining an overissuance due to the failure of a  
13          household to report earned income in a timely manner.

14          “(3) DEPENDENT CARE DEDUCTION.—

15                 “(A) IN GENERAL.—A household shall be entitled,  
16                 with respect to expenses (other than excluded expenses  
17                 described in subparagraph (B)) for dependent care, to  
18                 a dependent care deduction, the maximum allowable  
19                 level of which shall be \$200 per month for each de-  
20                 pendent child under 2 years of age and \$175 per  
21                 month for each other dependent, for the actual cost of  
22                 payments necessary for the care of a dependent if the  
23                 care enables a household member to accept or continue  
24                 employment, or training or education that is pre-  
25                 paratory for employment.

26                 “(B) EXCLUDED EXPENSES.—The excluded ex-  
27                 penses referred to in subparagraph (A) are—

28                         “(i) expenses paid on behalf of the household  
29                         by a third party;

30                         “(ii) amounts made available and excluded, for  
31                         the expenses referred to in subparagraph (A),  
32                         under subsection (d)(3); and

33                         “(iii) expenses that are paid under section  
34                         6(d)(4).

35          “(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

1           “(A) IN GENERAL.—A household shall be entitled  
2           to a deduction for child support payments made by a  
3           household member to or for an individual who is not  
4           a member of the household if the household member is  
5           legally obligated to make the payments.

6           “(B) METHODS FOR DETERMINING AMOUNT.—  
7           The Secretary may prescribe by regulation the meth-  
8           ods, including calculation on a retrospective basis, that  
9           a State agency shall use to determine the amount of  
10          the deduction for child support payments.

11          “(5) HOMELESS SHELTER ALLOWANCE.—Under rules  
12          prescribed by the Secretary, a State agency may develop a  
13          standard homeless shelter allowance, which shall not exceed  
14          \$143 per month, for such expenses as may reasonably be  
15          expected to be incurred by households in which all members  
16          are homeless individuals but are not receiving free shelter  
17          throughout the month. A State agency that develops the al-  
18          lowance may use the allowance in determining eligibility  
19          and allotments for the households. The State agency may  
20          make a household with extremely low shelter costs ineligible  
21          for the allowance.

22          “(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

23          “(A) IN GENERAL.—A household containing an el-  
24          derly or disabled member shall be entitled, with respect  
25          to expenses other than expenses paid on behalf of the  
26          household by a third party, to an excess medical ex-  
27          pense deduction for the portion of the actual costs of  
28          allowable medical expenses, incurred by the elderly or  
29          disabled member, exclusive of special diets, that exceeds  
30          \$35 per month.

31          “(B) METHOD OF CLAIMING DEDUCTION.—

32          “(i) IN GENERAL.—A State agency shall offer  
33          an eligible household under subparagraph (A) a  
34          method of claiming a deduction for recurring medi-  
35          cal expenses that are initially verified under the ex-  
36          cess medical expense deduction in lieu of submit-

1           ting information on, or verification of, actual ex-  
2           penses on a monthly basis.

3           “(ii) METHOD.—The method described in  
4           clause (i) shall—

5           “(I) be designed to minimize the burden  
6           for the eligible elderly or disabled household  
7           member choosing to deduct the recurrent medi-  
8           cal expenses of the member pursuant to the  
9           method;

10           “(II) rely on reasonable estimates of the  
11           expected medical expenses of the member for  
12           the certification period (including changes that  
13           can be reasonably anticipated based on avail-  
14           able information about the medical condition of  
15           the member, public or private medical insur-  
16           ance coverage, and the current verified medical  
17           expenses incurred by the member); and

18           “(III) not require further reporting or ver-  
19           ification of a change in medical expenses if  
20           such a change has been anticipated for the cer-  
21           tification period.

22           “(7) EXCESS SHELTER EXPENSE DEDUCTION.—

23           “(A) IN GENERAL.—A household shall be entitled,  
24           with respect to expenses other than expenses paid on  
25           behalf of the household by a third party, to an excess  
26           shelter expense deduction to the extent that the month-  
27           ly amount expended by a household for shelter exceeds  
28           an amount equal to 50 percent of monthly household  
29           income after all other applicable deductions have been  
30           allowed.

31           “(B) MAXIMUM AMOUNT OF DEDUCTION.—In the  
32           case of a household that does not contain an elderly or  
33           disabled individual, in the 48 contiguous States and the  
34           District of Columbia, Alaska, Hawaii, Guam, and the  
35           Virgin Islands of the United States, the excess shelter  
36           expense deduction shall not exceed—

1           “(i) for the period beginning on the date of en-  
2 actment of this subparagraph and ending on De-  
3 cember 31, 1996, \$247, \$429, \$353, \$300, and  
4 \$182 per month, respectively;

5           “(ii) for the period beginning on January 1,  
6 1997, and ending on September 30, 1998, \$250,  
7 \$434, \$357, \$304, and \$184 per month, respec-  
8 tively;

9           “(iii) for fiscal years 1999 and 2000, \$275,  
10 \$478, \$393, \$334, and \$203 per month, respec-  
11 tively; and

12           “(iv) for fiscal year 2001 and each subsequent  
13 fiscal year, \$300, \$521, \$429, \$364, and \$221 per  
14 month, respectively.

15           “(C) STANDARD UTILITY ALLOWANCE.—

16           “(i) IN GENERAL.—In computing the excess  
17 shelter expense deduction, a State agency may use  
18 a standard utility allowance in accordance with reg-  
19 ulations promulgated by the Secretary, except that  
20 a State agency may use an allowance that does not  
21 fluctuate within a year to reflect seasonal vari-  
22 ations.

23           “(ii) RESTRICTIONS ON HEATING AND COOL-  
24 ING EXPENSES.—An allowance for a heating or  
25 cooling expense may not be used in the case of a  
26 household that—

27           “(I) does not incur a heating or cooling  
28 expense, as the case may be;

29           “(II) does incur a heating or cooling ex-  
30 pense but is located in a public housing unit  
31 that has central utility meters and charges  
32 households, with regard to the expense, only for  
33 excess utility costs; or

34           “(III) shares the expense with, and lives  
35 with, another individual not participating in the  
36 food stamp program, another household partici-

1 pating in the food stamp program, or both, un-  
2 less the allowance is prorated between the  
3 household and the other individual, household,  
4 or both.

5 “(iii) MANDATORY ALLOWANCE.—

6 “(I) IN GENERAL.—A State agency may  
7 make the use of a standard utility allowance  
8 mandatory for all households with qualifying  
9 utility costs if—

10 “(aa) the State agency has developed  
11 1 or more standards that include the cost  
12 of heating and cooling and 1 or more  
13 standards that do not include the cost of  
14 heating and cooling; and

15 “(bb) the Secretary finds that the  
16 standards will not result in an increased  
17 cost to the Secretary.

18 “(II) HOUSEHOLD ELECTION.—A State  
19 agency that has not made the use of a stand-  
20 ard utility allowance mandatory under  
21 subclause (I) shall allow a household to switch,  
22 at the end of a certification period, between the  
23 standard utility allowance and a deduction  
24 based on the actual utility costs of the house-  
25 hold.

26 “(iv) AVAILABILITY OF ALLOWANCE TO RE-  
27 CIPIENTS OF ENERGY ASSISTANCE.—

28 “(I) IN GENERAL.—Subject to subclause  
29 (II), if a State agency elects to use a standard  
30 utility allowance that reflects heating or cooling  
31 costs, the standard utility allowance shall be  
32 made available to households receiving a pay-  
33 ment, or on behalf of which a payment is made,  
34 under the Low-Income Home Energy Assist-  
35 ance Act of 1981 (42 U.S.C. 8621 et seq.) or  
36 other similar energy assistance program, if the

1 household still incurs out-of-pocket heating or  
2 cooling expenses in excess of any assistance  
3 paid on behalf of the household to an energy  
4 provider.

5 “(II) SEPARATE ALLOWANCE.—A State  
6 agency may use a separate standard utility al-  
7 lowance for households on behalf of which a  
8 payment described in subclause (I) is made,  
9 but may not be required to do so.

10 “(III) STATES NOT ELECTING TO USE  
11 SEPARATE ALLOWANCE.—A State agency that  
12 does not elect to use a separate allowance but  
13 makes a single standard utility allowance avail-  
14 able to households incurring heating or cooling  
15 expenses (other than a household described in  
16 subclause (I) or (II) of clause (ii)) may not be  
17 required to reduce the allowance due to the  
18 provision (directly or indirectly) of assistance  
19 under the Low-Income Home Energy Assist-  
20 ance Act of 1981 (42 U.S.C. 8621 et seq.).

21 “(IV) PRORATION OF ASSISTANCE.—For  
22 the purpose of the food stamp program, assist-  
23 ance provided under the Low-Income Home  
24 Energy Assistance Act of 1981 (42 U.S.C.  
25 8621 et seq.) shall be considered to be prorated  
26 over the entire heating or cooling season for  
27 which the assistance was provided.”

28 (b) CONFORMING AMENDMENT.—Section 11(e)(3) of the  
29 Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended by  
30 striking “. Under rules prescribed” and all that follows through  
31 “verifies higher expenses”.

32 **SEC. 810. VEHICLE ALLOWANCE.**

33 Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C.  
34 2014(g)) is amended by striking paragraph (2) and inserting  
35 the following:

36 “(2) INCLUDED ASSETS.—

1           “(A) IN GENERAL.—Subject to the other provi-  
2 sions of this paragraph, the Secretary shall, in pre-  
3 scribing inclusions in, and exclusions from, financial re-  
4 sources, follow the regulations in force as of June 1,  
5 1982 (other than those relating to licensed vehicles and  
6 inaccessible resources).

7           “(B) ADDITIONAL INCLUDED ASSETS.—The Sec-  
8 retary shall include in financial resources—

9           “(i) any boat, snowmobile, or airplane used for  
10 recreational purposes;

11           “(ii) any vacation home;

12           “(iii) any mobile home used primarily for va-  
13 cation purposes;

14           “(iv) subject to subparagraph (C), any li-  
15 censed vehicle that is used for household transpor-  
16 tation or to obtain or continue employment to the  
17 extent that the fair market value of the vehicle ex-  
18 ceeds \$4,600 through September 30, 1996, and  
19 \$4,650 beginning October 1, 1996; and

20           “(v) any savings or retirement account (in-  
21 cluding an individual account), regardless of wheth-  
22 er there is a penalty for early withdrawal.

23           “(C) EXCLUDED VEHICLES.—A vehicle (and any  
24 other property, real or personal, to the extent the prop-  
25 erty is directly related to the maintenance or use of the  
26 vehicle) shall not be included in financial resources  
27 under this paragraph if the vehicle is—

28           “(i) used to produce earned income;

29           “(ii) necessary for the transportation of a  
30 physically disabled household member; or

31           “(iii) depended on by a household to carry fuel  
32 for heating or water for home use and provides the  
33 primary source of fuel or water, respectively, for  
34 the household.”.

1 SEC. 811. VENDOR PAYMENTS FOR TRANSITIONAL  
2 HOUSING COUNTED AS INCOME.

3 Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C.  
4 2014(k)(2)) is amended—

5 (1) by striking subparagraph (F); and

6 (2) by redesignating subparagraphs (G) and (H) as  
7 subparagraphs (F) and (G), respectively.

8 SEC. 812. SIMPLIFIED CALCULATION OF INCOME FOR  
9 THE SELF-EMPLOYED.

10 Section 5 of the Food Stamp Act of 1977 (7 U.S.C.  
11 2014), as amended by title I, is amended by adding at the end  
12 the following:

13 “(m) SIMPLIFIED CALCULATION OF INCOME FOR THE  
14 SELF-EMPLOYED.—

15 “(1) IN GENERAL.—Not later than 1 year after the  
16 date of enactment of this subsection, the Secretary shall es-  
17 tablish a procedure by which a State may submit a method,  
18 designed to not increase Federal costs, for the approval of  
19 the Secretary, that the Secretary determines will produce  
20 a reasonable estimate of income excluded under subsection  
21 (d)(9) in lieu of calculating the actual cost of producing  
22 self-employment income.

23 “(2) INCLUSIVE OF ALL TYPES OF INCOME OR LIM-  
24 ITED TYPES OF INCOME.—The method submitted by a  
25 State under paragraph (1) may allow a State to estimate  
26 income for all types of self-employment income or may be  
27 limited to 1 or more types of self-employment income.

28 “(3) DIFFERENCES FOR DIFFERENT TYPES OF IN-  
29 COME.—The method submitted by a State under paragraph  
30 (1) may differ for different types of self-employment in-  
31 come.”.

32 SEC. 813. DOUBLED PENALTIES FOR VIOLATING FOOD  
33 STAMP PROGRAM REQUIREMENTS.

34 Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C.  
35 2015(b)(1)) is amended—

36 (1) in clause (i), by striking “six months” and insert-  
37 ing “1 year”; and

1 (2) in clause (ii), by striking "1 year" and inserting  
2 "2 years".

3 SEC. 814. DISQUALIFICATION OF CONVICTED INDIVID-  
4 UALS.

5 Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7  
6 U.S.C. 2015(b)(1)(iii)) is amended—

- 7 (1) in subclause (II), by striking "or" at the end;  
8 (2) in subclause (III), by striking the period at the  
9 end and inserting "; or"; and  
10 (3) by inserting after subclause (III) the following:  
11 "(IV) a conviction of an offense under subsection  
12 (b) or (c) of section 15 involving an item covered by  
13 subsection (b) or (c) of section 15 having a value of  
14 \$500 or more."

15 SEC. 815. DISQUALIFICATION.

16 (a) IN GENERAL.—Section 6(d) of the Food Stamp Act of  
17 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless  
18 otherwise exempted by the provisions" and all that follows  
19 through the end of paragraph (1) and inserting the following:

20 "(d) CONDITIONS OF PARTICIPATION.—

21 "(1) WORK REQUIREMENTS.—

22 "(A) IN GENERAL.—No physically and mentally fit  
23 individual over the age of 15 and under the age of 60  
24 shall be eligible to participate in the food stamp pro-  
25 gram if the individual—

26 "(i) refuses, at the time of application and  
27 every 12 months thereafter, to register for employ-  
28 ment in a manner prescribed by the Secretary;

29 "(ii) refuses without good cause to participate  
30 in an employment and training program established  
31 under paragraph (4), to the extent required by the  
32 State agency;

33 "(iii) refuses without good cause to accept an  
34 offer of employment, at a site or plant not subject  
35 to a strike or lockout at the time of the refusal, at  
36 a wage not less than the higher of—

1                   “(I) the applicable Federal or State mini-  
2                   mum wage; or

3                   “(II) 80 percent of the wage that would  
4                   have governed had the minimum hourly rate  
5                   under section 6(a)(1) of the Fair Labor Stand-  
6                   ards Act of 1938 (29 U.S.C. 206(a)(1)) been  
7                   applicable to the offer of employment;

8                   “(iv) refuses without good cause to provide a  
9                   State agency with sufficient information to allow  
10                  the State agency to determine the employment sta-  
11                  tus or the job availability of the individual;

12                  “(v) voluntarily and without good cause—

13                   “(I) quits a job; or

14                   “(II) reduces work effort and, after the re-  
15                  duction, the individual is working less than 30  
16                  hours per week; or

17                  “(vi) fails to comply with section 20.

