

1 than 1 year, unless the Secretary approves a longer  
2 period.”.

3 **SEC. 336. WAIVER AUTHORITY.**

4 Section 17(b)(1)(A) of the Food Stamp Act of 1977 (7  
5 U.S.C. 2026(b)(1)(A)) is amended—

6 (1) by striking “benefits to eligible households,  
7 including” and inserting the following: “benefits to el-  
8 ible households. The Secretary may waive the re-  
9 quirements of this Act to the extent necessary to con-  
10 duct a pilot or experimental project, including a  
11 project designed to test innovative welfare reform,  
12 promote work, and allow conformity with other Fed-  
13 eral, State, and local government assistance pro-  
14 grams, except that a project involving the payment of  
15 benefits in the form of cash shall maintain the aver-  
16 age value of allotments for affected households as a  
17 group. Pilot or experimental projects may include”;  
18 and

19 (2) by striking “The Secretary may waive” and  
20 all that follows through “sections 5 and 8 of this  
21 Act.”.

22 **SEC. 337. AUTHORIZATION OF PILOT PROJECTS.**

23 The last sentence of section 17(b)(1)(A) of the Food  
24 Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended  
25 by striking “1995” and inserting “2002”.

1 **SEC. 338. RESPONSE TO WAIVERS.**

2 Section 17(b)(1) of the Food Stamp Act of 1977 (7  
3 U.S.C. 2026(b)(1)) is amended by adding at the end the  
4 following:

5 **“(C) RESPONSE TO WAIVERS.—**

6 **“(i) RESPONSE.—**Not later than 60  
7 days after the date of receiving a request for  
8 a waiver under subparagraph (A), the Sec-  
9 retary shall provide a response that—

10 **“(I) approves the waiver request;**

11 **“(II) denies the waiver request**  
12 **and explains any modification needed**  
13 **for approval of the waiver request;**

14 **“(III) denies the waiver request**  
15 **and explains the grounds for the de-**  
16  **denial; or**

17 **“(IV) requests clarification of the**  
18  **waiver request.**

19 **“(ii) FAILURE TO RESPOND.—**If the  
20 Secretary does not provide a response under  
21 clause (i) not later than 60 days after re-  
22 ceiving a request for a waiver, the waiver  
23 shall be considered approved.

24 **“(iii) NOTICE OF DENIAL.—**On denial  
25 of a waiver request under clause (i)(III), the  
26 Secretary shall provide a copy of the waiver

1           request and the grounds for the denial to the  
2           Committee on Agriculture of the House of  
3           Representatives and the Committee on Agri-  
4           culture, Nutrition, and Forestry of the Sen-  
5           ate.”.

6 **SEC. 339. PRIVATE SECTOR EMPLOYMENT INITIATIVES.**

7           Section 17 of the Food Stamp Act of 1977 (7 U.S.C.  
8 2026) is amended by adding at the end the following:

9           “(m) **PRIVATE SECTOR EMPLOYMENT INITIATIVES.**—

10           “(1) **ELECTION TO PARTICIPATE.**—

11           “(A) **IN GENERAL.**—Subject to the other  
12           provisions of this subsection, a State may elect  
13           to carry out a private sector employment initia-  
14           tive program under this subsection.

15           “(B) **REQUIREMENT.**—A State shall be eli-  
16           gible to carry out a private sector employment  
17           initiative under this subsection only if not less  
18           than 50 percent of the households that received  
19           food stamp benefits during the summer of 1993  
20           also received benefits under a State program  
21           funded under part A of title IV of the Social Se-  
22           curity Act (42 U.S.C. 601 et seq.) during the  
23           summer of 1993.

24           “(2) **PROCEDURE.**—A State that has elected to  
25           carry out a private sector employment initiative

1 under paragraph (1) may use amounts equal to the  
2 food stamp allotments that would otherwise be allotted  
3 to a household under the food stamp program, but for  
4 the operation of this subsection, to provide cash bene-  
5 fits in lieu of the food stamp allotments to the house-  
6 hold if the household is eligible under paragraph (3).

7 “(3) *ELIGIBILITY*.—A household shall be eligible  
8 to receive cash benefits under paragraph (2) if an  
9 adult member of the household—

10 “(A) has worked in unsubsidized employ-  
11 ment in the private sector for not less than the  
12 preceding 90 days;

13 “(B) has earned not less than \$350 per  
14 month from the employment referred to in sub-  
15 paragraph (A) for not less than the preceding 90  
16 days;

17 “(C)(i) is eligible to receive benefits under a  
18 State program funded under part A of title IV  
19 of the Social Security Act (42 U.S.C. 601 et  
20 seq.); or

21 “(ii) was eligible to receive benefits under a  
22 State program funded under part A of title IV  
23 of the Social Security Act (42 U.S.C. 601 et seq.)  
24 at the time the member first received cash bene-  
25 fits under this subsection and is no longer eligi-

1           ble for the State program because of earned in-  
2           come;

3           “(D) is continuing to earn not less than  
4           \$350 per month from the employment referred to  
5           in subparagraph (A); and

6           “(E) elects to receive cash benefits in lieu of  
7           food stamp benefits under this subsection.

8           “(4) EVALUATION.—A State that operates a pro-  
9           gram under this subsection for 2 years shall provide  
10          to the Secretary a written evaluation of the impact of  
11          cash assistance under this subsection. The State agen-  
12          cy shall determine the content of the evaluation.”.

13   **SEC. 340. REAUTHORIZATION OF APPROPRIATIONS.**

14          The first sentence of section 18(a)(1) of the Food  
15          Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by  
16          striking “1995” and inserting “2002”.

17   **SEC. 341. REAUTHORIZATION OF PUERTO RICO NUTRITION**  
18                           **ASSISTANCE PROGRAM.**

19          The first sentence of section 19(a)(1)(A) of the Food  
20          Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended  
21          by striking “\$974,000,000” and all that follows through  
22          “fiscal year 1995” and inserting the following:  
23          “\$1,143,000,000 for each of fiscal years 1995 and 1996,  
24          \$1,182,000,000 for fiscal year 1997, \$1,223,000,000 for fis-  
25          cal year 1998, \$1,266,000,000 for fiscal year 1999.

1 \$1,310,000,000 for fiscal year 2000, \$1,343,000,000 for fis-  
2 cal year 2001, and \$1,376,000,000 for fiscal year 2002”

3 **SEC. 342. SIMPLIFIED FOOD STAMP PROGRAM.**

4 (a) *IN GENERAL.*—The Food Stamp Act of 1977 (7  
5 U.S.C. 2011 et seq.) is amended by adding at the end the  
6 following:

7 **“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

8 “(a) *ELECTION.*—Subject to subsection (c), a State  
9 agency may elect to carry out a Simplified Food Stamp  
10 Program (referred to in this section as a ‘Program’) under  
11 this section.

12 **“(b) OPERATION OF PROGRAM.**—

13 “(1) *IN GENERAL.*—If a State agency elects to  
14 carry out a Program, within the State or a political  
15 subdivision of the State—

16 “(A) a household in which all members re-  
17 ceive assistance under a State program funded  
18 under part A of title IV of the Social Security  
19 Act (42 U.S.C. 601 et seq.) shall automatically  
20 be eligible to participate in the Program; and

21 “(B) subject to subsection (e), benefits under  
22 the Program shall be determined under rules and  
23 procedures established by the State under—

1           “(i) a State program funded under  
2           part A of title IV of the Social Security Act  
3           (42 U.S.C. 601 et seq.);

4           “(ii) the food stamp program (other  
5           than section 25); or

6           “(iii) a combination of a State pro-  
7           gram funded under part A of title IV of the  
8           Social Security Act (42 U.S.C. 601 et seq.)  
9           and the food stamp program.

10          “(2) SHELTER STANDARD.—The State agency  
11          may elect to apply 1 shelter standard to a household  
12          that receives a housing subsidy and another shelter  
13          standard to a household that does not receive the sub-  
14          sidy.

15          “(c) APPROVAL OF PROGRAM.—

16          “(1) STATE PLAN.—A State agency may not op-  
17          erate a Program unless the Secretary approves a  
18          State plan for the operation of the Program under  
19          paragraph (2).

20          “(2) APPROVAL OF PLAN.—

21                 “(A) IN GENERAL.—The Secretary shall ap-  
22                 prove any State plan to carry out a Program if  
23                 the Secretary determines that the plan—

24                         “(i) complies with this section; and

1           “(ii) would not increase Federal costs  
2           incurred under this Act.

3           “(B) DEFINITION OF FEDERAL COSTS.—In  
4           this section, the term ‘Federal costs’ does not in-  
5           clude any Federal costs incurred under section  
6           17.

7           “(d) INCREASED FEDERAL COSTS.—

8           “(1) DETERMINATION.—

9           “(A) IN GENERAL.—The Secretary shall de-  
10          termine whether a Program being carried out by  
11          a State agency is increasing Federal costs under  
12          this Act.

13          “(B) NO EXCLUDED HOUSEHOLDS.—In  
14          making a determination under subparagraph  
15          (A), the Secretary shall not require the State  
16          agency to collect or report any information on  
17          households not included in the Program.

18          “(C) ALTERNATIVE ACCOUNTING PERI-  
19          ODS.—The Secretary may approve the request of  
20          a State agency to apply alternative accounting  
21          periods to determine if Federal costs do not ex-  
22          ceed the Federal costs had the State agency not  
23          elected to carry out the Program.

24          “(2) NOTIFICATION.—If the Secretary determines  
25          that the Program has increased Federal costs under

1 *this Act for any fiscal year, the Secretary shall notify*  
2 *the State agency not later than January 1 of the im-*  
3 *mediately succeeding fiscal year.*

4 *“(3) RETURN OF FUNDS.—*

5 *“(A) IN GENERAL.—If the Secretary deter-*  
6 *mines that the Program has increased Federal*  
7 *costs under this Act for a 2-year period, includ-*  
8 *ing a fiscal year for which notice was given*  
9 *under paragraph (2) and an immediately suc-*  
10 *ceeding fiscal year, the State agency shall pay to*  
11 *the Treasury of the United States the amount of*  
12 *the increased costs.*

13 *“(B) ENFORCEMENT.—If the State agency*  
14 *does not pay an amount due under subpara-*  
15 *graph (A) on a date that is not later than 90*  
16 *days after the date of the determination, the Sec-*  
17 *retary shall reduce amounts otherwise due to the*  
18 *State agency for administrative costs under sec-*  
19 *tion 16(a).*

20 *“(e) RULES AND PROCEDURES.—*

21 *“(1) IN GENERAL.—Except as provided by para-*  
22 *graph (2), a State may apply—*

23 *“(A) the rules and procedures established by*  
24 *the State under—*

1           “(i) the State program funded under  
2           part A of title IV of the Social Security Act  
3           (42 U.S.C. 601 et seq.); or

4           “(ii) the food stamp program; or

5           “(B) the rules and procedures of 1 of the  
6           programs to certain matters and the rules and  
7           procedures of the other program to all remaining  
8           matters.

9           “(2) STANDARDIZED DEDUCTIONS.—The State  
10          may standardize the deductions provided under sec-  
11          tion 5(e). In developing the standardized deduction,  
12          the State shall give consideration to the work ex-  
13          penses, dependent care costs, and shelter costs of par-  
14          ticipating households.

15          “(3) REQUIREMENTS.—In operating a Program,  
16          the State shall comply with—

17               “(A) subsections (a) through (g) of section 7;

18               “(B) section 8(a), except that the income of  
19               a household may be determined under a State  
20               program funded under part A of title IV of the  
21               Social Security Act (42 U.S.C. 601 et seq.);

22               “(C) subsections (b) and (d) of section 8;

23               “(D) subsections (a), (c), (d), and (n) of sec-  
24               tion 11;

1           “(E) paragraph (3) of section 11(e), to the  
2 extent that the paragraph requires that an eligi-  
3 ble household be certified and receive an allot-  
4 ment for the period of application not later than  
5 30 days after filing an application;

6           “(F) paragraphs (8), (9), (12), (17), (19),  
7 (21), and (27) of section 11(e);

8           “(G) section 11(e)(10) or a comparable re-  
9 quirement established by the State under a State  
10 program funded under part A of title IV of the  
11 Social Security Act (42 U.S.C. 601 et seq.); and

12           “(H) section 16.”

13           (b) STATE PLAN PROVISIONS.—Section 11(e) of the  
14 Act (7 U.S.C. 2020(e)) (as amended by sections 315(b) and  
15 328) is further amended by adding at the end the following:

16           “(28) the plans of the State agency for operating,  
17 at the election of the State, a program under section  
18 24, including—

19           “(A) the rules and procedures to be followed  
20 by the State to determine food stamp benefits;

21           “(B) how the State will address the needs of  
22 households that experience high shelter costs in  
23 relation to the incomes of the households; and

1           “(C) a description of the method by which  
2           the State will carry out a quality control system  
3           under section 16(c).”

4           (c) **CONFORMING AMENDMENTS.**—

5           (1) Section 8 of the Act (7 U.S.C. 2017) (as  
6           amended by section 325) is further amended—

7                   (A) by striking subsection (e); and

8                   (B) by redesignating subsection (f) as sub-  
9           section (e).

10          (2) Section 17 of the Act (7 U.S.C. 2026) (as  
11          amended by section 339) is further amended—

12                   (A) by striking subsection (i); and

13                   (B) by redesignating subsections (j) through  
14          (m) as subsections (i) through (l), respectively.

15          **SEC. 343. OPTIONAL STATE FOOD ASSISTANCE BLOCK**  
16                   **GRANT.**

17          (a) **IN GENERAL.**—The Food Stamp Act of 1977 (7  
18          U.S.C. 2011 *et seq.*) (as amended by section 342) is further  
19          amended by adding at the end the following:

20          **“SEC. 25. OPTIONAL STATE FOOD ASSISTANCE BLOCK**  
21                   **GRANT.**

22                   “(a) **ESTABLISHMENT.**—The Secretary shall establish  
23          a program to make grants to States in accordance with this  
24          section to provide—

1           “(1) food assistance to needy individuals and  
2 families residing in the State;

3           “(2) at the option of a State, wage subsidies and  
4 payments in return for work for needy individuals  
5 under the program;

6           “(3) funds to operate an employment and train-  
7 ing program under section (g)(2) for needy individ-  
8 uals under the program; and

9           “(4) funds for administrative costs incurred in  
10 providing the assistance.

11       “(b) ELECTION.—

12           “(1) IN GENERAL.—A State may elect to partici-  
13 pate in the program established under subsection (a).

14           “(2) ELECTION REVOCABLE.—A State that elects  
15 to participate in the program established under sub-  
16 section (a) may subsequently reverse its election only  
17 once thereafter. Following such reversal, the State  
18 shall only be eligible to participate in the food stamp  
19 program in accordance with the other sections of this  
20 Act and shall not receive a block grant under this sec-  
21 tion.

22           “(3) PROGRAM EXCLUSIVE.—A State that is par-  
23 ticipating in the program established under sub-  
24 section (a) shall not be subject to, or receive any bene-  
25 fit under, this Act except as provided in this section.

1           “(4) SUNSET OF ELECTION UPON INCREASE IN  
2           NUMBER OF HUNGRY CHILDREN.—

3           “(A) FINDINGS.—The Congress finds that—

4           “(i) on March 29, 1995 the Senate  
5           adopted a resolution stating that Congress  
6           should not enact or adopt any legislation  
7           that will increase the number of children  
8           who are hungry;

9           “(ii) it is not the intent of this bill to  
10          cause more children to be hungry;

11          “(iii) the Food Stamp Program serves  
12          to prevent child hunger; and

13          “(iv) a State's election to participate  
14          in the optional State food assistance block  
15          grant program should not serve to increase  
16          the number of hungry children in that  
17          State.