18                  “(B) HOUSEHOLD INELIGIBILITY.—If an individ-  
19                  ual who is the head of a household becomes ineligible  
20                  to participate in the food stamp program under sub-  
21                  paragraph (A), the household shall, at the option of the  
22                  State agency, become ineligible to participate in the  
23                  food stamp program for a period, determined by the  
24                  State agency, that does not exceed the lesser of—

25                   “(i) the duration of the ineligibility of the indi-  
26                  vidual determined under subparagraph (C); or

27                   “(ii) 180 days.

28                  “(C) DURATION OF INELIGIBILITY.—

29                   “(i) FIRST VIOLATION.—The first time that an  
30                  individual becomes ineligible to participate in the  
31                  food stamp program under subparagraph (A), the  
32                  individual shall remain ineligible until the later  
33                  of—

34                   “(I) the date the individual becomes eligi-  
35                  ble under subparagraph (A);

1                   “(II) the date that is 1 month after the  
2                   date the individual became ineligible; or

3                   “(III) a date determined by the State  
4                   agency that is not later than 3 months after  
5                   the date the individual became ineligible.

6                   “(ii) SECOND VIOLATION.—The second time  
7                   that an individual becomes ineligible to participate  
8                   in the food stamp program under subparagraph  
9                   (A), the individual shall remain ineligible until the  
10                  later of—

11                  “(I) the date the individual becomes eligi-  
12                  ble under subparagraph (A);

13                  “(II) the date that is 3 months after the  
14                  date the individual became ineligible; or

15                  “(III) a date determined by the State  
16                  agency that is not later than 6 months after  
17                  the date the individual became ineligible.

18                  “(iii) THIRD OR SUBSEQUENT VIOLATION.—  
19                  The third or subsequent time that an individual be-  
20                  comes ineligible to participate in the food stamp  
21                  program under subparagraph (A), the individual  
22                  shall remain ineligible until the later of—

23                  “(I) the date the individual becomes eligi-  
24                  ble under subparagraph (A);

25                  “(II) the date that is 6 months after the  
26                  date the individual became ineligible;

27                  “(III) a date determined by the State  
28                  agency; or

29                  “(IV) at the option of the State agency,  
30                  permanently.

31                  “(D) ADMINISTRATION.—

32                  “(i) GOOD CAUSE.—The Secretary shall deter-  
33                  mine the meaning of good cause for the purpose of  
34                  this paragraph.

35                  “(ii) VOLUNTARY QUIT.—The Secretary shall  
36                  determine the meaning of voluntarily quitting and

1 reducing work effort for the purpose of this para-  
2 graph.

3 “(iii) DETERMINATION BY STATE AGENCY.—

4 “(I) IN GENERAL.—Subject to subclause  
5 (II) and clauses (i) and (ii), a State agency  
6 shall determine—

7 “(aa) the meaning of any term used in  
8 subparagraph (A);

9 “(bb) the procedures for determining  
10 whether an individual is in compliance with  
11 a requirement under subparagraph (A);  
12 and

13 “(cc) whether an individual is in com-  
14 pliance with a requirement under subpara-  
15 graph (A).

16 “(II) NOT LESS RESTRICTIVE.—A State  
17 agency may not use a meaning, procedure, or  
18 determination under subclause (I) that is less  
19 restrictive on individuals receiving benefits  
20 under this Act than a comparable meaning,  
21 procedure, or determination under a State pro-  
22 gram funded under part A of title IV of the So-  
23 cial Security Act (42 U.S.C. 601 et seq.).

24 “(iv) STRIKE AGAINST THE GOVERNMENT.—

25 For the purpose of subparagraph (A)(v), an em-  
26 ployee of the Federal Government, a State, or a po-  
27 litical subdivision of a State, who is dismissed for  
28 participating in a strike against the Federal Gov-  
29 ernment, the State, or the political subdivision of  
30 the State shall be considered to have voluntarily  
31 quit without good cause.

32 “(v) SELECTING A HEAD OF HOUSEHOLD.—

33 “(I) IN GENERAL.—For purposes of this  
34 paragraph, the State agency shall allow the  
35 household to select any adult parent of a child  
36 in the household as the head of the household

1 if all adult household members making applica-  
2 tion under the food stamp program agree to  
3 the selection.

4 “(II) TIME FOR MAKING DESIGNATION.—  
5 A household may designate the head of the  
6 household under subclause (I) each time the  
7 household is certified for participation in the  
8 food stamp program, but may not change the  
9 designation during a certification period unless  
10 there is a change in the composition of the  
11 household.

12 “(vi) CHANGE IN HEAD OF HOUSEHOLD.—If  
13 the head of a household leaves the household dur-  
14 ing a period in which the household is ineligible to  
15 participate in the food stamp program under sub-  
16 paragraph (B)—

17 “(I) the household shall, if otherwise eligi-  
18 ble, become eligible to participate in the food  
19 stamp program; and

20 “(II) if the head of the household becomes  
21 the head of another household, the household  
22 that becomes headed by the individual shall be-  
23 come ineligible to participate in the food stamp  
24 program for the remaining period of ineligibil-  
25 ity.”.

26 (b) CONFORMING AMENDMENT.—

27 (1) The second sentence of section 17(b)(2) of the  
28 Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended  
29 by striking “6(d)(1)(i)” and inserting “6(d)(1)(A)(i)”.

30 (2) Section 20 of the Food Stamp Act of 1977 (7  
31 U.S.C. 2029) is amended by striking subsection (f) and in-  
32 serting the following:

33 “(f) DISQUALIFICATION.—An individual or a household  
34 may become ineligible under section 6(d)(1) to participate in  
35 the food stamp program for failing to comply with this sec-  
36 tion.”.

## 1 SEC. 816. CARETAKER EXEMPTION.

2 Section 6(d)(2) of the Food Stamp Act of 1977 (7 U.S.C.  
3 2015(d)(2)) is amended by adding at the end the following: "A  
4 State that requested a waiver to lower the age specified in sub-  
5 paragraph (B) and had the waiver denied by the Secretary as  
6 of August 1, 1996, may, for a period of not more than 3 years,  
7 lower the age of a dependent child that qualifies a parent or  
8 other member of a household for an exemption under subpara-  
9 graph (B) to between 1 and 6 years of age."

## 10 SEC. 817. EMPLOYMENT AND TRAINING.

11 (a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act  
12 of 1977 (7 U.S.C. 2015(d)(4)) is amended—

13 (1) by striking "(4)(A) Not later than April 1, 1987,  
14 each" and inserting the following:

15 "(4) EMPLOYMENT AND TRAINING.—

16 "(A) IN GENERAL.—

17 "(i) IMPLEMENTATION.—Each";

18 (2) in subparagraph (A)—

19 (A) by inserting "work," after "skills, training,";

20 and

21 (B) by adding at the end the following:

22 "(ii) STATEWIDE WORKFORCE DEVELOPMENT  
23 SYSTEM.—Each component of an employment and  
24 training program carried out under this paragraph  
25 shall be delivered through a statewide workforce de-  
26 velopment system, unless the component is not  
27 available locally through such a system.";

28 (3) in subparagraph (B)—

29 (A) in the matter preceding clause (i), by striking  
30 the colon at the end and inserting the following: ", ex-  
31 cept that the State agency shall retain the option to  
32 apply employment requirements prescribed under this  
33 subparagraph to a program applicant at the time of ap-  
34 plication:";

1 (B) in clause (i), by striking “with terms and con-  
2 ditions” and all that follows through “time of applica-  
3 tion”; and

4 (C) in clause (iv)—

5 (i) by striking subclauses (I) and (II); and

6 (ii) by redesignating subclauses (III) and (IV)  
7 as subclauses (I) and (II), respectively;

8 (4) in subparagraph (D)—

9 (A) in clause (i), by striking “to which the applica-  
10 tion” and all that follows through “30 days or less”;

11 (B) in clause (ii), by striking “but with respect”  
12 and all that follows through “child care”; and

13 (C) in clause (iii), by striking “, on the basis of”  
14 and all that follows through “clause (ii)” and inserting  
15 “the exemption continues to be valid”;

16 (5) in subparagraph (E), by striking the third sen-  
17 tence;

18 (6) in subparagraph (G)—

19 (A) by striking “(G)(i) The State” and inserting  
20 “(G) The State”; and

21 (B) by striking clause (ii);

22 (7) in subparagraph (H), by striking “(H)(i) The Sec-  
23 retary” and all that follows through “(ii) Federal funds”  
24 and inserting “(H) Federal funds”;

25 (8) in subparagraph (I)(i)(II), by striking “, or was in  
26 operation,” and all that follows through “Social Security  
27 Act” and inserting the following: “), except that no such  
28 payment or reimbursement shall exceed the applicable local  
29 market rate”;

30 (9)(A) by striking subparagraphs (K) and (L) and in-  
31 serting the following:

32 “(K) LIMITATION ON FUNDING.—Notwithstanding  
33 any other provision of this paragraph, the amount of  
34 funds a State agency uses to carry out this paragraph  
35 (including funds used to carry out subparagraph (I))  
36 for participants who are receiving benefits under a

1 State program funded under part A of title IV of the  
2 Social Security Act (42 U.S.C. 601 et seq.) shall not  
3 exceed the amount of funds the State agency used in  
4 fiscal year 1995 to carry out this paragraph for partici-  
5 pants who were receiving benefits in fiscal year 1995  
6 under a State program funded under part A of title IV  
7 of the Act (42 U.S.C. 601 et seq.)."; and

8 (B) by redesignating subparagraphs (M) and (N) as  
9 subparagraphs (L) and (M), respectively; and

10 (10) in subparagraph (L), as so redesignated—

11 (A) by striking "(L)(i) The Secretary" and insert-  
12 ing "(L) The Secretary"; and

13 (B) by striking clause (ii).

14 (b) FUNDING.—Section 16(h) of the Food Stamp Act of  
15 1977 (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A)  
16 The Secretary" and all that follows through the end of para-  
17 graph (1) and inserting the following:

18 "(h) FUNDING OF EMPLOYMENT AND TRAINING PRO-  
19 GRAMS.—

20 "(1) IN GENERAL.—

21 "(A) AMOUNTS.—To carry out employment and  
22 training programs, the Secretary shall reserve for allo-  
23 cation to State agencies from funds made available for  
24 each fiscal year under section 18(a)(1) the amount of—

25 "(i) for fiscal year 1996, \$75,000,000;

26 "(ii) for fiscal year 1997, \$79,000,000;

27 "(iii) for fiscal year 1998, \$81,000,000;

28 "(iv) for fiscal year 1999, \$84,000,000;

29 "(v) for fiscal year 2000, \$86,000,000;

30 "(vi) for fiscal year 2001, \$88,000,000; and

31 "(vii) for fiscal year 2002, \$90,000,000.

32 "(B) ALLOCATION.—The Secretary shall allocate  
33 the amounts reserved under subparagraph (A) among  
34 the State agencies using a reasonable formula (as de-  
35 termined by the Secretary) that gives consideration to  
36 the population in each State affected by section 6(o).

1           “(C) REALLOCATION.—

2           “(i) NOTIFICATION.—A State agency shall  
3 promptly notify the Secretary if the State agency  
4 determines that the State agency will not expend  
5 all of the funds allocated to the State agency under  
6 subparagraph (B).

7           “(ii) REALLOCATION.—On notification under  
8 clause (i), the Secretary shall reallocate the funds  
9 that the State agency will not expend as the Sec-  
10 retary considers appropriate and equitable.

11           “(D) MINIMUM ALLOCATION.—Notwithstanding  
12 subparagraphs (A) through (C), the Secretary shall en-  
13 sure that each State agency operating an employment  
14 and training program shall receive not less than  
15 \$50,000 for each fiscal year.”.

16           (c) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of  
17 the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(2)) is amended  
18 by inserting before the period at the end the following: “, in-  
19 cluding the costs for case management and casework to facili-  
20 tate the transition from economic dependency to self-sufficiency  
21 through work”.

22           (d) REPORTS.—Section 16(h) of the Food Stamp Act of  
23 1977 (7 U.S.C. 2025(h)) is amended—

24           (1) in paragraph (5)—

25           (A) by striking “(5)(A) The Secretary” and insert-  
26 ing “(5) The Secretary”; and

27           (B) by striking subparagraph (B); and

28           (2) by striking paragraph (6).

29           **SEC. 818. FOOD STAMP ELIGIBILITY.**

30           The third sentence of section 6(f) of the Food Stamp Act  
31 of 1977 (7 U.S.C. 2015(f)) is amended by inserting “, at State  
32 option,” after “less”.

1 SEC. 819. COMPARABLE TREATMENT FOR DISQUALI-  
2 FICATION.

3 (a) IN GENERAL.—Section 6 of the Food Stamp Act of  
4 1977 (7 U.S.C. 2015) is amended by adding at the end the fol-  
5 lowing:

6 “(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

7 “(1) IN GENERAL.—If a disqualification is imposed on  
8 a member of a household for a failure of the member to  
9 perform an action required under a Federal, State, or local  
10 law relating to a means-tested public assistance program,  
11 the State agency may impose the same disqualification on  
12 the member of the household under the food stamp pro-  
13 gram.

14 “(2) RULES AND PROCEDURES.—If a disqualification  
15 is imposed under paragraph (1) for a failure of an individ-  
16 ual to perform an action required under part A of title IV  
17 of the Social Security Act (42 U.S.C. 601 et seq.), the  
18 State agency may use the rules and procedures that apply  
19 under part A of title IV of the Act to impose the same dis-  
20 qualification under the food stamp program.

21 “(3) APPLICATION AFTER DISQUALIFICATION PE-  
22 RIOD.—A member of a household disqualified under para-  
23 graph (1) may, after the disqualification period has ex-  
24 pired, apply for benefits under this Act and shall be treated  
25 as a new applicant, except that a prior disqualification  
26 under subsection (d) shall be considered in determining eli-  
27 gibility.”

28 (b) STATE PLAN PROVISIONS.—Section 11(e) of the Food  
29 Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

30 (1) in paragraph (24), by striking “and” at the end;

31 (2) in paragraph (25), by striking the period at the  
32 end and inserting a semicolon; and

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

34 “(26) the guidelines the State agency uses in carrying  
35 out section 6(i); and”.

1 (e) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the  
2 Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(A)) is amended  
3 by striking “that is comparable to a requirement of paragraph  
4 (1)”.

5 SEC. 820. DISQUALIFICATION FOR RECEIPT OF MUL-  
6 TIPLE FOOD STAMP BENEFITS.

7 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
8 2015), as amended by section 819, is amended by adding at  
9 the end the following:

10 “(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE  
11 FOOD STAMP BENEFITS.—An individual shall be ineligible to  
12 participate in the food stamp program as a member of any  
13 household for a 10-year period if the individual is found by a  
14 State agency to have made, or is convicted in a Federal or  
15 State court of having made, a fraudulent statement or rep-  
16 resentation with respect to the identity or place of residence of  
17 the individual in order to receive multiple benefits simulta-  
18 neously under the food stamp program.”