18          “(B) SUNSET.—If the Secretary of Health  
19          and Human Services makes two successive find-  
20          ings that the hunger rate among children in a  
21          State is significantly higher in a State that has  
22          elected to participate in a program established  
23          under subsection (a) than it would have been had  
24          there been no such election, 180 days after the  
25          second such finding such election shall be perma-

1           nently and irreversibly revoked and the provi-  
2           sions of paragraphs (1) and (2) shall not be ap-  
3           plicable to that State.

4           “(C) PROCEDURE FOR FINDING BY SEC-  
5           RETARY.—In making the finding described in  
6           subparagraph (B), the Secretary shall adhere to  
7           the following procedure:

8           “(i) Every three years, the Secretary  
9           shall develop data and report to Congress  
10          with respect to each State that has elected  
11          to participate in a program established  
12          under subsection (a) whether the child hun-  
13          ger rate in such State is significantly high-  
14          er than it would have been had the State  
15          not made such election.

16          “(ii) The Secretary shall provide the  
17          report required under clause (i) to all  
18          States that have elected to participate in a  
19          program established under subsection (a),  
20          and the Secretary shall provide each State  
21          for which the Secretary determined that the  
22          child hunger rate is significantly higher  
23          than it would have been had the State not  
24          made such election with an opportunity to  
25          respond to such determination.

1           “(iii) If the response by a State under  
2           clause (ii) does not result in the Secretary  
3           reversing the determination that the child  
4           hunger rate in that State is significantly  
5           higher than it would have been had the  
6           State not made such election, then the Sec-  
7           retary shall publish a finding as described  
8           in subparagraph (B).

9           “(c) LEAD AGENCY.—

10           “(1) DESIGNATION.—A State desiring to receive  
11           a grant under this section shall designate, in an ap-  
12           plication submitted to the Secretary under subsection  
13           (d)(1), an appropriate State agency that complies  
14           with paragraph (2) to act as the lead agency for the  
15           State.

16           “(2) DUTIES.—

17           “(A) IN GENERAL.—The lead agency  
18           shall—

19           “(i) administer, either directly,  
20           through other State agencies, or through  
21           local agencies, the assistance received under  
22           this section by the State;

23           “(ii) develop the State plan to be sub-  
24           mitted to the Secretary under subsection  
25           (d)(1):

1           “(iii) in conjunction with the develop-  
2           ment of the State plan, hold at least 1 hear-  
3           ing in the State to provide to the public an  
4           opportunity to comment on the program  
5           under the State plan; and

6           “(iv) coordinate the provision of food  
7           assistance under this section with other  
8           Federal, State, and local programs.

9           “(B) DEVELOPMENT OF PLAN.—In the de-  
10          velopment of the State plan described in sub-  
11          paragraph (A)(ii), the lead agency shall consult  
12          with local governments and private sector orga-  
13          nizations regarding the plan and design of the  
14          State plan so that services are provided in a  
15          manner appropriate to local populations.

16          “(d) APPLICATION AND PLAN.—

17           “(1) APPLICATION.—To be eligible to receive as-  
18           sistance under this section, a State shall prepare and  
19           submit to the Secretary an application at such time,  
20           in such manner, and containing such information as  
21           the Secretary shall by regulation require, including—

22           “(A) an assurance that the State will com-  
23           ply with the requirements of this section;

24           “(B) a State plan that meets the require-  
25           ments of paragraph (3); and

1           “(C) an assurance that the State will com-  
2           ply with the requirements of the State plan  
3           under paragraph (3).

4           “(2) ANNUAL PLAN.—The State plan contained  
5           in the application under paragraph (1) shall be sub-  
6           mitted for approval annually.

7           “(3) REQUIREMENTS OF PLAN.—

8           “(A) LEAD AGENCY.—The State plan shall  
9           identify the lead agency.

10           “(B) USE OF BLOCK GRANT FUNDS.—The  
11           State plan shall provide that the State shall use  
12           the amounts provided to the State for each fiscal  
13           year under this section—

14           “(i) to provide food assistance to needy  
15           individuals and families residing in the  
16           State, other than residents of institutions  
17           who are ineligible for food stamps under  
18           section 3(i);

19           “(ii) at the option of a State, to pro-  
20           vide wage subsidies and workfare under sec-  
21           tion 20(a) (except that any reference in sec-  
22           tion 20(a) to an allotment shall be consid-  
23           ered a reference to the food assistance or  
24           benefits in lieu of food assistance received  
25           by an individual or family during a month

1 under this section) for needy individuals  
2 and families participating in the program;

3 "(iii) to administer an employment  
4 and training program under section (g)(2)  
5 for needy individuals under the program  
6 and to provide reimbursements to needy in-  
7 dividuals and families as would be allowed  
8 under section 16(h)(3); and

9 "(iv) to pay administrative costs in-  
10 curred in providing the assistance.

11 "(C) GROUPS SERVED.—The State plan  
12 shall describe how the program will serve specific  
13 groups of individuals and families and how the  
14 treatment will differ from treatment under the  
15 food stamp program under the other sections of  
16 this Act of the individuals and families, includ-  
17 ing—

18 "(i) elderly individuals and families;

19 "(ii) migrants or seasonal farm-  
20 workers;

21 "(iii) homeless individuals and fami-  
22 lies;

23 "(iv) individuals and families who live  
24 under the supervision of institutions (other  
25 than incarcerated individuals);

1           “(v) individuals and families with  
2           earnings; and

3           “(vi) members of Indian tribes or trib-  
4           al organizations.

5           “(D) ASSISTANCE FOR ENTIRE STATE.—The  
6           State plan shall provide that benefits under this  
7           section shall be available throughout the entire  
8           State.

9           “(E) NOTICE AND HEARINGS.—The State  
10          plan shall provide that an individual or family  
11          who applies for, or receives, assistance under this  
12          section shall be provided with notice of, and an  
13          opportunity for a hearing on, any action under  
14          this section that adversely affects the individual  
15          or family.

16          “(F) OTHER ASSISTANCE.—

17          “(i) COORDINATION.—The State plan  
18          may coordinate assistance received under  
19          this section with assistance provided under  
20          the State program funded under part A of  
21          title IV of the Social Security Act (42  
22          U.S.C. 601 et seq.).

23          “(ii) PENALTIES.—If an individual or  
24          family is penalized for violating part A of  
25          title IV of the Act, the State plan may re-

1           duce the amount of assistance provided  
2           under this section or otherwise penalize the  
3           individual or family.

4           “(G) ASSESSMENT OF NEEDS.—The State  
5           plan shall assess the food and nutrition needs of  
6           needy persons residing in the State.

7           “(H) ELIGIBILITY LIMITATIONS.—The State  
8           plan shall describe the income and resource eligi-  
9           bility limitations that are established for the re-  
10          ceipt of assistance under this section.

11          “(I) RECEIVING BENEFITS IN MORE THAN 1  
12          JURISDICTION.—The State plan shall establish a  
13          system to verify and otherwise ensure that no in-  
14          dividual or family shall receive benefits under  
15          this section in more than 1 jurisdiction within  
16          the State.

17          “(J) PRIVACY.—The State plan shall pro-  
18          vide for safeguarding and restricting the use and  
19          disclosure of information about any individual  
20          or family receiving assistance under this section.

21          “(K) OTHER INFORMATION.—The State  
22          plan shall contain such other information as  
23          may be required by the Secretary.

1           “(4) APPROVAL OF APPLICATION AND PLAN.—

2           *The Secretary shall approve an application and State*  
3           *plan that satisfies the requirements of this section.*

4           “(e) LIMITATIONS ON STATE ALLOTMENTS.—

5           “(1) NO INDIVIDUAL OR FAMILY ENTITLEMENT  
6           TO ASSISTANCE.—*Nothing in this section—*

7           .           “(A) entitles any individual or family to  
8           assistance under this section; or

9           .           “(B) limits the right of a State to impose  
10           additional limitations or conditions on assist-  
11           ance under this section.

12           “(2) CONSTRUCTION OF FACILITIES.—*No funds*  
13           *made available under this section shall be expended*  
14           *for the purchase or improvement of land, or for the*  
15           *purchase, construction, or permanent improvement of*  
16           *any building or facility.*

17           “(f) BENEFITS FOR ALIENS.—

18           “(1) ELIGIBILITY.—*No individual shall be eligi-*  
19           *ble to receive benefits under a State plan approved*  
20           *under subsection (d)(4) if the individual is not eligi-*  
21           *ble to participate in the food stamp program under*  
22           *section 6(f).*

23           “(2) INCOME.—*The State plan shall provide that*  
24           *the income of an alien shall be determined in accord-*  
25           *ance with section 5(i).*

1       “(g) EMPLOYMENT AND TRAINING.—

2               “(1) WORK REQUIREMENTS.—No individual or  
3 member of a family shall be eligible to receive benefits  
4 under a State plan funded under this section if the  
5 individual is not eligible to participate in the food  
6 stamp program under subsection (d) or (n) of section  
7 6.

8               “(2) WORK PROGRAMS.—Each State shall imple-  
9 ment an employment and training program under  
10 section 6(d)(4) for needy individuals under the pro-  
11 gram.

12       “(h) ENFORCEMENT.—

13               “(1) REVIEW OF COMPLIANCE WITH STATE  
14 PLAN.—The Secretary shall review and monitor State  
15 compliance with this section and the State plan ap-  
16 proved under subsection (d)(4).

17               “(2) NONCOMPLIANCE.—

18                       “(A) IN GENERAL.—If the Secretary, after  
19 reasonable notice to a State and opportunity for  
20 a hearing, finds that—

21                               “(i) there has been a failure by the  
22 State to comply substantially with any pro-  
23 vision or requirement set forth in the State  
24 plan approved under subsection (d)(4); or

1           “(ii) in the operation of any program  
2           or activity for which assistance is provided  
3           under this section, there is a failure by the  
4           State to comply substantially with any pro-  
5           vision of this section;

6           the Secretary shall notify the State of the finding  
7           and that no further payments will be made to  
8           the State under this section (or, in the case of  
9           noncompliance in the operation of a program or  
10          activity, that no further payments to the State  
11          will be made with respect to the program or ac-  
12          tivity) until the Secretary is satisfied that there  
13          is no longer any failure to comply or that the  
14          noncompliance will be promptly corrected.

15          “(B) OTHER SANCTIONS.—In the case of a  
16          finding of noncompliance made pursuant to sub-  
17          paragraph (A), the Secretary may, in addition  
18          to, or in lieu of, imposing the sanctions described  
19          in subparagraph (A), impose other appropriate  
20          sanctions, including recoupment of money im-  
21          properly expended for purposes prohibited or not  
22          authorized by this section and disqualification  
23          from the receipt of financial assistance under  
24          this section.

1           “(C) NOTICE.—The notice required under  
2           subparagraph (A) shall include a specific identi-  
3           fication of any additional sanction being im-  
4           posed under subparagraph (B).

5           “(3) ISSUANCE OF REGULATIONS.—The Sec-  
6           retary shall establish by regulation procedures for—

7           “(A) receiving, processing, and determining  
8           the validity of complaints concerning any failure  
9           of a State to comply with the State plan or any  
10          requirement of this section; and

11          “(B) imposing sanctions under this section.

12          “(4) INCOME AND ELIGIBILITY VERIFICATION  
13          SYSTEM.—The Secretary may withhold not more than  
14          5 percent of the amount allotted to a State under sub-  
15          section (1)(2) if the State does not use an income and  
16          eligibility verification system established under sec-  
17          tion 1137 of the Social Security Act (42 U.S.C.  
18          1320b-7).

19          “(i) PAYMENTS.—

20          “(1) IN GENERAL.—For each fiscal year, the Sec-  
21          retary shall pay to a State that has an application  
22          approved by the Secretary under subsection (d)(4) an  
23          amount that is equal to the allotment of the State  
24          under subsection (1)(2) for the fiscal year.

1           “(2) *METHOD OF PAYMENT.*—The Secretary shall  
2           make payments to a State for a fiscal year under this  
3           section by issuing 1 or more letters of credit for the  
4           fiscal year, with necessary adjustments on account of  
5           overpayments or underpayments, as determined by  
6           the Secretary.

7           “(3) *SPENDING OF FUNDS BY STATE.*—

8           “(A) *IN GENERAL.*—Except as provided in  
9           subparagraph (B), payments to a State from an  
10          allotment under subsection (1)(2) for a fiscal  
11          year may be expended by the State only in the  
12          fiscal year.

13          “(B) *CARRYOVER.*—The State may reserve  
14          up to 10 percent of an allotment under sub-  
15          section (1)(2) for a fiscal year to provide assist-  
16          ance under this section in subsequent fiscal  
17          years, except that the reserved funds may not ex-  
18          ceed 30 percent of the total allotment received  
19          under this section for a fiscal year.

20          “(4) *FOOD ASSISTANCE AND ADMINISTRATIVE*  
21          *EXPENDITURES.*—In each fiscal year, of the Federal  
22          funds expended by a State under this section—

23                  “(A) not less than 80 percent shall be for  
24                  food assistance; and

1           “(B) not more than 6 percent shall be for  
2           administrative expenses.

3           “(5) *PROVISION OF FOOD ASSISTANCE.*—A State  
4           may provide food assistance under this section in any  
5           manner determined appropriate by the State to pro-  
6           vide food assistance to needy individuals and families  
7           in the State, such as electronic benefits transfer lim-  
8           ited to food purchases, coupons limited to food pur-  
9           chases, or direct provision of commodities.

10          “(6) *DEFINITION OF FOOD ASSISTANCE.*—In this  
11          section, the term ‘food assistance’ means assistance  
12          that may be used only to obtain food, as defined in  
13          section 3(g).

14          “(j) *AUDITS.*—

15               “(1) *REQUIREMENT.*—After the close of each fis-  
16               cal year, a State shall arrange for an audit of the ex-  
17               penditures of the State during the program period  
18               from amounts received under this section.

19               “(2) *INDEPENDENT AUDITOR.*—An audit under  
20               this section shall be conducted by an entity that is  
21               independent of any agency administering activities  
22               that receive assistance under this section and be in  
23               accordance with generally accepted auditing prin-  
24               ciples.

1           “(3) *PAYMENT ACCURACY*.—Each annual audit  
2           under this section shall include an audit of payment  
3           accuracy under this section that shall be based on a  
4           statistically valid sample of the caseload in the State.

5           “(4) *SUBMISSION*.—Not later than 30 days after  
6           the completion of an audit under this section, the  
7           State shall submit a copy of the audit to the legisla-  
8           ture of the State and to the Secretary.

9           “(5) *REPAYMENT OF AMOUNTS*.—Each State  
10          shall repay to the United States any amounts deter-  
11          mined through an audit under this section to have  
12          not been expended in accordance with this section or  
13          to have not been expended in accordance with the  
14          State plan, or the Secretary may offset the amounts  
15          against any other amount paid to the State under  
16          this section.

17          “(k) *NONDISCRIMINATION*.—

18                 “(1) *IN GENERAL*.—The Secretary shall not pro-  
19                 vide financial assistance for any program, project, or  
20                 activity under this section if any person with respon-  
21                 sibilities for the operation of the program, project, or  
22                 activity discriminates with respect to the program,  
23                 project, or activity because of race, religion, color, na-  
24                 tional origin, sex, or disability.

1           “(2) ENFORCEMENT.—The powers, remedies, and  
2           procedures set forth in title VI of the Civil Rights Act  
3           of 1964 (42 U.S.C. 2000d et seq.) may be used by the  
4           Secretary to enforce paragraph (1).

5           “(1) ALLOTMENTS.—

6           “(1) DEFINITION OF STATE.—In this section, the  
7           term ‘State’ means each of the 50 States, the District  
8           of Columbia, Guam, and the Virgin Islands of the  
9           United States.