19 SEC. 821. DISQUALIFICATION OF FLEEING FELONS.

20 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
21 2015), as amended by section 820, is amended by adding at  
22 the end the following:

23 “(k) DISQUALIFICATION OF FLEEING FELONS.—No mem-  
24 ber of a household who is otherwise eligible to participate in  
25 the food stamp program shall be eligible to participate in the  
26 program as a member of that or any other household during  
27 any period during which the individual is—

28 “(1) fleeing to avoid prosecution, or custody or con-  
29 finement after conviction, under the law of the place from  
30 which the individual is fleeing, for a crime, or attempt to  
31 commit a crime, that is a felony under the law of the place  
32 from which the individual is fleeing or that, in the case of  
33 New Jersey, is a high misdemeanor under the law of New  
34 Jersey; or

35 “(2) violating a condition of probation or parole im-  
36 posed under a Federal or State law.”

1 SEC. 822. COOPERATION WITH CHILD SUPPORT AGEN-  
2 CIES.

3 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
4 2015), as amended by section 821, is amended by adding at  
5 the end the following:

6 “(1) CUSTODIAL PARENT’S COOPERATION WITH CHILD  
7 SUPPORT AGENCIES.—

8 “(1) IN GENERAL.—At the option of a State agency,  
9 subject to paragraphs (2) and (3), no natural or adoptive  
10 parent or other individual (collectively referred to in this  
11 subsection as ‘the individual’) who is living with and exer-  
12 cising parental control over a child under the age of 18 who  
13 has an absent parent shall be eligible to participate in the  
14 food stamp program unless the individual cooperates with  
15 the State agency administering the program established  
16 under part D of title IV of the Social Security Act (42  
17 U.S.C. 651 et seq.)—

18 “(A) in establishing the paternity of the child (if  
19 the child is born out of wedlock); and

20 “(B) in obtaining support for—

21 “(i) the child; or

22 “(ii) the individual and the child.

23 “(2) GOOD CAUSE FOR NONCOOPERATION.—Para-  
24 graph (1) shall not apply to the individual if good cause is  
25 found for refusing to cooperate, as determined by the State  
26 agency in accordance with standards prescribed by the Sec-  
27 retary in consultation with the Secretary of Health and  
28 Human Services. The standards shall take into consider-  
29 ation circumstances under which cooperation may be  
30 against the best interests of the child.

31 “(3) FEES.—Paragraph (1) shall not require the pay-  
32 ment of a fee or other cost for services provided under part  
33 D of title IV of the Social Security Act (42 U.S.C. 651 et  
34 seq.).

35 “(m) NONCUSTODIAL PARENT’S COOPERATION WITH  
36 CHILD SUPPORT AGENCIES.—

1           “(1) IN GENERAL.—At the option of a State agency,  
2 subject to paragraphs (2) and (3), a putative or identified  
3 noncustodial parent of a child under the age of 18 (referred  
4 to in this subsection as ‘the individual’) shall not be eligible  
5 to participate in the food stamp program if the individual  
6 refuses to cooperate with the State agency administering  
7 the program established under part D of title IV of the So-  
8 cial Security Act (42 U.S.C. 651 et seq.)—

9           “(A) in establishing the paternity of the child (if  
10 the child is born out of wedlock); and

11           “(B) in providing support for the child.

12           “(2) REFUSAL TO COOPERATE.—

13           “(A) GUIDELINES.—The Secretary, in consulta-  
14 tion with the Secretary of Health and Human Services,  
15 shall develop guidelines on what constitutes a refusal to  
16 cooperate under paragraph (1).

17           “(B) PROCEDURES.—The State agency shall de-  
18 velop procedures, using guidelines developed under sub-  
19 paragraph (A), for determining whether an individual  
20 is refusing to cooperate under paragraph (1).

21           “(3) FEES.—Paragraph (1) shall not require the pay-  
22 ment of a fee or other cost for services provided under part  
23 D of title IV of the Social Security Act (42 U.S.C. 651 et  
24 seq.).

25           “(4) PRIVACY.—The State agency shall provide safe-  
26 guards to restrict the use of information collected by a  
27 State agency administering the program established under  
28 part D of title IV of the Social Security Act (42 U.S.C.  
29 651 et seq.) to purposes for which the information is col-  
30 lected.”.

31 **SEC. 823. DISQUALIFICATION RELATING TO CHILD SUP-**  
32 **PORT ARREARS.**

33           Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
34 2015), as amended by section 822, is amended by adding at  
35 the end the following:

1           “(n) DISQUALIFICATION FOR CHILD SUPPORT AR-  
2 REARS.—

3           “(1) IN GENERAL.—At the option of a State agency,  
4 no individual shall be eligible to participate in the food  
5 stamp program as a member of any household during any  
6 month that the individual is delinquent in any payment due  
7 under a court order for the support of a child of the indi-  
8 vidual.

9           “(2) EXCEPTIONS.—Paragraph (1) shall not apply  
10 if—

11           “(A) a court is allowing the individual to delay  
12 payment; or

13           “(B) the individual is complying with a payment  
14 plan approved by a court or the State agency des-  
15 ignated under part D of title IV of the Social Security  
16 Act (42 U.S.C. 651 et seq.) to provide support for the  
17 child of the individual.”.

18 **SEC. 824. WORK REQUIREMENT.**

19           “(a) IN GENERAL.—Section 6 of the Food Stamp Act of  
20 1977 (7 U.S.C. 2015), as amended by section 823, is amended  
21 by adding at the end the following:

22           “(o) WORK REQUIREMENT.—

23           “(1) DEFINITION OF WORK PROGRAM.—In this sub-  
24 section, the term ‘work program’ means—

25           “(A) a program under the Job Training Partner-  
26 ship Act (29 U.S.C. 1501 et seq.);

27           “(B) a program under section 236 of the Trade  
28 Act of 1974 (19 U.S.C. 2296); and

29           “(C) a program of employment and training oper-  
30 ated or supervised by a State or political subdivision of  
31 a State that meets standards approved by the Governor  
32 of the State, including a program under subsection  
33 (d)(4), other than a job search program or a job search  
34 training program.

35           “(2) WORK REQUIREMENT.—Subject to the other pro-  
36 visions of this subsection, no individual shall be eligible to

1 participate in the food stamp program as a member of any  
2 household if, during the preceding 36-month period, the in-  
3 dividual received food stamp benefits for not less than 3  
4 months (consecutive or otherwise) during which the individ-  
5 ual did not—

6 “(A) work 20 hours or more per week, averaged  
7 monthly;

8 “(B) participate in and comply with the require-  
9 ments of a work program for 20 hours or more per  
10 week, as determined by the State agency;

11 “(C) participate in and comply with the require-  
12 ments of a program under section 20 or a comparable  
13 program established by a State or political subdivision  
14 of a State; or

15 “(D) receive benefits pursuant to paragraph (3),  
16 (4), or (5).

17 “(3) EXCEPTION.—Paragraph (2) shall not apply to  
18 an individual if the individual is—

19 “(A) under 18 or over 50 years of age;

20 “(B) medically certified as physically or mentally  
21 unfit for employment;

22 “(C) a parent or other member of a household  
23 with responsibility for a dependent child;

24 “(D) otherwise exempt under subsection (d)(2); or

25 “(E) a pregnant woman.

26 “(4) WAIVER.—

27 “(A) IN GENERAL.—On the request of a State  
28 agency, the Secretary may waive the applicability of  
29 paragraph (2) to any group of individuals in the State  
30 if the Secretary makes a determination that the area  
31 in which the individuals reside—

32 “(i) has an unemployment rate of over 10 per-  
33 cent; or

34 “(ii) does not have a sufficient number of jobs  
35 to provide employment for the individuals.

1           “(B) REPORT.—The Secretary shall report the  
2 basis for a waiver under subparagraph (A) to the Com-  
3 mittee on Agriculture of the House of Representatives  
4 and the Committee on Agriculture, Nutrition, and For-  
5 estry of the Senate.

6           “(5) SUBSEQUENT ELIGIBILITY.—

7           “(A) REGAINING ELIGIBILITY.—An individual de-  
8 nied eligibility under paragraph (2) shall regain eligi-  
9 bility to participate in the food stamp program if, dur-  
10 ing a 30-day period, the individual—

11           “(i) works 80 or more hours;

12           “(ii) participates in and complies with the re-  
13 quirements of a work program for 80 or more  
14 hours, as determined by a State agency; or

15           “(iii) participates in and complies with the re-  
16 quirements of a program under section 20 or a  
17 comparable program established by a State or po-  
18 litical subdivision of a State.

19           “(B) MAINTAINING ELIGIBILITY.—An individual  
20 who regains eligibility under subparagraph (A) shall re-  
21 main eligible as long as the individual meets the re-  
22 quirements of subparagraph (A), (B), or (C) of para-  
23 graph (2).

24           “(C) LOSS OF EMPLOYMENT.—

25           “(i) IN GENERAL.—An individual who re-  
26 gained eligibility under subparagraph (A) and who  
27 no longer meets the requirements of subparagraph  
28 (A), (B), or (C) of paragraph (2) shall remain eligi-  
29 ble for a consecutive 3-month period, beginning on  
30 the date the individual first notifies the State agen-  
31 cy that the individual no longer meets the require-  
32 ments of subparagraph (A), (B), or (C) of para-  
33 graph (2).

34           “(ii) LIMITATION.—An individual shall not re-  
35 ceive any benefits pursuant to clause (i) for more

1 than a single 3-month period in any 36-month pe-  
2 riod.

3 “(6) OTHER PROGRAM RULES.—Nothing in this sub-  
4 section shall make an individual eligible for benefits under  
5 this Act if the individual is not otherwise eligible for bene-  
6 fits under the other provisions of this Act.”.

7 (b) TRANSITION PROVISION.—The term “preceding 36-  
8 month period” in section 6(o) of the Food Stamp Act of 1977,  
9 as added by subsection (a), does not include, with respect to  
10 a State, any period before the earlier of—

11 (1) the date the State notifies recipients of food stamp  
12 benefits of the application of section 6(o); or

13 (2) the date that is 3 months after the date of enact-  
14 ment of this Act.

15 **SEC. 825. ENCOURAGEMENT OF ELECTRONIC BENEFIT**  
16 **TRANSFER SYSTEMS.**

17 (a) IN GENERAL.—Section 7(i) of the Food Stamp Act of  
18 1977 (7 U.S.C. 2016(i)) is amended—

19 (1) by striking “(i)(1)(A) Any State” and all that fol-  
20 lows through the end of paragraph (1) and inserting the  
21 following:

22 “(i) ELECTRONIC BENEFIT TRANSFERS.—

23 “(1) IN GENERAL.—

24 “(A) IMPLEMENTATION.—Not later than October  
25 1, 2002, each State agency shall implement an elec-  
26 tronic benefit transfer system under which household  
27 benefits determined under section 8(a) or 26 are issued  
28 from and stored in a central databank, unless the Sec-  
29 retary provides a waiver for a State agency that faces  
30 unusual barriers to implementing an electronic benefit  
31 transfer system.

32 “(B) TIMELY IMPLEMENTATION.—Each State  
33 agency is encouraged to implement an electronic benefit  
34 transfer system under subparagraph (A) as soon as  
35 practicable.

1           “(C) STATE FLEXIBILITY.—Subject to paragraph  
2 (2), a State agency may procure and implement an  
3 electronic benefit transfer system under the terms, con-  
4 ditions, and design that the State agency considers ap-  
5 propriate.

6           “(D) OPERATION.—An electronic benefit transfer  
7 system should take into account generally accepted  
8 standard operating rules based on—

9           “(i) commercial electronic funds transfer tech-  
10 nology;

11           “(ii) the need to permit interstate operation  
12 and law enforcement monitoring; and

13           “(iii) the need to permit monitoring and inves-  
14 tigation by authorized law enforcement agencies.”;

15 (2) in paragraph (2)—

16           (A) by striking “effective no later than April 1,  
17 1992,”;

18           (B) in subparagraph (A)—

19           (i) by striking “, in any 1 year,”; and

20           (ii) by striking “on-line”;

21           (C) by striking subparagraph (D) and inserting  
22 the following:

23           “(D)(i) measures to maximize the security of a  
24 system using the most recent technology available that  
25 the State agency considers appropriate and cost effec-  
26 tive and which may include personal identification  
27 numbers, photographic identification on electronic ben-  
28 efit transfer cards, and other measures to protect  
29 against fraud and abuse; and

30           “(ii) effective not later than 2 years after the date  
31 of enactment of this clause, to the extent practicable,  
32 measures that permit a system to differentiate items of  
33 food that may be acquired with an allotment from  
34 items of food that may not be acquired with an allot-  
35 ment.”;

1 (D) in subparagraph (G), by striking "and" at the  
2 end;

3 (E) in subparagraph (H), by striking the period at  
4 the end and inserting "; and"; and

5 (F) by adding at the end the following:

6 "(I) procurement standards."; and

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

8 "(7) REPLACEMENT OF BENEFITS.—Regulations is-  
9 sued by the Secretary regarding the replacement of benefits  
10 and liability for replacement of benefits under an electronic  
11 benefit transfer system shall be similar to the regulations  
12 in effect for a paper-based food stamp issuance system.

13 "(8) REPLACEMENT CARD FEE.—A State agency may  
14 collect a charge for replacement of an electronic benefit  
15 transfer card by reducing the monthly allotment of the  
16 household receiving the replacement card.

17 "(9) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

18 "(A) IN GENERAL.—A State agency may require  
19 that an electronic benefit card contain a photograph of  
20 1 or more members of a household.

21 "(B) OTHER AUTHORIZED USERS.—If a State  
22 agency requires a photograph on an electronic benefit  
23 card under subparagraph (A), the State agency shall  
24 establish procedures to ensure that any other appro-  
25 priate member of the household or any authorized rep-  
26 resentative of the household may utilize the card.

27 "(10) APPLICABLE LAW.—Disclosures, protections, re-  
28 sponsibilities, and remedies established by the Federal Re-  
29 serve Board under section 904 of the Electronic Fund  
30 Transfer Act (15 U.S.C. 1693b) shall not apply to benefits  
31 under this Act delivered through any electronic benefit  
32 transfer system.

33 "(11) APPLICATION OF ANTI-TYING RESTRICTIONS TO  
34 ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

35 "(A) DEFINITIONS.—In this paragraph:

1           “(i) AFFILIATE.—The term ‘affiliate’ has the  
2 meaning provided the term in section 2(k) of the  
3 Bank Holding Company Act of 1956 (12 U.S.C.  
4 1841(k)).

5           “(ii) COMPANY.—The term ‘company’ has the  
6 meaning provided the term in section 106(a) of the  
7 Bank Holding Company Act Amendments of 1970  
8 (12 U.S.C. 1971), but shall not include a bank, a  
9 bank holding company, or any subsidiary of a bank  
10 holding company.