10          “(2) STATE ALLOTMENT.—

11          “(A) IN GENERAL.—Except as provided in  
12          subparagraph (B), from the amounts made  
13          available under section 18 of this Act for each  
14          fiscal year, the Secretary shall allot to each State  
15          participating in the program established under  
16          this section an amount that is equal to the sum  
17          of—

18                 “(i) the greater of, as determined by  
19                 the Secretary—

20                         “(I) the total dollar value of all  
21                         benefits issued under the food stamp  
22                         program established under this Act by  
23                         the State during fiscal year 1994; or

24                         “(II) the average per fiscal year of  
25                         the total dollar value of all benefits is-

1           sued under the food stamp program by  
2           the State during each of fiscal years  
3           1992 through 1994; and

4           “(ii) the greater of, as determined by  
5           the Secretary—

6                   “(I) the total amount received by  
7                   the State for administrative costs and  
8                   the employment and training program  
9                   under subsections (a) and (h), respec-  
10                  tively, of section 16 of this Act for fis-  
11                  cal year 1994; or

12                   “(II) the average per fiscal year of  
13                   the total amount received by the State  
14                   for administrative costs and the em-  
15                   ployment and training program under  
16                   subsections (a) and (h), respectively, of  
17                   section 16 of this Act for each of fiscal  
18                   years 1992 through 1994.

19           “(B) *INSUFFICIENT FUNDS.*—If the Sec-  
20           retary finds that the total amount of allotments  
21           to which States would otherwise be entitled for a  
22           fiscal year under subparagraph (A) will exceed  
23           the amount of funds that will be made available  
24           to provide the allotments for the fiscal year, the  
25           Secretary shall reduce the allotments made to

1 States under this subsection, on a pro rata basis.  
 2 to the extent necessary to allot under this sub-  
 3 section a total amount that is equal to the funds  
 4 that will be made available.”

5 (b) **RESEARCH ON OPTIONAL STATE FOOD ASSIST-**  
 6 **ANCE BLOCK GRANT.**—Section 17 of the Food Stamp Act  
 7 of 1977 (7 U.S.C. 2026) (as amended by section 339 and  
 8 342(c)(2)) is further amended by adding at the end the fol-  
 9 lowing:

10 “(m) **RESEARCH ON OPTIONAL STATE FOOD ASSIST-**  
 11 **ANCE BLOCK GRANT.**—The Secretary may conduct research  
 12 on the effects and costs of a State program carried out  
 13 under section 25.”

14 **SEC. 344. EFFECTIVE DATE.**

15 Except as otherwise provided in this subtitle, this sub-  
 16 title and the amendments made by this subtitle shall become  
 17 effective on October 1, 1995.

18 **Subtitle B—Anti-Fraud and**  
 19 **Trafficking**

20 **SEC. 351. EXPANDED DEFINITION OF COUPON.**

21 Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C.  
 22 2012(d)) is amended by striking “or type of certificate” and  
 23 inserting “type of certificate, authorization card, cash or  
 24 check issued as a coupon, or access device, including an elec-

1 tronic benefits transfer card or a personal identification  
2 number.”

3 **SEC. 352. DOUBLED PENALTIES FOR VIOLATING FOOD**  
4 **STAMP PROGRAM REQUIREMENTS.**

5 Section 6(b)(1) of the Food Stamp Act of 1977 (7  
6 U.S.C. 2015(b)(1)) is amended—

7 (1) in clause (i), by striking “six months upon”  
8 and inserting “1 year on”; and

9 (2) in clause (ii), by striking “1 year upon” and  
10 inserting “2 years on”.

11 **SEC. 353. AUTHORITY TO ESTABLISH AUTHORIZATION PE-**  
12 **RIODS.**

13 Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C.  
14 2018(a)) is amended by adding at the end the following:

15 “(3) **AUTHORIZATION PERIODS.**—The Secretary  
16 is authorized to issue regulations establishing specific  
17 time periods during which authorization to accept  
18 and redeem coupons under the food stamp program  
19 shall be valid.”

20 **SEC. 354. SPECIFIC PERIOD FOR PROHIBITING PARTICIPA-**  
21 **TION OF STORES BASED ON LACK OF BUSI-**  
22 **NESS INTEGRITY.**

23 Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C.  
24 2018(a)) (as amended by section 353) is further amended  
25 by adding at the end the following:

1           “(4) PERIODS FOR PARTICIPATION OF STORES  
2           AND CONCERNS.—The Secretary may issue regula-  
3           tions establishing specific time periods during which  
4           a retail food store or wholesale food concern that has  
5           an application for approval to accept and redeem  
6           coupons denied, or that has an approval withdrawn,  
7           on the basis of business integrity and reputation can-  
8           not submit a new application for approval. The peri-  
9           ods shall reflect the severity of business integrity in-  
10          fractionations that are the basis of the denials or with-  
11          drawals.”.

12   **SEC. 355. INFORMATION FOR VERIFYING ELIGIBILITY FOR**  
13                           **AUTHORIZATION.**

14          Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C.  
15   2018(c)) is amended—

16           (1) in the first sentence, by inserting “, which  
17          may include relevant income and sales tax filing doc-  
18          uments,” after “submit information”; and

19           (2) by inserting after the first sentence the fol-  
20          lowing: “The regulations may require retail food  
21          stores and wholesale food concerns to provide written  
22          authorization for the Secretary to verify all relevant  
23          tax filings with appropriate agencies and to obtain  
24          corroborating documentation from other sources so

1       that the accuracy of information provided by the  
2       stores and concerns may be verified.”.

3       **SEC. 356. WAITING PERIOD FOR STORES THAT INITIALLY**  
4                                   **FAIL TO MEET AUTHORIZATION CRITERIA.**

5       Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C.  
6       2018(d)) is amended by adding at the end the following:

7       “A retail food store or wholesale food concern that has an  
8       application for approval to accept and redeem coupons de-  
9       nied because the store or concern does not meet criteria for  
10      approval established by the Secretary by regulation may  
11      not submit a new application for 6 months after the date  
12      of the denial.”.

13      **SEC. 357. BASES FOR SUSPENSIONS AND DISQUALIFICA-**  
14                                   **TIONS.**

15      Section 12 of the Food Stamp Act of 1977 (7 U.S.C.  
16      2021) is amended—

17                   (1) by striking the section heading;

18                   (2) by striking “SEC. 12 (a) Any” and inserting  
19      the following:

20      **“SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION**  
21                                   **OF RETAIL FOOD STORES AND WHOLESALE**  
22                                   **FOOD CONCERNS.**

23                   “(a) DISQUALIFICATION.—

24                   “(1) IN GENERAL.—Any”: and

1           (3) in subsection (a), by adding at the end the  
2 following:

3           “(2) *BASIS.*—Regulations issued pursuant to  
4 this Act shall provide criteria for the finding of a vio-  
5 lation, and the suspension or disqualification of a re-  
6 tail food store or wholesale food concern, on the basis  
7 of evidence that may include facts established through  
8 on-site investigations, inconsistent redemption data,  
9 or evidence obtained through transaction reports  
10 under electronic benefits transfer systems.”.

11 **SEC. 358. DISQUALIFICATION OF STORES PENDING JUDI-**  
12 **CIAL AND ADMINISTRATIVE REVIEW.**

13           (a) *AUTHORITY.*—Section 12(a) of the Food Stamp Act  
14 of 1977 (7 U.S.C. 2021(a)) (as amended by section 357)  
15 is further amended by adding at the end the following:

16           “(3) *DISQUALIFICATION PENDING REVIEW.*—The  
17 regulations may establish criteria under which the  
18 authorization of a retail food store or wholesale food  
19 concern to accept and redeem coupons may be sus-  
20 pended at the time the store or concern is initially  
21 found to have committed a violation of a requirement  
22 of the food stamp program that would result in a per-  
23 manent disqualification. The suspension may coincide  
24 with the period of a review under section 14. The Sec-

1       retary shall not be liable for the value of any sales  
2       lost during a suspension or disqualification period.”.