11           “(iii) ELECTRONIC BENEFIT TRANSFER SERV-  
12 ICE.—The term ‘electronic benefit transfer service’  
13 means the processing of electronic transfers of  
14 household benefits, determined under section 8(a)  
15 or 26, if the benefits are—

16           “(I) issued from and stored in a central  
17 databank;

18           “(II) electronically accessed by household  
19 members at the point of sale; and

20           “(III) provided by a Federal or State gov-  
21 ernment.

22           “(iv) POINT-OF-SALE SERVICE.—The term  
23 ‘point-of-sale service’ means any product or service  
24 related to the electronic authorization and process-  
25 ing of payments for merchandise at a retail food  
26 store, including credit or debit card services, auto-  
27 mated teller machines, point-of-sale terminals, or  
28 access to on-line systems.

29           “(B) RESTRICTIONS.—A company may not sell or  
30 provide electronic benefit transfer services, or fix or  
31 vary the consideration for electronic benefit transfer  
32 services, on the condition or requirement that the cus-  
33 tomer—

34           “(i) obtain some additional point-of-sale serv-  
35 ice from the company or an affiliate of the com-  
36 pany; or

1                   “(ii) not obtain some additional point-of-sale  
2                   service from a competitor of the company or com-  
3                   petitor of any affiliate of the company.

4                   “(C) CONSULTATION WITH THE FEDERAL RE-  
5                   SERVE BOARD.—Before promulgating regulations or in-  
6                   terpretations of regulations to carry out this para-  
7                   graph, the Secretary shall consult with the Board of  
8                   Governors of the Federal Reserve System.”.

9                   (b) SENSE OF CONGRESS.—It is the sense of Congress  
10                  that a State that operates an electronic benefit transfer system  
11                  under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)  
12                  should operate the system in a manner that is compatible with  
13                  electronic benefit transfer systems operated by other States.

14                  **SEC. 826. VALUE OF MINIMUM ALLOTMENT.**

15                  The proviso in section 8(a) of the Food Stamp Act of  
16                  1977 (7 U.S.C. 2017(a)) is amended by striking “, and shall  
17                  be adjusted” and all that follows through “\$5”.

18                  **SEC. 827. BENEFITS ON RECERTIFICATION.**

19                  Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7  
20                  U.S.C. 2017(c)(2)(B)) is amended by striking “of more than  
21                  one month”.

22                  **SEC. 828. OPTIONAL COMBINED ALLOTMENT FOR EXPE-  
23                  DITED HOUSEHOLDS.**

24                  Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C.  
25                  2017(c)) is amended by striking paragraph (3) and inserting  
26                  the following:

27                         “(3) OPTIONAL COMBINED ALLOTMENT FOR EXPE-  
28                         DITED HOUSEHOLDS.—A State agency may provide to an  
29                         eligible household applying after the 15th day of a month,  
30                         in lieu of the initial allotment of the household and the reg-  
31                         ular allotment of the household for the following month, an  
32                         allotment that is equal to the total amount of the initial al-  
33                         lotment and the first regular allotment. The allotment shall  
34                         be provided in accordance with section 11(e)(3) in the case  
35                         of a household that is not entitled to expedited service and  
36                         in accordance with paragraphs (3) and (9) of section 11(e)

1 in the case of a household that is entitled to expedited serv-  
2 ice.”.

3 **SEC. 829. FAILURE TO COMPLY WITH OTHER MEANS-**  
4 **TESTED PUBLIC ASSISTANCE PROGRAMS.**

5 Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017)  
6 is amended by striking subsection (d) and inserting the follow-  
7 ing:

8 “(d) **REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—**

9 “(1) **IN GENERAL.—**If the benefits of a household are  
10 reduced under a Federal, State, or local law relating to a  
11 means-tested public assistance program for the failure of a  
12 member of the household to perform an action required  
13 under the law or program, for the duration of the reduc-  
14 tion—

15 “(A) the household may not receive an increased  
16 allotment as the result of a decrease in the income of  
17 the household to the extent that the decrease is the re-  
18 sult of the reduction; and

19 “(B) the State agency may reduce the allotment of  
20 the household by not more than 25 percent.

21 “(2) **RULES AND PROCEDURES.—**If the allotment of a  
22 household is reduced under this subsection for a failure to  
23 perform an action required under part A of title IV of the  
24 Social Security Act (42 U.S.C. 601 et seq.), the State  
25 agency may use the rules and procedures that apply under  
26 part A of title IV of the Act to reduce the allotment under  
27 the food stamp program.”.

28 **SEC. 830. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN**  
29 **CENTERS.**

30 Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017)  
31 is amended by adding at the end the following:

32 “(f) **ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CEN-**  
33 **TERS.—**

34 “(1) **IN GENERAL.—**In the case of an individual who  
35 resides in a center for the purpose of a drug or alcoholic  
36 treatment program described in the last sentence of section

1 3(i), a State agency may provide an allotment for the indi-  
2 vidual to—

3 “(A) the center as an authorized representative of  
4 the individual for a period that is less than 1 month;  
5 and

6 “(B) the individual, if the individual leaves the  
7 center.

8 “(2) DIRECT PAYMENT.—A State agency may require  
9 an individual referred to in paragraph (1) to designate the  
10 center in which the individual resides as the authorized rep-  
11 resentative of the individual for the purpose of receiving an  
12 allotment.”.

13 **SEC. 831. CONDITION PRECEDENT FOR APPROVAL OF**  
14 **RETAIL FOOD STORES AND WHOLESALE**  
15 **FOOD CONCERNS.**

16 Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.  
17 2018(a)(1)) is amended by adding at the end the following:  
18 “No retail food store or wholesale food concern of a type deter-  
19 mined by the Secretary, based on factors that include size, loca-  
20 tion, and type of items sold, shall be approved to be authorized  
21 or reauthorized for participation in the food stamp program un-  
22 less an authorized employee of the Department of Agriculture,  
23 a designee of the Secretary, or, if practicable, an official of the  
24 State or local government designated by the Secretary has vis-  
25 ited the store or concern for the purpose of determining wheth-  
26 er the store or concern should be approved or reauthorized, as  
27 appropriate.”.

28 **SEC. 832. AUTHORITY TO ESTABLISH AUTHORIZATION**  
29 **PERIODS.**

30 Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C.  
31 2018(a)) is amended by adding at the end the following:

32 “(3) AUTHORIZATION PERIODS.—The Secretary shall  
33 establish specific time periods during which authorization  
34 to accept and redeem coupons, or to redeem benefits  
35 through an electronic benefit transfer system, shall be valid  
36 under the food stamp program.”.

1 SEC. 833. INFORMATION FOR VERIFYING ELIGIBILITY  
2 FOR AUTHORIZATION.

3 Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C.  
4 2018(c)) is amended—

5 (1) in the first sentence, by inserting “, which may in-  
6 clude relevant income and sales tax filing documents,” after  
7 “submit information”; and

8 (2) by inserting after the first sentence the following:  
9 “The regulations may require retail food stores and whole-  
10 sale food concerns to provide written authorization for the  
11 Secretary to verify all relevant tax filings with appropriate  
12 agencies and to obtain corroborating documentation from  
13 other sources so that the accuracy of information provided  
14 by the stores and concerns may be verified.”.

15 SEC. 834. WAITING PERIOD FOR STORES THAT FAIL TO  
16 MEET AUTHORIZATION CRITERIA.

17 Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C.  
18 2018(d)) is amended by adding at the end the following: “A  
19 retail food store or wholesale food concern that is denied ap-  
20 proval to accept and redeem coupons because the store or con-  
21 cern does not meet criteria for approval established by the Sec-  
22 retary may not, for at least 6 months, submit a new application  
23 to participate in the program. The Secretary may establish a  
24 longer time period under the preceding sentence, including per-  
25 manent disqualification, that reflects the severity of the basis  
26 of the denial”.

27 SEC. 835. OPERATION OF FOOD STAMP OFFICES.

28 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.  
29 2020), as amended by sections 809(b) and 819(b), is amend-  
30 ed—

31 (1) in subsection (e)—

32 (A) by striking paragraph (2) and inserting the  
33 following:

34 “(2)(A) that the State agency shall establish proce-  
35 dures governing the operation of food stamp offices that  
36 the State agency determines best serve households in the  
37 State, including households with special needs, such as

1 households with elderly or disabled members, households in  
2 rural areas with low-income members, homeless individuals,  
3 households residing on reservations, and households in  
4 areas in which a substantial number of members of low-in-  
5 come households speak a language other than English.

6 “(B) In carrying out subparagraph (A), a State agen-  
7 cy—

8 “(i) shall provide timely, accurate, and fair service  
9 to applicants for, and participants in, the food stamp  
10 program;

11 “(ii) shall develop an application containing the in-  
12 formation necessary to comply with this Act;

13 “(iii) shall permit an applicant household to apply  
14 to participate in the program on the same day that the  
15 household first contacts a food stamp office in person  
16 during office hours;

17 “(iv) shall consider an application that contains  
18 the name, address, and signature of the applicant to be  
19 filed on the date the applicant submits the application;

20 “(v) shall require that an adult representative of  
21 each applicant household certify in writing, under pen-  
22 alty of perjury, that—

23 “(I) the information contained in the applica-  
24 tion is true; and

25 “(II) all members of the household are citizens  
26 or are aliens eligible to receive food stamps under  
27 section 6(f);

28 “(vi) shall provide a method of certifying and issu-  
29 ing coupons to eligible homeless individuals, to ensure  
30 that participation in the food stamp program is limited  
31 to eligible households; and

32 “(vii) may establish operating procedures that  
33 vary for local food stamp offices to reflect regional and  
34 local differences within the State.

35 “(C) Nothing in this Act shall prohibit the use of sig-  
36 natures provided and maintained electronically, storage of

1 records using automated retrieval systems only, or any  
 2 other feature of a State agency's application system that  
 3 does not rely exclusively on the collection and retention of  
 4 paper applications or other records.

5 “(D) The signature of any adult under this paragraph  
 6 shall be considered sufficient to comply with any provision  
 7 of Federal law requiring a household member to sign an  
 8 application or statement;”;

9 (B) in paragraph (3)—

10 (i) by striking “shall—” and all that follows  
 11 through “provide each” and inserting “shall pro-  
 12 vide each”; and

13 (ii) by striking “(B) assist” and all that fol-  
 14 lows through “representative of the State agency;”;

15 (C) by striking paragraphs (14) and (25);

16 (D)(i) by redesignating paragraphs (15) through  
 17 (24) as paragraphs (14) through (23), respectively; and

18 (ii) by redesignating paragraph (26), as paragraph  
 19 (24); and

20 (2) in subsection (i)—

21 (A) by striking “(i) Notwithstanding” and all that  
 22 follows through “(2)” and inserting the following:

23 “(i) APPLICATION AND DENIAL PROCEDURES.—

24 “(1) APPLICATION PROCEDURES.—Notwithstanding  
 25 any other provision of law,”; and

26 (B) by striking “; (3) households” and all that fol-  
 27 lows through “title IV of the Social Security Act. No”  
 28 and inserting a period and the following:

29 “(2) DENIAL AND TERMINATION.—Except in a case of  
 30 disqualification as a penalty for failure to comply with a  
 31 public assistance program rule or regulation, no”.

32 **SEC. 836. STATE EMPLOYEE AND TRAINING STANDARDS.**

33 Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C.  
 34 2020(e)(6)) is amended—

35 (1) by striking “that (A) the” and inserting “that—  
 36 “(A) the”;

1 (2) by striking "Act; (B) the" and inserting "Act; and  
2 "(B) the";

3 (3) in subparagraph (B), by striking "United States  
4 Civil Service Commission" and inserting "Office of Person-  
5 nel Management"; and

6 (4) by striking subparagraphs (C) through (E).

7 SEC. 837. EXCHANGE OF LAW ENFORCEMENT INFORMA-  
8 TION.

9 Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C.  
10 2020(e)(8)) is amended—

11 (1) by striking "that (A) such" and inserting the fol-  
12 lowing: "that—

13 "(A) the";

14 (2) by striking "law, (B) notwithstanding" and insert-  
15 ing the following: "law;

16 "(B) notwithstanding";

17 (3) by striking "Act, and (C) such" and inserting the  
18 following: "Act;

19 "(C) the"; and

20 (4) by adding at the end the following:

21 "(D) notwithstanding any other provision of law,  
22 the address, social security number, and, if available,  
23 photograph of any member of a household shall be  
24 made available, on request, to any Federal, State, or  
25 local law enforcement officer if the officer furnishes the  
26 State agency with the name of the member and notifies  
27 the agency that—

28 "(i) the member—

29 "(I) is fleeing to avoid prosecution, or cus-  
30 tody or confinement after conviction, for a  
31 crime (or attempt to commit a crime) that,  
32 under the law of the place the member is flee-  
33 ing, is a felony (or, in the case of New Jersey,  
34 a high misdemeanor), or is violating a condition  
35 of probation or parole imposed under Federal  
36 or State law; or

1                   “(II) has information that is necessary for  
2                   the officer to conduct an official duty related to  
3                   subclause (I);

4                   “(ii) locating or apprehending the member is  
5                   an official duty; and

6                   “(iii) the request is being made in the proper  
7                   exercise of an official duty; and

8                   “(E) the safeguards shall not prevent compliance  
9                   with paragraph (16);”.

10 **SEC. 838. EXPEDITED COUPON SERVICE.**

11           Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C.  
12 2020(e)(9)) is amended—

13           (1) in subparagraph (A), by striking “five days” and  
14           inserting “7 days”;

15           (2) by striking subparagraph (B);

16           (3) by redesignating subparagraphs (C) and (D) as  
17           subparagraphs (B) and (C);

18           (4) in subparagraph (B), as redesignated by para-  
19           graph (3), by striking “five days” and inserting “7 days”;  
20           and

21           (5) in subparagraph (C), as redesignated by paragraph  
22           (3), by striking “, (B), or (C)” and inserting “or (B)”.

23 **SEC. 839. WITHDRAWING FAIR HEARING REQUESTS.**

24           Section 11(e)(10) of the Food Stamp Act of 1977 (7  
25 U.S.C. 2020(e)(10)) is amended by inserting before the semi-  
26 colon at the end a period and the following: “At the option of  
27 a State, at any time prior to a fair hearing determination  
28 under this paragraph, a household may withdraw, orally or in  
29 writing, a request by the household for the fair hearing. If the  
30 withdrawal request is an oral request, the State agency shall  
31 provide a written notice to the household confirming the with-  
32 drawal request and providing the household with an oppor-  
33 tunity to request a hearing”.

1 SEC. 840. INCOME, ELIGIBILITY, AND IMMIGRATION STA-  
2 TUS VERIFICATION SYSTEMS.

3 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.  
4 2020) is amended—

5 (1) in subsection (e)(13), as redesignated by section  
6 835(1)(D)—

7 (A) by striking “that information is” and inserting  
8 “at the option of the State agency, that information  
9 may be”; and

10 (B) by striking “shall be requested” and inserting  
11 “may be requested”; and

12 (2) by adding at the end the following:

13 “(p) STATE VERIFICATION OPTION.—Notwithstanding any  
14 other provision of law, in carrying out the food stamp program,  
15 a State agency shall not be required to use an income and eligi-  
16 bility or an immigration status verification system established  
17 under section 1137 of the Social Security Act (42 U.S.C.  
18 1320b-7).”.

19 SEC. 841. INVESTIGATIONS.

20 Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C.  
21 2021(a)) is amended by adding at the end the following: “Reg-  
22 ulations issued pursuant to this Act shall provide criteria for  
23 the finding of a violation and the suspension or disqualification  
24 of a retail food store or wholesale food concern on the basis of  
25 evidence that may include facts established through on-site in-  
26 vestigations, inconsistent redemption data, or evidence obtained  
27 through a transaction report under an electronic benefit trans-  
28 fer system.”.

29 SEC. 842. DISQUALIFICATION OF RETAILERS WHO IN-  
30 TENTIONALLY SUBMIT FALSIFIED APPLICA-  
31 TIONS.

32 Section 12(b) of the Food Stamp Act of 1977 (7 U.S.C.  
33 2021(b)) is amended—

34 (1) in paragraph (2), by striking “and” at the end;

35 (2) in paragraph (3), by striking the period at the end  
36 and inserting “; and”; and

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

1           “(4) for a reasonable period of time to be determined  
2           by the Secretary, including permanent disqualification, on  
3           the knowing submission of an application for the approval  
4           or reauthorization to accept and redeem coupons that con-  
5           tains false information about a substantive matter that was  
6           a part of the application.”.

7           **SEC. 843. DISQUALIFICATION OF RETAILERS WHO ARE**  
8           **DISQUALIFIED UNDER THE WIC PROGRAM.**

9           Section 12 of the Food Stamp Act of 1977 (7 U.S.C.  
10          2021) is amended by adding at the end the following:

11          “(g) **DISQUALIFICATION OF RETAILERS WHO ARE DIS-**  
12          **QUALIFIED UNDER THE WIC PROGRAM.—**

13           “(1) **IN GENERAL.—**The Secretary shall issue regula-  
14           tions providing criteria for the disqualification under this  
15           Act of an approved retail food store or a wholesale food  
16           concern that is disqualified from accepting benefits under  
17           the special supplemental nutrition program for women, in-  
18           fants, and children established under section 17 of the  
19           Child Nutrition Act of 1966 (7 U.S.C. 1786).

20           “(2) **TERMS.—**A disqualification under paragraph  
21           (1)—

22           “(A) shall be for the same length of time as the  
23           disqualification from the program referred to in para-  
24           graph (1);

25           “(B) may begin at a later date than the disquali-  
26           fication from the program referred to in paragraph (1);  
27           and

28           “(C) notwithstanding section 14, shall not be sub-  
29           ject to judicial or administrative review.”.

30          **SEC. 844. COLLECTION OF OVERISSUANCES.**

31          (a) **COLLECTION OF OVERISSUANCES.—**Section 13 of the  
32          Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

33           (1) by striking subsection (b) and inserting the follow-  
34           ing:

35           “(b) **COLLECTION OF OVERISSUANCES.—**

1           “(1) IN GENERAL.—Except as otherwise provided in  
2 this subsection, a State agency shall collect any  
3 overissuance of coupons issued to a household by—

4           “(A) reducing the allotment of the household;

5           “(B) withholding amounts from unemployment  
6 compensation from a member of the household under  
7 subsection (c);

8           “(C) recovering from Federal pay or a Federal in-  
9 come tax refund under subsection (d); or

10          “(D) any other means.

11          “(2) COST EFFECTIVENESS.—Paragraph (1) shall not  
12 apply if the State agency demonstrates to the satisfaction  
13 of the Secretary that all of the means referred to in para-  
14 graph (1) are not cost effective.

15          “(3) MAXIMUM REDUCTION ABSENT FRAUD.—If a  
16 household received an overissuance of coupons without any  
17 member of the household being found ineligible to partici-  
18 pate in the program under section 6(b)(1) and a State  
19 agency elects to reduce the allotment of the household  
20 under paragraph (1)(A), the State agency shall not reduce  
21 the monthly allotment of the household under paragraph  
22 (1)(A) by an amount in excess of the greater of—

23           “(A) 10 percent of the monthly allotment of the  
24 household; or

25           “(B) \$10.

26          “(4) PROCEDURES.—A State agency shall collect an  
27 overissuance of coupons issued to a household under para-  
28 graph (1) in accordance with the requirements established  
29 by the State agency for providing notice, electing a means  
30 of payment, and establishing a time schedule for pay-  
31 ment.”; and

32          (2) in subsection (d)—

33           (A) by striking “as determined under subsection  
34 (b) and except for claims arising from an error of the  
35 State agency,” and inserting “, as determined under  
36 subsection (b)(1),”; and

1 (B) by inserting before the period at the end the  
2 following: "or a Federal income tax refund as author-  
3 ized by section 3720A of title 31, United States Code".

4 (b) CONFORMING AMENDMENTS.—Section 11(e)(8)(C) of  
5 the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(C)) is  
6 amended—

7 (1) by striking "and excluding claims" and all that fol-  
8 lows through "such section"; and

9 (2) by inserting before the semicolon at the end the  
10 following: "or a Federal income tax refund as authorized  
11 by section 3720A of title 31, United States Code".

12 (c) RETENTION RATE.—The proviso of the first sentence  
13 of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C.  
14 2025(a)) is amended by striking "25 percent during the period  
15 beginning October 1, 1990" and all that follows through "sec-  
16 tion 13(b)(2) which arise" and inserting "35 percent of the  
17 value of all funds or allotments recovered or collected pursuant  
18 to sections 6(b) and 13(c) and 20 percent of the value of any  
19 other funds or allotments recovered or collected, except the  
20 value of funds or allotments recovered or collected that arise".

21 **SEC. 845. AUTHORITY TO SUSPEND STORES VIOLATING**  
22 **PROGRAM REQUIREMENTS PENDING ADMIN-**  
23 **ISTRATIVE AND JUDICIAL REVIEW.**

24 Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C.  
25 2023(a)) is amended—

26 (1) by redesignating the first through seventeenth sen-  
27 tences as paragraphs (1) through (17), respectively; and

28 (2) by adding at the end the following:

29 "(18) **SUSPENSION OF STORES PENDING REVIEW.**—  
30 Notwithstanding any other provision of this subsection, any  
31 permanent disqualification of a retail food store or whole-  
32 sale food concern under paragraph (3) or (4) of section  
33 12(b) shall be effective from the date of receipt of the no-  
34 tice of disqualification. If the disqualification is reversed  
35 through administrative or judicial review, the Secretary

1 shall not be liable for the value of any sales lost during the  
2 disqualification period.”

3 SEC. 846. EXPANDED CRIMINAL FORFEITURE FOR VIO-  
4 LATIONS.

5 (a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP  
6 TRAFFICKING.—The first sentence of section 15(g) of the Food  
7 Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking  
8 “or intended to be furnished”.

9 (b) CRIMINAL FORFEITURE.—Section 15 of the Food  
10 Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at  
11 the end the following:

12 “(h) CRIMINAL FORFEITURE.—

13 “(1) IN GENERAL.—In imposing a sentence on a per-  
14 son convicted of an offense in violation of subsection (b) or  
15 (c), a court shall order, in addition to any other sentence  
16 imposed under this section, that the person forfeit to the  
17 United States all property described in paragraph (2).

18 “(2) PROPERTY SUBJECT TO FORFEITURE.—All prop-  
19 erty, real and personal, used in a transaction or attempted  
20 transaction, to commit, or to facilitate the commission of,  
21 a violation (other than a misdemeanor) of subsection (b) or  
22 (c), or proceeds traceable to a violation of subsection (b)  
23 or (c), shall be subject to forfeiture to the United States  
24 under paragraph (1).

25 “(3) INTEREST OF OWNER.—No interest in property  
26 shall be forfeited under this subsection as the result of any  
27 act or omission established by the owner of the interest to  
28 have been committed or omitted without the knowledge or  
29 consent of the owner.

30 “(4) PROCEEDS.—The proceeds from any sale of for-  
31 feited property and any monies forfeited under this sub-  
32 section shall be used—

33 “(A) first, to reimburse the Department of Justice  
34 for the costs incurred by the Department to initiate  
35 and complete the forfeiture proceeding;

1           “(B) second, to reimburse the Department of Ag-  
2           riculture Office of Inspector General for any costs the  
3           Office incurred in the law enforcement effort resulting  
4           in the forfeiture;

5           “(C) third, to reimburse any Federal or State law  
6           enforcement agency for any costs incurred in the law  
7           enforcement effort resulting in the forfeiture; and

8           “(D) fourth, by the Secretary to carry out the ap-  
9           proval, reauthorization, and compliance investigations  
10          of retail stores and wholesale food concerns under sec-  
11          tion 9.”.

12 **SEC. 847. LIMITATION ON FEDERAL MATCH**

13          Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C.  
14          2025(a)(4)) is amended by inserting after the comma at the  
15          end the following: “but not including recruitment activities,”.

16 **SEC. 848. STANDARDS FOR ADMINISTRATION.**

17          (a) **IN GENERAL.**—Section 16 of the Food Stamp Act of  
18          1977 (7 U.S.C. 2025) is amended by striking subsection (b).

19          (b) **CONFORMING AMENDMENTS.**—

20               (1) The first sentence of section 11(g) of the Food  
21          Stamp Act of 1977 (7 U.S.C. 2020(g)) is amended by  
22          striking “the Secretary’s standards for the efficient and ef-  
23          fective administration of the program established under  
24          section 16(b)(1) or”.

25               (2) Section 16(c)(1)(B) of the Food Stamp Act of  
26          1977 (7 U.S.C. 2025(c)(1)(B)) is amended by striking  
27          “pursuant to subsection (b)”.

28 **SEC. 849. WORK SUPPLEMENTATION OR SUPPORT PRO-**  
29 **GRAM.**

30          Section 16 of the Food Stamp Act of 1977 (7 U.S.C.  
31          2025), as amended by section 848(a), is amended by inserting  
32          after subsection (a) the following:

33               “(b) **WORK SUPPLEMENTATION OR SUPPORT PROGRAM.**—

34                       “(1) **DEFINITION OF WORK SUPPLEMENTATION OR**  
35          **SUPPORT PROGRAM.**—In this subsection, the term ‘work  
36          supplementation or support program’ means a program

1 under which, as determined by the Secretary, public assist-  
2 ance (including any benefits provided under a program es-  
3 tablished by the State and the food stamp program) is pro-  
4 vided to an employer to be used for hiring and employing  
5 a public assistance recipient who was not employed by the  
6 employer at the time the public assistance recipient entered  
7 the program.

8 “(2) PROGRAM.—A State agency may elect to use an  
9 amount equal to the allotment that would otherwise be is-  
10 sued to a household under the food stamp program, but for  
11 the operation of this subsection, for the purpose of subsi-  
12 dizing or supporting a job under a work supplementation  
13 or support program established by the State.

14 “(3) PROCEDURE.—If a State agency makes an elec-  
15 tion under paragraph (2) and identifies each household  
16 that participates in the food stamp program that contains  
17 an individual who is participating in the work  
18 supplementation or support program—

19 “(A) the Secretary shall pay to the State agency  
20 an amount equal to the value of the allotment that the  
21 household would be eligible to receive but for the oper-  
22 ation of this subsection;

23 “(B) the State agency shall expend the amount re-  
24 ceived under subparagraph (A) in accordance with the  
25 work supplementation or support program in lieu of  
26 providing the allotment that the household would re-  
27 ceive but for the operation of this subsection;

28 “(C) for purposes of—

29 “(i) sections 5 and 8(a), the amount received  
30 under this subsection shall be excluded from house-  
31 hold income and resources; and

32 “(ii) section 8(b), the amount received under  
33 this subsection shall be considered to be the value  
34 of an allotment provided to the household; and

35 “(D) the household shall not receive an allotment  
36 from the State agency for the period during which the

1                   “(ii) FAILURE TO RESPOND.—If the Secretary  
2 does not provide a response in accordance with  
3 clause (i), the waiver shall be considered approved,  
4 unless the approval is specifically prohibited by this  
5 Act.

6                   “(iii) NOTICE OF DENIAL.—On denial of a  
7 waiver request under clause (i)(III), the Secretary  
8 shall provide a copy of the waiver request and a de-  
9 scription of the reasons for the denial to the Com-  
10 mittee on Agriculture of the House of Representa-  
11 tives and the Committee on Agriculture, Nutrition,  
12 and Forestry of the Senate.”.

13 SEC. 852. EMPLOYMENT INITIATIVES PROGRAM.

14           Section 17 of the Food Stamp Act of 1977 (7 U.S.C.  
15 2026) is amended by striking subsection (d) and inserting the  
16 following:

17           “(d) EMPLOYMENT INITIATIVES PROGRAM.—

18                   “(1) ELECTION TO PARTICIPATE.—

19                           “(A) IN GENERAL.—Subject to the other provi-  
20 sions of this subsection, a State may elect to carry out  
21 an employment initiatives program under this sub-  
22 section.

23                           “(B) REQUIREMENT.—A State shall be eligible to  
24 carry out an employment initiatives program under this  
25 subsection only if not less than 50 percent of the  
26 households in the State that received food stamp bene-  
27 fits during the summer of 1993 also received benefits  
28 under a State program funded under part A of title IV  
29 of the Social Security Act (42 U.S.C. 601 et seq.) dur-  
30 ing the summer of 1993.

31                   “(2) PROCEDURE.—

32                           “(A) IN GENERAL.—A State that has elected to  
33 carry out an employment initiatives program under  
34 paragraph (1) may use amounts equal to the food  
35 stamp allotments that would otherwise be issued to a  
36 household under the food stamp program, but for the

1 operation of this subsection, to provide cash benefits in  
2 lieu of the food stamp allotments to the household if  
3 the household is eligible under paragraph (3).

4 “(B) PAYMENT.—The Secretary shall pay to each  
5 State that has elected to carry out an employment ini-  
6 tiatives program under paragraph (1) an amount equal  
7 to the value of the allotment that each household par-  
8 ticipating in the program in the State would be eligible  
9 to receive under this Act but for the operation of this  
10 subsection.

11 “(C) OTHER PROVISIONS.—For purposes of the  
12 food stamp program (other than this subsection)—

13 “(i) cash assistance under this subsection shall  
14 be considered to be an allotment; and

15 “(ii) each household receiving cash benefits  
16 under this subsection shall not receive any other  
17 food stamp benefit during the period for which the  
18 cash assistance is provided.

19 “(D) ADDITIONAL PAYMENTS.—Each State that  
20 has elected to carry out an employment initiatives pro-  
21 gram under paragraph (1) shall—

22 “(i) increase the cash benefits provided to each  
23 household participating in the program in the State  
24 under this subsection to compensate for any State  
25 or local sales tax that may be collected on pur-  
26 chases of food by the household, unless the Sec-  
27 retary determines on the basis of information pro-  
28 vided by the State that the increase is unnecessary  
29 on the basis of the limited nature of the items sub-  
30 ject to the State or local sales tax; and

31 “(ii) pay the cost of any increase in cash bene-  
32 fits required by clause (i).