3       (b) *REVIEW*.—Section 14(a) of the Act (7 U.S.C.  
4 2023(a)) is amended—

5             (1) in the first sentence, by striking “disqualified  
6       or subjected” and inserting “suspended, disqualified,  
7       or subjected”;

8             (2) in the fifth sentence, by inserting before the  
9       period at the end the following: “, except that, in the  
10      case of the suspension of a retail food store or whole-  
11      sale food concern under section 12(a)(3), the suspen-  
12      sion shall remain in effect pending any judicial or  
13      administrative review of the proposed disqualification  
14      action, and the period of suspension shall be consid-  
15      ered a part of any period of disqualification that is  
16      imposed”; and

17            (3) by striking the last sentence.

18 **SEC. 359. DISQUALIFICATION OF RETAILERS WHO ARE DIS-**  
19 **QUALIFIED UNDER THE WIC PROGRAM.**

20       Section 12 of the Food Stamp Act of 1977 (7 U.S.C.  
21 2021) is amended by adding at the end the following:

22       “(g) *DISQUALIFICATION OF RETAILERS WHO ARE*  
23 *DISQUALIFIED UNDER THE WIC PROGRAM.*—

24            “(1) *IN GENERAL.*—The Secretary shall issue  
25       regulations providing criteria for the disqualification

1 of an approved retail food store and a wholesale food  
 2 concern that is disqualified from accepting benefits  
 3 under the special supplemental nutrition program for  
 4 women, infants, and children established under sec-  
 5 tion 17 of the Child Nutrition Act of 1966 (7 U.S.C.  
 6 1786).

7 “(2) *TERMS.*—A disqualification under para-  
 8 graph (1)—

9 “(A) shall be for the same period as the dis-  
 10 qualification from the program referred to in  
 11 paragraph (1);

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

15 “(C) notwithstanding section 14, shall not  
 16 be subject to judicial or administrative review.”.

17 **SEC. 360. PERMANENT DEBARMENT OF RETAILERS WHO IN-**  
 18 **TENTIONALLY SUBMIT FALSIFIED APPLICA-**  
 19 **TIONS.**

20 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.  
 21 2021) (as amended by section 359) is further amended by  
 22 adding at the end the following:

23 “(h) *FALSIFIED APPLICATIONS.*—

24 “(1) *IN GENERAL.*—The Secretary shall issue  
 25 regulations providing for the permanent disqualifica-



1           “(i) any food stamp benefits and any  
2           property constituting, or derived from, or  
3           traceable to any proceeds the person ob-  
4           tained directly or indirectly as a result of  
5           the violation; and

6           “(ii) any food stamp benefits and any  
7           property of the person used, or intended to  
8           be used, in any manner or part, to commit,  
9           or to facilitate the commission of the viola-  
10          tion.

11          “(B) SENTENCE.—In imposing a sentence  
12          on a person under subparagraph (A), a court  
13          shall order that the person forfeit to the United  
14          States all property described in this subsection.

15          “(C) PROCEDURES.—Any food stamp bene-  
16          fits or property subject to forfeiture under this  
17          subsection, any seizure or disposition of the bene-  
18          fits or property, and any administrative or judi-  
19          cial proceeding relating to the benefits or prop-  
20          erty, shall be governed by subsections (b), (c), (e),  
21          and (g) through (p) of section 413 of the Com-  
22          prehensive Drug Abuse Prevention and Control  
23          Act of 1970 (21 U.S.C. 853), if not inconsistent  
24          with this subsection.

1           “(3) *EXCLUDED PROPERTY*.—This subsection  
2   shall not apply to property referred to in subsection  
3   (g).”

4 **SEC. 362. EFFECTIVE DATE.**

5       This subtitle and the amendments made by this sub-  
6 title shall become effective on October 1, 1995.

7           **TITLE IV—CHILD NUTRITION**  
8                           **PROGRAMS**

9           **Subtitle A—Reimbursement Rates**

10 **SEC. 401. TERMINATION OF ADDITIONAL PAYMENT FOR**  
11                           **LUNCHES SERVED IN HIGH FREE AND RE-**  
12                           **DUCE PRICE PARTICIPATION SCHOOLS.**

13       (a) *IN GENERAL*.—Section 4(b)(2) of the National  
14 School Lunch Act (42 U.S.C. 1753(b)(2)) is amended by  
15 striking “except that” and all that follows through “2 cents  
16 more”.

17       (b) *EFFECTIVE DATE*.—The amendment made by sub-  
18 section (a) shall become effective on July 1, 1996.

19 **SEC. 402. VALUE OF FOOD ASSISTANCE.**

20       (a) *IN GENERAL*.—Section 6(e)(1) of the National  
21 School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by  
22 striking subparagraph (B) and inserting the following:

23                           “(B) *ADJUSTMENTS*.—

24                                   “(i) *IN GENERAL*.—The value of food  
25 assistance for each meal shall be adjusted

1 each July 1 by the annual percentage  
2 change in a 3-month average value of the  
3 Price Index for Foods Used in Schools and  
4 Institutions for March, April, and May  
5 each year.

6 “(i) *ADJUSTMENTS*.—Except as other-  
7 wise provided in this subparagraph, in the  
8 case of each school year, the Secretary  
9 shall—

10 “(I) base the adjustment made  
11 under clause (i) on the amount of the  
12 unrounded adjustment for the preced-  
13 ing school year;

14 “(II) adjust the resulting amount  
15 in accordance with clause (i); and

16 “(III) round the result to the  
17 nearest lower cent increment.

18 “(ii) *ADJUSTMENT ON JANUARY 1,*  
19 *1996*.—On January 1, 1996, the Secretary  
20 shall adjust the value of food assistance for  
21 the remainder of the school year by round-  
22 ing the previously established value of food  
23 assistance to the nearest lower cent incre-  
24 ment.

1           “(iv) ADJUSTMENT FOR 1996-97  
2           SCHOOL YEAR.—In the case of the school  
3           year beginning July 1, 1996, the value of  
4           food assistance shall be the same as the  
5           value of food assistance in effect on June 30,  
6           1996.

7           “(v) ADJUSTMENT FOR 1997-98 SCHOOL  
8           YEAR.—In the case of the school year begin-  
9           ning July 1, 1997, the Secretary shall—

10           “(I) base the adjustment made  
11           under clause (i) on the amount of the  
12           unrounded adjustment for the value of  
13           food assistance for the school year be-  
14           ginning July 1, 1995;

15           “(II) adjust the resulting amount  
16           to reflect the annual percentage change  
17           in a 3-month average value of the  
18           Price Index for Foods Used in Schools  
19           and Institutions for March, April, and  
20           May for the most recent 12-month pe-  
21           riod for which the data are available;  
22           and

23           “(III) round the result to the  
24           nearest lower cent increment.”

1       (b) *EFFECTIVE DATE.*—The amendments made by sub-  
2 section (a) shall become effective on January 1, 1996.

3 **SEC. 403. LUNCHES, BREAKFASTS, AND SUPPLEMENTS.**

4       (a) *IN GENERAL.*—Section 11(a)(3)(B) of the National  
5 School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amend-  
6 ed—

7           (1) by designating the second and third sentences  
8 as subparagraphs (C) and (D), respectively; and

9           (2) by striking subparagraph (D) (as so des-  
10 ignated) and inserting the following:

11           “(D) *ROUNDING.*—Except as otherwise pro-  
12 vided in this paragraph, in the case of each  
13 school year, the Secretary shall—

14           “(i) base the adjustment made under  
15 this paragraph on the amount of the  
16 unrounded adjustment for the preceding  
17 school year;

18           “(ii) adjust the resulting amount in  
19 accordance with subparagraphs (B) and  
20 (C); and

21           “(iii) round the result to the nearest  
22 lower cent increment.

23       “(E) *ADJUSTMENT ON JANUARY 1, 1996.*—  
24 On January 1, 1996, the Secretary shall adjust  
25 the rates and factor for the remainder of the

1 school year by rounding the previously estab-  
2 lished rates and factor to the nearest lower cent  
3 increment.