33 “(3) ELIGIBILITY.—A household shall be eligible to re-  
34 ceive cash benefits under paragraph (2) if an adult member  
35 of the household—

1           “(A) has worked in unsubsidized employment for  
2 not less than the preceding 90 days;

3           “(B) has earned not less than \$350 per month  
4 from the employment referred to in subparagraph (A)  
5 for not less than the preceding 90 days;

6           “(C)(i) is receiving benefits under a State program  
7 funded under part A of title IV of the Social Security  
8 Act (42 U.S.C. 601 et seq.); or

9           “(ii) was receiving benefits under a State program  
10 funded under part A of title IV of the Social Security  
11 Act (42 U.S.C. 601 et seq.) at the time the member  
12 first received cash benefits under this subsection and is  
13 no longer eligible for the State program because of  
14 earned income;

15           “(D) is continuing to earn not less than \$350 per  
16 month from the employment referred to in subpara-  
17 graph (A); and

18           “(E) elects to receive cash benefits in lieu of food  
19 stamp benefits under this subsection.

20           “(4) EVALUATION.—A State that operates a program  
21 under this subsection for 2 years shall provide to the Sec-  
22 retary a written evaluation of the impact of cash assistance  
23 under this subsection. The State agency, with the concu-  
24 rrence of the Secretary, shall determine the content of the  
25 evaluation.”.

26 **SEC. 853. REAUTHORIZATION.**

27           The first sentence of section 18(a)(1) of the Food Stamp  
28 Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking  
29 “1991 through 1997” and inserting “1996 through 2002”.

30 **SEC. 854. SIMPLIFIED FOOD STAMP PROGRAM.**

31           (a) IN GENERAL.—The Food Stamp Act of 1977 (7  
32 U.S.C. 2011 et seq.) is amended by adding at the end the fol-  
33 lowing:

1 "SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.

2 "(a) DEFINITION OF FEDERAL COSTS.—In this section,  
3 the term 'Federal costs' does not include any Federal costs in-  
4 curred under section 17.

5 "(b) ELECTION.—Subject to subsection (d), a State may  
6 elect to carry out a Simplified Food Stamp Program (referred  
7 to in this section as a 'Program'), statewide or in a political  
8 subdivision of the State, in accordance with this section.

9 "(c) OPERATION OF PROGRAM.—If a State elects to carry  
10 out a Program, within the State or a political subdivision of the  
11 State—

12 "(1) a household in which no members receive assist-  
13 ance under a State program funded under part A of title  
14 IV of the Social Security Act (42 U.S.C. 601 et seq.) may  
15 not participate in the Program;

16 "(2) a household in which all members receive assist-  
17 ance under a State program funded under part A of title  
18 IV of the Social Security Act (42 U.S.C. 601 et seq.) shall  
19 automatically be eligible to participate in the Program;

20 "(3) if approved by the Secretary, a household in  
21 which 1 or more members but not all members receive as-  
22 sistance under a State program funded under part A of  
23 title IV of the Social Security Act (42 U.S.C. 601 et seq.)  
24 may be eligible to participate in the Program; and

25 "(4) subject to subsection (f), benefits under the Pro-  
26 gram shall be determined under rules and procedures es-  
27 tablished by the State under—

28 "(A) a State program funded under part A of title  
29 IV of the Social Security Act (42 U.S.C. 601 et seq.);

30 "(B) the food stamp program; or

31 "(C) a combination of a State program funded  
32 under part A of title IV of the Social Security Act (42  
33 U.S.C. 601 et seq.) and the food stamp program.

34 "(d) APPROVAL OF PROGRAM.—

1           “(1) STATE PLAN.—A State agency may not operate  
2 a Program unless the Secretary approves a State plan for  
3 the operation of the Program under paragraph (2).

4           “(2) APPROVAL OF PLAN.—The Secretary shall ap-  
5 prove any State plan to carry out a Program if the Sec-  
6 retary determines that the plan—

7               “(A) complies with this section; and

8               “(B) contains sufficient documentation that the  
9 plan will not increase Federal costs for any fiscal year.

10          “(e) INCREASED FEDERAL COSTS.—

11               “(1) DETERMINATION.—

12               “(A) IN GENERAL.—The Secretary shall determine  
13 whether a Program being carried out by a State agency  
14 is increasing Federal costs under this Act.

15               “(B) NO EXCLUDED HOUSEHOLDS.—In making a  
16 determination under subparagraph (A), the Secretary  
17 shall not require the State agency to collect or report  
18 any information on households not included in the Pro-  
19 gram.

20               “(C) ALTERNATIVE ACCOUNTING PERIODS.—The  
21 Secretary may approve the request of a State agency  
22 to apply alternative accounting periods to determine if  
23 Federal costs do not exceed the Federal costs had the  
24 State agency not elected to carry out the Program.

25          “(2) NOTIFICATION.—If the Secretary determines that  
26 the Program has increased Federal costs under this Act for  
27 any fiscal year or any portion of any fiscal year, the Sec-  
28 retary shall notify the State not later than 30 days after  
29 the Secretary makes the determination under paragraph  
30 (1).

31          “(3) ENFORCEMENT.—

32               “(A) CORRECTIVE ACTION.—Not later than 90  
33 days after the date of a notification under paragraph  
34 (2), the State shall submit a plan for approval by the  
35 Secretary for prompt corrective action that is designed

1 to prevent the Program from increasing Federal costs  
2 under this Act.

3 “(B) TERMINATION.—If the State does not submit  
4 a plan under subparagraph (A) or carry out a plan ap-  
5 proved by the Secretary, the Secretary shall terminate  
6 the approval of the State agency operating the Pro-  
7 gram and the State agency shall be ineligible to operate  
8 a future Program.

9 “(f) RULES AND PROCEDURES.—

10 “(1) IN GENERAL.—In operating a Program, a State  
11 or political subdivision of a State may follow the rules and  
12 procedures established by the State or political subdivision  
13 under a State program funded under part A of title IV of  
14 the Social Security Act (42 U.S.C. 601 et seq.) or under  
15 the food stamp program.

16 “(2) STANDARDIZED DEDUCTIONS.—In operating a  
17 Program, a State or political subdivision of a State may  
18 standardize the deductions provided under section 5(e). In  
19 developing the standardized deduction, the State shall con-  
20 sider the work expenses, dependent care costs, and shelter  
21 costs of participating households.

22 “(3) REQUIREMENTS.—In operating a Program, a  
23 State or political subdivision shall comply with the require-  
24 ments of—

25 “(A) subsections (a) through (g) of section 7;

26 “(B) section 8(a) (except that the income of a  
27 household may be determined under a State program  
28 funded under part A of title IV of the Social Security  
29 Act (42 U.S.C. 601 et seq.));

30 “(C) subsection (b) and (d) of section 8;

31 “(D) subsections (a), (c), (d), and (n) of section  
32 11;

33 “(E) paragraphs (8), (12), (16), (18), (20), (24),  
34 and (25) of section 11(e);

35 “(F) section 11(e)(10) (or a comparable require-  
36 ment established by the State under a State program

1 funded under part A of title IV of the Social Security  
2 Act (42 U.S.C. 601 et seq.); and

3 "(G) section 16.

4 "(4) LIMITATION ON ELIGIBILITY.—Notwithstanding  
5 any other provision of this section, a household may not re-  
6 ceive benefits under this section as a result of the eligibility  
7 of the household under a State program funded under part  
8 A of title IV of the Social Security Act (42 U.S.C. 601 et  
9 seq.), unless the Secretary determines that any household  
10 with income above 130 percent of the poverty guidelines is  
11 not eligible for the program."

12 (b) STATE PLAN PROVISIONS.—Section 11(e) of the Food  
13 Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by sections  
14 819(b) and 835, is amended by adding at the end the following:

15 "(25) if a State elects to carry out a Simplified Food  
16 Stamp Program under section 26, the plans of the State  
17 agency for operating the program, including—

18 "(A) the rules and procedures to be followed by  
19 the State agency to determine food stamp benefits;

20 "(B) how the State agency will address the needs  
21 of households that experience high shelter costs in rela-  
22 tion to the incomes of the households; and

23 "(C) a description of the method by which the  
24 State agency will carry out a quality control system  
25 under section 16(c)."

26 (c) CONFORMING AMENDMENTS.—

27 (1) Section 8 of the Food Stamp Act of 1977 (7  
28 U.S.C. 2017), as amended by section 830, is amended—

29 (A) by striking subsection (e); and

30 (B) by redesignating subsection (f) as subsection  
31 (e).

32 (2) Section 17 of the Food Stamp Act of 1977 (7  
33 U.S.C. 2026) is amended—

34 (A) by striking subsection (i); and

35 (B) by redesignating subsections (j) through (l) as  
36 subsections (i) through (k), respectively.

1 SEC. 855. STUDY OF THE USE OF FOOD STAMPS TO PUR-  
2 CHASE VITAMINS AND MINERALS.

3 (a) IN GENERAL.—The Secretary of Agriculture, in con-  
4 sultation with the National Academy of Sciences and the Cen-  
5 ter for Disease Control and Prevention, shall conduct a study  
6 on the use of food stamps provided under the Food Stamp Act  
7 of 1977 (7 U.S.C. 2011 et seq.) to purchase vitamins and min-  
8 erals.

9 (b) ANALYSIS.—The study shall include—

10 (1) an analysis of scientific findings on the efficacy of  
11 and need for vitamins and minerals, including—

12 (A) the adequacy of vitamin and mineral intakes  
13 in low-income populations, as shown by research and  
14 surveys conducted prior to the study; and

15 (B) the potential value of nutritional supplements  
16 in filling nutrient gaps that may exist in the United  
17 States population as a whole or in vulnerable subgroups  
18 in the population;

19 (2) the impact of nutritional improvements (including  
20 vitamin or mineral supplementation) on the health status  
21 and health care costs of women of childbearing age, preg-  
22 nant or lactating women, and the elderly;

23 (3) the cost of commercially available vitamin and  
24 mineral supplements;

25 (4) the purchasing habits of low-income populations  
26 with regard to vitamins and minerals;

27 (5) the impact of using food stamps to purchase vita-  
28 mins and minerals on the food purchases of low-income  
29 households; and

30 (6) the economic impact on the production of agricul-  
31 tural commodities of using food stamps to purchase vita-  
32 mins and minerals.

33 (c) REPORT.—Not later than December 15, 1998, the Sec-  
34 retary shall report the results of the study to the Committee  
35 on Agriculture of the House of Representatives and the Com-  
36 mittee on Agriculture, Nutrition, and Forestry of the Senate.

## 1 SEC. 856. DEFICIT REDUCTION.

2 It is the sense of the Committee on Agriculture of the  
3 House of Representatives that reductions in outlays resulting  
4 from this title shall not be taken into account for purposes of  
5 section 252 of the Balanced Budget and Emergency Deficit  
6 Control Act of 1985 (2 U.S.C. 902).

7 **Subtitle B—Commodity Distribution**  
8 **Programs**

## 9 SEC. 871. EMERGENCY FOOD ASSISTANCE PROGRAM.

10 (a) DEFINITIONS.—Section 201A of the Emergency Food  
11 Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note)  
12 is amended to read as follows:

## 13 “SEC. 201A. DEFINITIONS.

14 “In this Act:

15 “(1) ADDITIONAL COMMODITIES.—The term ‘addi-  
16 tional commodities’ means commodities made available  
17 under section 214 in addition to the commodities made  
18 available under sections 202 and 203D.

19 “(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED  
20 PERSONS.—The term ‘average monthly number of unem-  
21 ployed persons’ means the average monthly number of un-  
22 employed persons in each State during the most recent fis-  
23 cal year for which information concerning the number of  
24 unemployed persons is available, as determined by the Bu-  
25 reau of Labor Statistics of the Department of Labor.

26 “(3) ELIGIBLE RECIPIENT AGENCY.—The term ‘eligi-  
27 ble recipient agency’ means a public or nonprofit organiza-  
28 tion that—

29 “(A) administers—

30 “(i) an emergency feeding organization;

31 “(ii) a charitable institution (including a hos-  
32 pital and a retirement home, but excluding a penal  
33 institution) to the extent that the institution serves  
34 needy persons;

35 “(iii) a summer camp for children, or a child  
36 nutrition program providing food service;

1                   “(iv) a nutrition project operating under the  
2                   Older Americans Act of 1965 (42 U.S.C. 3001 et  
3                   seq.), including a project that operates a con-  
4                   gregate nutrition site and a project that provides  
5                   home-delivered meals; or

6                   “(v) a disaster relief program;

7                   “(B) has been designated by the appropriate State  
8                   agency, or by the Secretary; and

9                   “(C) has been approved by the Secretary for par-  
10                  ticipation in the program established under this Act.

11                  “(4) EMERGENCY FEEDING ORGANIZATION.—The  
12                  term ‘emergency feeding organization’ means a public or  
13                  nonprofit organization that administers activities and  
14                  projects (including the activities and projects of a chari-  
15                  table institution, a food bank, a food pantry, a hunger re-  
16                  lief center, a soup kitchen, or a similar public or private  
17                  nonprofit eligible recipient agency) providing nutrition as-  
18                  sistance to relieve situations of emergency and distress  
19                  through the provision of food to needy persons, including  
20                  low-income and unemployed persons.

21                  “(5) FOOD BANK.—The term ‘food bank’ means a  
22                  public or charitable institution that maintains an estab-  
23                  lished operation involving the provision of food or edible  
24                  commodities, or the products of food or edible commodities,  
25                  to food pantries, soup kitchens, hunger relief centers, or  
26                  other food or feeding centers that, as an integral part of  
27                  their normal activities, provide meals or food to feed needy  
28                  persons on a regular basis.

29                  “(6) FOOD PANTRY.—The term ‘food pantry’ means a  
30                  public or private nonprofit organization that distributes  
31                  food to low-income and unemployed households, including  
32                  food from sources other than the Department of Agri-  
33                  culture, to relieve situations of emergency and distress.

34                  “(7) POVERTY LINE.—The term ‘poverty line’ has the  
35                  meaning provided in section 673(2) of the Community  
36                  Services Block Grant Act (42 U.S.C. 9902(2)).

1           “(8) SOUP KITCHEN.—The term ‘soup kitchen’ means  
2 a public or charitable institution that, as an integral part  
3 of the normal activities of the institution, maintains an es-  
4 tablished feeding operation to provide food to needy home-  
5 less persons on a regular basis.

6           “(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—  
7 The term ‘total value of additional commodities’ means the  
8 actual cost of all additional commodities that are paid by  
9 the Secretary (including the distribution and processing  
10 costs incurred by the Secretary).

11           “(10) VALUE OF ADDITIONAL COMMODITIES ALLO-  
12 CATED TO EACH STATE.—The term ‘value of additional  
13 commodities allocated to each State’ means the actual cost  
14 of additional commodities allocated to each State that are  
15 paid by the Secretary (including the distribution and proc-  
16 essing costs incurred by the Secretary).”.

17           (b) STATE PLAN.—Section 202A of the Emergency Food  
18 Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note)  
19 is amended to read as follows:

20           “SEC. 202A. STATE PLAN.

21           “(a) IN GENERAL.—To receive commodities under this  
22 Act, a State shall submit a plan of operation and administra-  
23 tion every 4 years to the Secretary for approval. The plan may  
24 be amended at any time, with the approval of the Secretary.