4 "(F) ADJUSTMENT FOR 24-MONTH PERIOD  
5 BEGINNING JULY 1, 1996.—In the case of the 24-  
6 month period beginning July 1, 1996, the na-  
7 tional average payment rates for paid lunches,  
8 paid breakfasts, and paid supplements shall be  
9 the same as the national average payment rate  
10 for paid lunches, paid breakfasts, and paid sup-  
11 plements, respectively, for the school year begin-  
12 ning July 1, 1995, rounded to the nearest lower  
13 cent increment.

14 "(G) ADJUSTMENT FOR SCHOOL YEAR BE-  
15 GINNING JULY 1, 1998.—In the case of the school  
16 year beginning July 1, 1998, the Secretary  
17 shall—

18 "(i) base the adjustments made under  
19 this paragraph for—

20 "(I) paid lunches and paid break-  
21 fasts on the amount of the unrounded  
22 adjustment for paid lunches for the  
23 school year beginning July 1, 1995:  
24 and

1           “(II) paid supplements on the  
2           amount of the unrounded adjustment  
3           for paid supplements for the school  
4           year beginning July 1, 1995;

5           “(ii) adjust each resulting amount in  
6           accordance with subparagraph (C); and

7           “(iii) round each result to the nearest  
8           lower cent increment.”.

9           (b) *EFFECTIVE DATE.*—The amendments made by sub-  
10 section (a) shall become effective on January 1, 1996.

11 **SEC. 404. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**  
12 **DREN.**

13           (a) *IN GENERAL.*—Section 13(b) of the National  
14 School Lunch Act (42 U.S.C. 1761(b)) is amended—

15           (1) by striking “(b)(1)” and all that follows  
16 through the end of paragraph (1) and inserting the  
17 following:

18           “(b) *SERVICE INSTITUTIONS.*—

19           “(1) *PAYMENTS.*—

20           “(A) *IN GENERAL.*—Except as otherwise  
21 provided in this paragraph, payments to service  
22 institutions shall equal the full cost of food serv-  
23 ice operations (which cost shall include the costs  
24 of obtaining, preparing, and serving food, but  
25 shall not include administrative costs).

1           “(B) *MAXIMUM AMOUNTS.*—Subject to sub-  
2           paragraph (C), payments to any institution  
3           under subparagraph (A) shall not exceed—

4                     “(i) \$2 for each lunch and supper  
5                     served;

6                     “(ii) \$1.20 for each breakfast served;  
7                     and

8                     “(iii) 50 cents for each meal supple-  
9                     ment served.

10           “(C) *ADJUSTMENTS.*—Amounts specified in  
11           subparagraph (B) shall be adjusted each Janu-  
12           ary 1 to the nearest lower cent increment in ac-  
13           cordance with the changes for the 12-month pe-  
14           riod ending the preceding November 30 in the se-  
15           ries for food away from home of the Consumer  
16           Price Index for All Urban Consumers published  
17           by the Bureau of Labor Statistics of the Depart-  
18           ment of Labor. Each adjustment shall be based  
19           on the unrounded adjustment for the prior 12-  
20           month period.”;

21           (2) in the second sentence of paragraph (3), by  
22           striking “levels determined” and all that follows  
23           through “this subsection” and inserting “level deter-  
24           mined by the Secretary”; and

25           (3) by striking paragraph (4).

1       (b) *EFFECTIVE DATE.*—The amendments made by sub-  
2 section (a) shall become effective on January 1, 1996.

3 *SEC. 405. SPECIAL MILK PROGRAM.*

4       (a) *IN GENERAL.*—Section 3(a) of the Child Nutrition  
5 Act of 1966 (42 U.S.C. 1772(a)) is amended by striking  
6 paragraph (8) and inserting the following:

7           “(8) *ADJUSTMENTS.*—

8                   “(A) *IN GENERAL.*—Except as otherwise  
9 provided in this paragraph, in the case of each  
10 school year, the Secretary shall—

11                           “(i) base the adjustment made under  
12 paragraph (7) on the amount of the  
13 unrounded adjustment for the preceding  
14 school year;

15                           “(ii) adjust the resulting amount in  
16 accordance with paragraph (7); and

17                           “(iii) round the result to the nearest  
18 lower cent increment.

19                   “(B) *ADJUSTMENT ON JANUARY 1, 1996.*—

20                   On January 1, 1996, the Secretary shall adjust  
21 the minimum rate for the remainder of the  
22 school year by rounding the previously estab-  
23 lished minimum rate to the nearest lower cent  
24 increment.

1           “(C) ADJUSTMENT FOR 1996-97 SCHOOL  
2           YEAR.—In the case of the school year beginning  
3           July 1, 1996, the minimum rate shall be the  
4           same as the minimum rate in effect on June 30,  
5           1996.

6           “(D) ADJUSTMENT FOR 1997-98 SCHOOL  
7           YEAR.—In the case of the school year beginning  
8           July 1, 1997, the Secretary shall—

9                   “(i) base the adjustment made under  
10                  paragraph (7) on the amount of the  
11                  unrounded adjustment for the minimum  
12                  rate for the school year beginning July 1,  
13                  1995;

14                   “(ii) adjust the resulting amount to re-  
15                  flect changes in the Producer Price Index  
16                  for Fresh Processed Milk published by the  
17                  Bureau of Labor Statistics of the Depart-  
18                  ment of Labor for the most recent 12-month  
19                  period for which the data are available; and

20                   “(iii) round the result to the nearest  
21                  lower cent increment.”.

22           (b) EFFECTIVE DATE.—The amendment made by sub-  
23           section (a) shall become effective on January 1, 1996.

1 **SEC. 406. FREE AND REDUCED PRICE BREAKFASTS.**

2 (a) *IN GENERAL.*—Section 4(b) of the Child Nutrition  
3 Act of 1966 (42 U.S.C. 1773(b)) is amended—

4 (1) in the second sentence of paragraph (1)(B),  
5 by striking “, adjusted to the nearest one-fourth cent”  
6 and inserting “(as adjusted pursuant to section 11(a)  
7 of the National School Lunch Act (42 U.S.C.  
8 1759a(a))”; and

9 (2) in paragraph (2)(B)(ii)—

10 (A) by striking “nearest one-fourth cent”  
11 and inserting “nearest lower cent increment for  
12 the applicable school year”; and

13 (B) by inserting before the period at the end  
14 the following: “, and the adjustment required by  
15 this clause shall be based on the unrounded ad-  
16 justment for the preceding school year”.

17 (b) *EFFECTIVE DATE.*—The amendments made by sub-  
18 section (a) shall become effective on July 1, 1996.

19 **SEC. 407. CONFORMING REIMBURSEMENT FOR PAID BREAK-**  
20 **FASTS AND LUNCHES.**

21 (a) *IN GENERAL.*—The last sentence of section  
22 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C.  
23 1773(b)(1)(B)) is amended by striking “8.25 cents” and all  
24 that follows through “Act)” and inserting “the same as the  
25 national average lunch payment for paid meals established

1 under section 4(b) of the National School Lunch Act (42  
2 U.S.C. 1753(b))”.

3 (b) *EFFECTIVE DATE.*—The amendment made by sub-  
4 section (a) shall become effective on January 1, 1996.

## 5 **Subtitle B—Grant Programs**

### 6 **SEC. 411. SCHOOL BREAKFAST STARTUP GRANTS.**

7 Section 4 of the Child Nutrition Act of 1966 (42 U.S.C.  
8 1773) is amended by striking subsection (g).

### 9 **SEC. 412. NUTRITION EDUCATION AND TRAINING PRO-** 10 **GRAMS.**

11 Section 19(i)(2)(A) of the Child Nutrition Act of 1966  
12 (42 U.S.C. 1788(i)(2)(A)) is amended by striking  
13 “\$10,000,000” and inserting “\$7,000,000”.