25           “(b) REQUIREMENTS.—Each plan shall—

26           “(1) designate the State agency responsible for distrib-  
27 uting the commodities received under this Act;

28           “(2) set forth a plan of operation and administration  
29 to expeditiously distribute commodities under this Act;

30           “(3) set forth the standards of eligibility for recipient  
31 agencies; and

32           “(4) set forth the standards of eligibility for individual  
33 or household recipients of commodities, which shall re-  
34 quire—

35           “(A) individuals or households to be comprised of  
36 needy persons; and

1           “(B) individual or household members to be resid-  
2           ing in the geographic location served by the distribut-  
3           ing agency at the time of applying for assistance.

4           “(c) STATE ADVISORY BOARD.—The Secretary shall en-  
5           courage each State receiving commodities under this Act to es-  
6           tablish a State advisory board consisting of representatives of  
7           all entities in the State, both public and private, interested in  
8           the distribution of commodities received under this Act.”.

9           (c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINIS-  
10          TRATIVE FUNDS.—Section 204(a)(1) of the Emergency Food  
11          Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note)  
12          is amended—

13                 (1) in the first sentence, by striking “for State and  
14                 local” and all that follows through “under this title” and  
15                 inserting “to pay for the direct and indirect administrative  
16                 costs of the States related to the processing, transporting,  
17                 and distributing to eligible recipient agencies of commod-  
18                 ities provided by the Secretary under this Act and commod-  
19                 ities secured from other sources”; and

20                 (2) by striking the fourth sentence.

21          (d) DELIVERY OF COMMODITIES.—Section 214 of the  
22          Emergency Food Assistance Act of 1983 (Public Law 98-8; 7  
23          U.S.C. 612c note) is amended—

24                 (1) by striking subsections (a) through (e) and (j);

25                 (2) by redesignating subsections (f) through (i) as sub-  
26                 sections (a) through (d), respectively;

27                 (3) in subsection (b), as redesignated by paragraph  
28                 (2)—

29                         (A) in the first sentence, by striking “subsection  
30                         (f) or subsection (j) if applicable,” and inserting “sub-  
31                         section (a),”; and

32                         (B) in the second sentence, by striking “subsection  
33                         (f)” and inserting “subsection (a)”; and

34                 (4) by striking subsection (c), as redesignated by para-  
35                 graph (2), and inserting the following:

36                 “(c) ADMINISTRATION.—

1           “(1) IN GENERAL.—Commodities made available for  
2 each fiscal year under this section shall be delivered at rea-  
3 sonable intervals to States based on the grants calculated  
4 under subsection (a), or reallocated under subsection (b),  
5 before December 31 of the following fiscal year.

6           “(2) ENTITLEMENT.—Each State shall be entitled to  
7 receive the value of additional commodities determined  
8 under subsection (a).”; and

9           (5) in subsection (d), as redesignated by paragraph  
10 (2), by striking “or reduce” and all that follows through  
11 “each fiscal year”.

12           (e) TECHNICAL AMENDMENTS.—The Emergency Food As-  
13 sistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note)  
14 is amended—

15           (1) in the first sentence of section 203B(a), by strik-  
16 ing “203 and 203A of this Act” and inserting “203A”;

17           (2) in section 204(a), by striking “title” each place it  
18 appears and inserting “Act”;

19           (3) in the first sentence of section 210(e), by striking  
20 “(except as otherwise provided for in section 214(j))”; and

21           (4) by striking section 212.

22           (f) REPORT ON EFAP.—Section 1571 of the Food Secu-  
23 rity Act of 1985 (Public Law 99-198; 7 U.S.C. 612c note) is  
24 repealed.

25           (g) AVAILABILITY OF COMMODITIES UNDER THE FOOD  
26 STAMP PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C.  
27 2011 et seq.), as amended by section 854(a), is amended by  
28 adding at the end the following:

29           **“SEC. 27. AVAILABILITY OF COMMODITIES FOR THE**  
30           **EMERGENCY FOOD ASSISTANCE PROGRAM.**

31           “(a) PURCHASE OF COMMODITIES.—From amounts made  
32 available to carry out this Act, for each of fiscal years 1997  
33 through 2002, the Secretary shall purchase \$100,000,000 of a  
34 variety of nutritious and useful commodities of the types that  
35 the Secretary has the authority to acquire through the Com-  
36modity Credit Corporation or under section 32 of the Act enti-

1 tled 'An Act to amend the Agricultural Adjustment Act, and  
2 for other purposes', approved August 24, 1935 (7 U.S.C.  
3 612c), and distribute the commodities to States for distribution  
4 in accordance with section 214 of the Emergency Food Assist-  
5 ance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note).

6 "(b) BASIS FOR COMMODITY PURCHASES.—In purchasing  
7 commodities under subsection (a), the Secretary shall, to the  
8 extent practicable and appropriate, make purchases based on—

9 "(1) agricultural market conditions;

10 "(2) preferences and needs of States and distributing  
11 agencies; and

12 "(3) preferences of recipients."

13 (h) EFFECTIVE DATE.—The amendments made by sub-  
14 section (d) shall become effective on October 1, 1996.

15 **SEC. 872. FOOD BANK DEMONSTRATION PROJECT.**

16 Section 3 of the Charitable Assistance and Food Bank Act  
17 of 1987 (Public Law 100-232; 7 U.S.C. 612c note) is repealed.

18 **SEC. 873. HUNGER PREVENTION PROGRAMS.**

19 The Hunger Prevention Act of 1988 (Public Law 100-  
20 435; 7 U.S.C. 612c note) is amended—

21 (1) by striking section 110;

22 (2) by striking subtitle C of title II; and

23 (3) by striking section 502.

24 **SEC. 874. REPORT ON ENTITLEMENT COMMODITY PROC-**  
25 **ESSING.**

26 Section 1773 of the Food, Agriculture, Conservation, and  
27 Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 612c note)  
28 is amended by striking subsection (f).

29 **Subtitle C—Electronic Benefit**  
30 **Transfer Systems**

31 **SEC. 891. PROVISIONS TO ENCOURAGE ELECTRONIC**  
32 **BENEFIT TRANSFER SYSTEMS.**

33 Section 904 of the Electronic Fund Transfer Act (15  
34 U.S.C. 1693b) is amended—

1 (1) by striking "(d) In the event that" and inserting  
2 "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER  
3 THAN CERTAIN FINANCIAL INSTITUTIONS.—

4 "(1) IN GENERAL.—If"; and

5 (2) by adding at the end the following:

6 "(2) STATE AND LOCAL GOVERNMENT ELECTRONIC  
7 BENEFIT TRANSFER SYSTEMS.—

8 "(A) DEFINITION OF ELECTRONIC BENEFIT  
9 TRANSFER SYSTEM.—In this paragraph, the term 'elec-  
10 tronic benefit transfer system'—

11 "(i) means a system under which a govern-  
12 ment agency distributes needs-tested benefits by es-  
13 tablishing accounts that may be accessed by recipi-  
14 ents electronically, such as through automated tell-  
15 er machines or point-of-sale terminals; and

16 "(ii) does not include employment-related pay-  
17 ments, including salaries and pension, retirement,  
18 or unemployment benefits established by a Federal,  
19 State, or local government agency.

20 "(B) EXEMPTION GENERALLY.—The disclosures,  
21 protections, responsibilities, and remedies established  
22 under this title, and any regulation prescribed or order  
23 issued by the Board in accordance with this title, shall  
24 not apply to any electronic benefit transfer system es-  
25 tablished under State or local law or administered by  
26 a State or local government.

27 "(C) EXCEPTION FOR DIRECT DEPOSIT INTO RE-  
28 CIPIENT'S ACCOUNT.—Subparagraph (B) shall not  
29 apply with respect to any electronic funds transfer  
30 under an electronic benefit transfer system for a de-  
31 posit directly into a consumer account held by the re-  
32 cipient of the benefit.

33 "(D) RULE OF CONSTRUCTION.—No provision of  
34 this paragraph—

1                   “(i) affects or alters the protections otherwise  
2 applicable with respect to benefits established by  
3 any other provision Federal, State, or local law; or  
4                   “(ii) otherwise supersedes the application of  
5 any State or local law.”.

1                   **TITLE IX—MISCELLANEOUS**

2       **SEC. 901. APPROPRIATION BY STATE LEGISLATURES.**

3           (a) **IN GENERAL.**—Any funds received by a State under  
4 the provisions of law specified in subsection (b) shall be subject  
5 to appropriation by the State legislature, consistent with the  
6 terms and conditions required under such provisions of law.

7           (b) **PROVISIONS OF LAW.**—The provisions of law specified  
8 in this subsection are the following:

9               (1) Part A of title IV of the Social Security Act (relat-  
10               ing to block grants for temporary assistance for needy fam-  
11               ilies).

12              (2) The Child Care and Development Block Grant Act  
13              of 1990 (relating to block grants for child care).

14       **SEC. 902. SANCTIONING FOR TESTING POSITIVE FOR**  
15       **CONTROLLED SUBSTANCES.**

16           Notwithstanding any other provision of law, States shall  
17 not be prohibited by the Federal Government from testing wel-  
18 fare recipients for use of controlled substances nor from sanc-  
19 tioning welfare recipients who test positive for use of controlled  
20 substances.

21       **SEC. 903. ELIMINATION OF HOUSING ASSISTANCE WITH**  
22       **RESPECT TO FUGITIVE FELONS AND PROBA-**  
23       **TION AND PAROLE VIOLATORS.**

24           (a) **ELIGIBILITY FOR ASSISTANCE.**—The United States  
25 Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

26               (1) in section 6(l)—

27                   (A) in paragraph (5), by striking “and” at the  
28                   end;

29                   (B) in paragraph (6), by striking the period at the  
30                   end and inserting “; and”; and

31                   (C) by inserting immediately after paragraph (6)  
32                   the following new paragraph:

33                   “(7) provide that it shall be cause for immediate ter-  
34                   mination of the tenancy of a public housing tenant if such  
35                   tenant—

1           “(A) is fleeing to avoid prosecution, or custody or  
2 confinement after conviction, under the laws of the  
3 place from which the individual flees, for a crime, or  
4 attempt to commit a crime, which is a felony under the  
5 laws of the place from which the individual flees, or  
6 which, in the case of the State of New Jersey, is a high  
7 misdemeanor under the laws of such State; or

8           “(2) is violating a condition of probation or parole im-  
9 posed under Federal or State law.”; and

10           (2) in section 8(d)(1)(B)—

11           (A) in clause (iii), by striking “and” at the end;

12           (B) in clause (iv), by striking the period at the end  
13 and inserting “; and”; and

14           (C) by adding after clause (iv) the following new  
15 clause:

16           “(v) it shall be cause for termination of the  
17 tenancy of a tenant if such tenant—

18           “(I) is fleeing to avoid prosecution, or cus-  
19 tody or confinement after conviction, under the  
20 laws of the place from which the individual  
21 flees, for a crime, or attempt to commit a  
22 crime, which is a felony under the laws of the  
23 place from which the individual flees, or which,  
24 in the case of the State of New Jersey, is a  
25 high misdemeanor under the laws of such  
26 State; or

27           “(II) is violating a condition of probation  
28 or parole imposed under Federal or State  
29 law;”.

30           (b) PROVISION OF INFORMATION TO LAW ENFORCEMENT  
31 AGENCIES.—Title I of the United States Housing Act of 1937  
32 (42 U.S.C. 1437 et seq.) is amended by adding at the end the  
33 following:

1 "SEC. 27. EXCHANGE OF INFORMATION WITH LAW EN-  
2 FORCEMENT AGENCIES.

3 "Notwithstanding any other provision of law, each public  
4 housing agency that enters into a contract for assistance under  
5 section 6 or 8 of this Act with the Secretary shall furnish any  
6 Federal, State, or local law enforcement officer, upon the re-  
7 quest of the officer, with the current address, Social Security  
8 number, and photograph (if applicable) of any recipient of as-  
9 sistance under this Act, if the officer—

10 "(1) furnishes the public housing agency with the  
11 name of the recipient; and

12 "(2) notifies the agency that—

13 "(A) such recipient—

14 "(i) is fleeing to avoid prosecution, or custody  
15 or confinement after conviction, under the laws of  
16 the place from which the individual flees, for a  
17 crime, or attempt to commit a crime, which is a fel-  
18 ony under the laws of the place from which the in-  
19 dividual flees, or which, in the case of the State of  
20 New Jersey, is a high misdemeanor under the laws  
21 of such State; or

22 "(ii) is violating a condition of probation or  
23 parole imposed under Federal or State law; or

24 "(iii) has information that is necessary for the  
25 officer to conduct the officer's official duties;

26 "(B) the location or apprehension of the recipient  
27 is within such officer's official duties; and

28 "(C) the request is made in the proper exercise of  
29 the officer's official duties."

30 SEC. 904. SENSE OF THE SENATE REGARDING THE IN-  
31 ABILITY OF THE NONCUSTODIAL PARENT TO  
32 PAY CHILD SUPPORT.

33 It is the sense of the Senate that—

34 (a) States should diligently continue their efforts to  
35 enforce child support payments by the non-custodial parent  
36 to the custodial parent, regardless of the employment sta-  
37 tus or location of the non-custodial parent; and

1 (b) States are encouraged to pursue pilot programs in  
2 which the parents of a non-adult, non-custodial parent who  
3 refuses to or is unable to pay child support must—

4 (1) pay or contribute to the child support owed by  
5 the non-custodial parent; or

6 (2) otherwise fulfill all financial obligations and  
7 meet all conditions imposed on the non-custodial par-  
8 ent, such as participation in a work program or other  
9 related activity.

10 **SEC. 905. ESTABLISHING NATIONAL GOALS TO PREVENT**  
11 **TEENAGE PREGNANCIES.**

12 (a) **IN GENERAL.**—Not later than January 1, 1997, the  
13 Secretary of Health and Human Services shall establish and  
14 implement a strategy for—

15 (1) preventing out-of-wedlock teenage pregnancies, and

16 (2) assuring that at least 25 percent of the commu-  
17 nities in the United States have teenage pregnancy preven-  
18 tion programs in place.

19 (b) **REPORT.**—Not later than June 30, 1998, and annually  
20 thereafter, the Secretary shall report to the Congress with re-  
21 spect to the progress that has been made in meeting the goals  
22 described in paragraphs (1) and (2) of subsection (a).

23 **SEC. 906. SENSE OF THE SENATE REGARDING ENFORCE-**  
24 **MENT OF STATUTORY RAPE LAWS.**

25 (a) **SENSE OF THE SENATE.**—It is the sense of the Senate  
26 that States and local jurisdictions should aggressively enforce  
27 statutory rape laws.

28 (b) **JUSTICE DEPARTMENT PROGRAM ON STATUTORY**  
29 **RAPE.**—Not later than January 1, 1997, the Attorney General  
30 shall establish and implement a program that—

31 (1) studies the linkage between statutory rape and  
32 teenage pregnancy, particularly by predatory older men  
33 committing repeat offenses; and

34 (2) educates State and local criminal law enforcement  
35 officials on the prevention and prosecution of statutory  
36 rape, focusing in particular on the commission of statutory

1 rape by predatory older men committing repeat offenses,  
2 and any links to teenage pregnancy.

3 (c) VIOLENCE AGAINST WOMEN INITIATIVE.—The Attor-  
4 ney General shall ensure that the Department of Justice's Vio-  
5 lence Against Women initiative addresses the issue of statutory  
6 rape, particularly the commission of statutory rape by preda-  
7 tory older men committing repeat offenses.

8 SEC. 907. PROVISIONS TO ENCOURAGE ELECTRONIC  
9 BENEFIT TRANSFER SYSTEMS.

10 Section 904 of the Electronic Fund Transfer Act (15  
11 U.S.C. 1693b) is amended—

12 (1) by striking “(d) In the event” and inserting “(d)  
13 APPLICABILITY TO SERVICE PROVIDERS OTHER THAN  
14 CERTAIN FINANCIAL INSTITUTIONS.—

15 “(1) IN GENERAL.—In the event”; and

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

17 “(2) STATE AND LOCAL GOVERNMENT ELECTRONIC  
18 BENEFIT TRANSFER PROGRAMS.—

19 “(A) EXEMPTION GENERALLY.—The disclosures,  
20 protections, responsibilities, and remedies established  
21 under this title, and any regulation prescribed or order  
22 issued by the Board in accordance with this title, shall  
23 not apply to any electronic benefit transfer program es-  
24 tablished under State or local law or administered by  
25 a State or local government.

26 “(B) EXCEPTION FOR DIRECT DEPOSIT INTO RE-  
27 CIPIENT'S ACCOUNT.—Subparagraph (A) shall not  
28 apply with respect to any electronic funds transfer  
29 under an electronic benefit transfer program for depos-  
30 its directly into a consumer account held by the recipi-  
31 ent of the benefit.

32 “(C) RULE OF CONSTRUCTION.—No provision of  
33 this paragraph may be construed as—

34 “(i) affecting or altering the protections other-  
35 wise applicable with respect to benefits established  
36 by Federal, State, or local law; or

1                   “(ii) otherwise superseding the application of  
2                   any State or local law.

3                   “(D) ELECTRONIC BENEFIT TRANSFER PROGRAM  
4                   DEFINED.—For purposes of this paragraph, the term  
5                   ‘electronic benefit transfer program’—

6                   “(i) means a program under which a govern-  
7                   ment agency distributes needs-tested benefits by es-  
8                   tablishing accounts to be accessed by recipients  
9                   electronically, such as through automated teller  
10                   machines, or point-of-sale terminals; and

11                   “(ii) does not include employment-related pay-  
12                   ments, including salaries and pension, retirement,  
13                   or unemployment benefits established by Federal,  
14                   State, or local governments.”.

15                   SEC. 908. REDUCTION OF BLOCK GRANTS TO STATES  
16                   FOR SOCIAL SERVICES; USE OF VOUCHERS.

17                   (a) REDUCTION OF GRANTS.—Section 2003(c) of the So-  
18                   cial Security Act (42 U.S.C. 1397b(c)) is amended—

19                   (1) by striking “and” at the end of paragraph (4); and  
20                   (2) by striking paragraph (5) and inserting the follow-  
21                   ing:

22                   “(5) \$2,800,000,000 for each of the fiscal years 1990  
23                   through 1995;

24                   “(6) \$2,381,000,000 for the fiscal year 1996;

25                   “(7) \$2,380,000,000 for each of the fiscal years 1997  
26                   through 2002; and

27                   “(8) \$2,800,000,000 for the fiscal year 2003 and each  
28                   succeeding fiscal year.”.

29                   (b) AUTHORITY TO USE VOUCHERS.—Section 2002 of  
30                   such Act (42 U.S.C. 1937a) is amended by adding at the end  
31                   the following:

32                   “(f) A State may use funds provided under this title to  
33                   provide vouchers, for services directed at the goals set forth in  
34                   section 2001, to families, including—

35                   “(1) families who have become ineligible for assistance  
36                   under a State program funded under part A of title IV by

1 reason of a durational limit on the provision of such assist-  
2 ance; and

3 "(2) families denied cash assistance under the State  
4 program funded under part A of title IV for a child who  
5 is born to a member of the family who is—

6 "(A) a recipient of assistance under the program;  
7 or

8 "(B) a person who received such assistance at any  
9 time during the 10-month period ending with the birth  
10 of the child."

11 **SEC. 909. RULES RELATING TO DENIAL OF EARNED IN-**  
12 **COME CREDIT ON BASIS OF DISQUALIFIED**  
13 **INCOME.**

14 (a) **REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—**

15 (1) **IN GENERAL.—**Paragraph (1) of section 32(i) of  
16 the Internal Revenue Code of 1986 (relating to denial of  
17 credit for individuals having excessive investment income)  
18 is amended by striking "\$2,350" and inserting "\$2,200".

19 (2) **ADJUSTMENT FOR INFLATION.—**Subsection (j) of  
20 section 32 of such Code is amended to read as follows:

21 **"(j) INFLATION ADJUSTMENTS.—**

22 **"(1) IN GENERAL.—**In the case of any taxable year  
23 beginning after 1996, each of the dollar amounts in sub-  
24 sections (b)(2) and (i)(1) shall be increased by an amount  
25 equal to—

26 **"(A)** such dollar amount, multiplied by

27 **"(B)** the cost-of-living adjustment determined  
28 under section 1(f)(3) for the calendar year in which the  
29 taxable year begins, determined by substituting 'cal-  
30 endar year 1995' for 'calendar year 1992' in subpara-  
31 graph (B) thereof.

32 **"(2) ROUNDING.—**

33 **"(A) IN GENERAL.—**If any dollar amount in sub-  
34 section (b)(2), after being increased under paragraph  
35 (1), is not a multiple of \$10, such dollar amount shall  
36 be rounded to the nearest multiple of \$10.

1           “(B) DISQUALIFIED INCOME THRESHOLD  
 2           AMOUNT.—If the dollar amount in subsection (i)(1),  
 3           after being increased under paragraph (1), is not a  
 4           multiple of \$50, such amount shall be rounded to the  
 5           next lowest multiple of \$50.”.

6           (3) CONFORMING AMENDMENT.—Paragraph (2) of  
 7           section 32(b) of such Code is amended to read as follows:

8           “(2) AMOUNTS.—The earned income amount and the  
 9           phaseout amount shall be determined as follows:

In the case of an eligible individual with:	The earned income amount is:	The phaseout amount is:
1 qualifying child .....	\$6,330	\$11,610
2 or more qualifying children.	\$8,890	\$11,610
No qualifying children ...	\$4,220	\$ 5,280”.

10           (b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph  
 11           (2) of section 32(i) of such Code (defining disqualified income)  
 12           is amended by striking “and” at the end of subparagraph (B),  
 13           by striking the period at the end of subparagraph (C) and in-  
 14           serting a comma, and by adding at the end the following new  
 15           subparagraphs:

16           “(D) the capital gain net income (as defined in  
 17           section 1222) of the taxpayer for such taxable year,  
 18           and

19           “(E) the excess (if any) of—

20           “(i) the aggregate income from all passive ac-  
 21           tivities for the taxable year (determined without re-  
 22           gard to any amount included in earned income  
 23           under subsection (c)(2) or described in a preceding  
 24           subparagraph), over

25           “(ii) the aggregate losses from all passive ac-  
 26           tivities for the taxable year (as so determined).

27           For purposes of subparagraph (E), the term ‘passive activ-  
 28           ity’ has the meaning given such term by section 469.”.

29           (c) EFFECTIVE DATES.—

1 (1) IN GENERAL.—Except as provided in paragraph  
2 (2), the amendments made by this section shall apply to  
3 taxable years beginning after December 31, 1995.

4 (2) ADVANCE PAYMENT INDIVIDUALS.—In the case of  
5 any individual who on or before June 26, 1996, has in ef-  
6 fect an earned income eligibility certificate for the individ-  
7 ual's taxable year beginning in 1996, the amendments  
8 made by this section shall apply to taxable years beginning  
9 after December 31, 1996.

10 SEC. 910. MODIFICATION OF ADJUSTED GROSS INCOME  
11 DEFINITION FOR EARNED INCOME CREDIT.

12 (a) IN GENERAL.—Subsections (a)(2)(B), (c)(1)(C), and  
13 (f)(2)(B) of section 32 of the Internal Revenue Code of 1986  
14 are each amended by striking “adjusted gross income” each  
15 place it appears and inserting “modified adjusted gross in-  
16 come”.

17 (b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Sec-  
18 tion 32(c) of such Code (relating to definitions and special  
19 rules) is amended by adding at the end the following new para-  
20 graph:

21 “(5) MODIFIED ADJUSTED GROSS INCOME.—

22 “(A) IN GENERAL.—The term ‘modified adjusted  
23 gross income’ means adjusted gross income determined  
24 without regard to the amounts described in subpara-  
25 graph (B).

26 “(B) CERTAIN AMOUNTS DISREGARDED.—An  
27 amount is described in this subparagraph if it is—

28 “(i) the amount of losses from sales or ex-  
29 changes of capital assets in excess of gains from  
30 such sales or exchanges to the extent such amount  
31 does not exceed the amount under section  
32 1211(b)(1),

33 “(ii) the net loss from estates and trusts,

34 “(iii) the excess (if any) of amounts described  
35 in subsection (i)(2)(C)(ii) over the amounts de-

1 scribed in subsection (i)(2)(C)(i) (relating to  
2 nonbusiness rents and royalties), and

3 “(iv) 50 percent of the net loss from the carry-  
4 ing on of trades or businesses, computed separately  
5 with respect to—

6 “(I) trades or businesses (other than  
7 farming) conducted as sole proprietorships,

8 “(II) trades or businesses of farming con-  
9 ducted as sole proprietorships, and

10 “(III) other trades or businesses.

11 For purposes of clause (iv), there shall not be taken  
12 into account items which are attributable to a trade or  
13 business which consists of the performance of services  
14 by the taxpayer as an employee.”.

15 (c) EFFECTIVE DATES.—

16 (1) IN GENERAL.—Except as provided in paragraph  
17 (2), the amendments made by this section shall apply to  
18 taxable years beginning after December 31, 1995.

19 (2) ADVANCE PAYMENT INDIVIDUALS.—In the case of  
20 any individual who on or before June 26, 1996, has in ef-  
21 fect an earned income eligibility certificate for the individ-  
22 ual's taxable year beginning in 1996, the amendments  
23 made by this section shall apply to taxable years beginning  
24 after December 31, 1996.

25 **SEC. 911. FRAUD UNDER MEANS-TESTED WELFARE AND**  
26 **PUBLIC ASSISTANCE PROGRAMS.**

27 (a) IN GENERAL.—If an individual's benefits under a Fed-  
28 eral, State, or local law relating to a means-tested welfare or  
29 a public assistance program are reduced because of an act of  
30 fraud by the individual under the law or program, the individ-  
31 ual may not, for the duration of the reduction, receive an in-  
32 creased benefit under any other means-tested welfare or public  
33 assistance program for which Federal funds are appropriated  
34 as a result of a decrease in the income of the individual (deter-  
35 mined under the applicable program) attributable to such re-  
36 duction.

1 (b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR  
2 WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes  
3 of subsection (a), the term “means-tested welfare or public as-  
4 sistance program for which Federal funds are appropriated” in-  
5 cludes the food stamp program under the Food Stamp Act of  
6 1977 (7 U.S.C. 2011 et seq.), any program of public or as-  
7 sisted housing under title I of the United States Housing Act  
8 of 1937 (42 U.S.C. 1437 et seq.), and any State program fund-  
9 ed under part A of title IV of the Social Security Act (42  
10 U.S.C. 601 et seq.).

11 SEC. 912. ABSTINENCE EDUCATION.

12 Title V of the Social Security Act (42 U.S.C. 701 et seq.)  
13 is amended by adding at the end the following section:

14 “SEPARATE PROGRAM FOR ABSTINENCE EDUCATION

15 “SEC. 510. (a) For the purpose described in subsection  
16 (b), the Secretary shall, for fiscal year 1998 and each subse-  
17 quent fiscal year, allot to each State which has transmitted an  
18 application for the fiscal year under section 505(a) an amount  
19 equal to the product of—

20 “(1) the amount appropriated in subsection (d) for the  
21 fiscal year; and

22 “(2) the percentage determined for the State under  
23 section 502(c)(1)(B)(ii).

24 “(b)(1) The purpose of an allotment under subsection (a)  
25 to a State is to enable the State to provide abstinence edu-  
26 cation, and at the option of the State, where appropriate,  
27 mentoring, counseling, and adult supervision to promote absti-  
28 nence from sexual activity, with a focus on those groups which  
29 are most likely to bear children out-of-wedlock.

30 “(2) For purposes of this section, the term ‘abstinence  
31 education’ means an educational or motivational program  
32 which—

33 “(A) has as its exclusive purpose, teaching the so-  
34 cial, psychological, and health gains to be realized by  
35 abstaining from sexual activity;

1           “(B) teaches abstinence from sexual activity out-  
2           side marriage as the expected standard for all school  
3           age children;

4           “(C) teaches that abstinence from sexual activity  
5           is the only certain way to avoid out-of-wedlock preg-  
6           nancy, sexually transmitted diseases, and other associ-  
7           ated health problems;

8           “(D) teaches that a mutually faithful monogamous  
9           relationship in context of marriage is the expected  
10          standard of human sexual activity;

11          “(E) teaches that sexual activity outside of the  
12          context of marriage is likely to have harmful psycho-  
13          logical and physical effects;

14          “(F) teaches that bearing children out-of-wedlock  
15          is likely to have harmful consequences for the child, the  
16          child’s parents, and society;

17          “(G) teaches young people how to reject sexual ad-  
18          vances and how alcohol and drug use increases vulner-  
19          ability to sexual advances; and

20          “(H) teaches the importance of attaining self-suf-  
21          ficiency before engaging in sexual activity.

22          “(c)(1) Sections 503, 507, and 508 apply to allotments  
23          under subsection (a) to the same extent and in the same man-  
24          ner as such sections apply to allotments under section 502(c).

25          “(2) Sections 505 and 506 apply to allotments under sub-  
26          section (a) to the extent determined by the Secretary to be ap-  
27          propriate.

28          “(d) For the purpose of allotments under subsection (a),  
29          there is appropriated, out of any money in the Treasury not  
30          otherwise appropriated, an additional \$50,000,000 for each of  
31          the fiscal years 1998 through 2002. The appropriation under  
32          the preceding sentence for a fiscal year is made on October 1  
33          of the fiscal year.”.

34          **SEC. 913. CHANGE IN REFERENCE.**

35          Effective January 1, 1997, the third sentence of section  
36          1902(a) and section 1908(e)(1) of the Social Security Act (42

1 U.S.C. 1396a(a), 1396g-1(e)(1)) are each amended by striking  
2 "The First Church of Christ, Scientist, Boston, Massachusetts"  
3 and inserting "The Commission for Accreditation of Christian  
4 Science Nursing Organizations/Facilities, Inc." each place it  
5 appears.

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And the Senate agree to the same.