### 14 **SEC. 413. EFFECTIVE DATE.**

15 The amendments made by this subtitle shall become  
16 effective on October 1, 1996.

## 17 **Subtitle C—Other Amendments**

### 18 **SEC. 421. FREE AND REDUCED PRICE POLICY STATEMENT.**

19 (a) *SCHOOL LUNCH PROGRAM.*—Section 9(b)(2) of the  
20 National School Lunch Act (42 U.S.C. 1758(b)(2)) is  
21 amended by adding at the end the following:

22 “(D) *FREE AND REDUCED PRICE POLICY*  
23 *STATEMENT.*—After the initial submission, a  
24 school shall not be required to submit a free and  
25 reduced price policy statement to a State edu-

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

9           **(b) SCHOOL BREAKFAST PROGRAM.**—Section 4(b)(1)  
10          of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1))  
11          is amended by adding at the end the following:

12                   **“(E) FREE AND REDUCED PRICE POLICY**  
13                   **STATEMENT.**—After the initial submission, a  
14                   school shall not be required to submit a free and  
15                   reduced price policy statement to a State edu-  
16                   cational agency under this Act unless there is a  
17                   substantive change in the free and reduced price  
18                   policy of the school. A routine change in the pol-  
19                   icy of a school, such as an annual adjustment of  
20                   the income eligibility guidelines for free and re-  
21                   duced price meals, shall not be sufficient cause  
22                   for requiring the school to submit a policy state-  
23                   ment.”.

1 SEC. 422. SUMMER FOOD SERVICE PROGRAM FOR CHIL-  
2 DREN.

3 (a) PERMITTING OFFER VERSUS SERVE.—Section  
4 13(f) of the National School Lunch Act (42 U.S.C. 1761(f))  
5 is amended—

6 (1) by striking “(f) Service” and inserting the  
7 following:

8 “(f) NUTRITIONAL STANDARDS.—

9 “(1) IN GENERAL.—Service”; and

10 (2) by adding at the end the following:

11 “(2) OFFER VERSUS SERVE.—A school food au-  
12 thority participating as a service institution may  
13 permit a child attending a site on school premises op-  
14 erated directly by the authority to refuse not more  
15 than 1 item of a meal that the child does not intend  
16 to consume. A refusal of an offered food item shall not  
17 affect the amount of payments made under this sec-  
18 tion to a school for the meal.”

19 (b) REMOVING MANDATORY NOTICE TO INSTITU-  
20 TIONS.—Section 13(n)(2) of the Act is amended by striking  
21 “and its plans and schedule” and inserting “except that  
22 the Secretary may not require a State to submit a plan  
23 or schedule”.

1 **SEC. 423. CHILD AND ADULT CARE FOOD PROGRAM.**

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

5 (1) by striking “and” at the end of subpara-  
6 graph (B);

7 (2) by striking the period at the end of subpara-  
8 graph (C) and inserting “; and”; and

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

10 “(D) in the case of a family or group day  
11 care home sponsoring organization that employs  
12 more than 1 employee, the organization does not  
13 base payments to an employee of the organiza-  
14 tion on the number of family or group day care  
15 homes recruited, managed, or monitored.”

16 (b) **IMPROVED TARGETING OF DAY CARE HOME REIM-  
17 BURSEMENTS.**—

18 (1) **RESTRUCTURED DAY CARE HOME REIM-  
19 BURSEMENTS.**—Section 17(f)(3) of the Act is amend-  
20 ed by striking “(3)(A) Institutions” and all that fol-  
21 lows through the end of subparagraph (A) and insert-  
22 ing the following:

23 “(3) **REIMBURSEMENT OF FAMILY OR GROUP DAY  
24 CARE HOME SPONSORING ORGANIZATIONS.**—

25 “(A) **REIMBURSEMENT FACTOR.**—

1           “(i) *IN GENERAL.*—An institution that  
2           participates in the program under this sec-  
3           tion as a family or group day care home  
4           sponsoring organization shall be provided,  
5           for payment to a home sponsored by the or-  
6           ganization, reimbursement factors in ac-  
7           cordance with this subparagraph for the  
8           cost of obtaining and preparing food and  
9           prescribed labor costs involved in providing  
10          meals under this section.

11           “(ii) *TIER 1 FAMILY OR GROUP DAY*  
12          *CARE HOMES.*—

13           “(I) *DEFINITION.*—In this para-  
14          graph, the term ‘tier 1 family or group  
15          day care home’ means—

16           “(aa) a family or group day  
17          care home that is located in a geo-  
18          graphic area, as defined by the  
19          Secretary based on census data, in  
20          which at least 50 percent of the  
21          children residing in the area are  
22          members of households whose in-  
23          comes meet the income eligibility  
24          guidelines for free or reduced price  
25          meals under section 9;

1           “(bb) a family or group day  
2           care home that is located in an  
3           area served by a school enrolling  
4           elementary students in which at  
5           least 50 percent of the total num-  
6           ber of children enrolled are cer-  
7           tified eligible to receive free or re-  
8           duced price school meals under  
9           this Act or the Child Nutrition  
10          Act of 1966 (42 U.S.C. 1771 et  
11          seq.); or

12          “(cc) a family or group day  
13          care home that is operated by a  
14          provider whose household meets  
15          the income eligibility guidelines  
16          for free or reduced price meals  
17          under section 9 and whose income  
18          is verified by the sponsoring orga-  
19          nization of the home under regu-  
20          lations established by the Sec-  
21          retary.

22          “(II) REIMBURSEMENT.—Except  
23          as provided in subclause (III), a tier I  
24          family or group day care home shall be  
25          provided reimbursement factors under

1 this clause without a requirement for  
2 documentation of the costs described in  
3 clause (i), except that reimbursement  
4 shall not be provided under this  
5 subclause for meals or supplements  
6 served to the children of a person act-  
7 ing as a family or group day care  
8 home provider unless the children meet  
9 the income eligibility guidelines for  
10 free or reduced price meals under sec-  
11 tion 9.

12 “(III) FACTORS.—Except as pro-  
13 vided in subclause (IV), the reimburse-  
14 ment factors applied to a home referred  
15 to in subclause (II) shall be the factors  
16 in effect on the date of enactment of  
17 this subclause.

18 “(IV) ADJUSTMENTS.—The reim-  
19 bursement factors under this subpara-  
20 graph shall be adjusted on August 1,  
21 1996, July 1, 1997, and each July 1  
22 thereafter, to reflect changes in the  
23 Consumer Price Index for food at home  
24 for the most recent 12-month period for  
25 which the data are available. The re-

1           imbursement factors under this sub-  
2           paragraph shall be rounded to the  
3           nearest lower cent increment and based  
4           on the unrounded adjustment in effect  
5           on June 30 of the preceding school  
6           year.

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

9           “(I) IN GENERAL.—

10           “(aa) FACTORS.—Except as  
11           provided in subclause (II), with  
12           respect to meals or supplements  
13           served under this clause by a fam-  
14           ily or group day care home that  
15           does not meet the criteria set forth  
16           in clause (ii)(I), the reimburse-  
17           ment factors shall be \$1 for  
18           lunches and suppers, 30 cents for  
19           breakfasts, and 15 cents for sup-  
20           plements.

21           “(bb) ADJUSTMENTS.—The  
22           factors shall be adjusted on July  
23           1, 1997, and each July 1 there-  
24           after, to reflect changes in the  
25           Consumer Price Index for food at

1 home for the most recent 12-month  
2 period for which the data are  
3 available. The reimbursement fac-  
4 tors under this item shall be  
5 rounded down to the nearest lower  
6 cent increment and based on the  
7 unrounded adjustment for the pre-  
8 ceding 12-month period.

9 "(cc) REIMBURSEMENT.—A  
10 family or group day care home  
11 shall be provided reimbursement  
12 factors under this subclause with-  
13 out a requirement for documenta-  
14 tion of the costs described in  
15 clause (i), except that reimburse-  
16 ment shall not be provided under  
17 this subclause for meals or supple-  
18 ments served to the children of a  
19 person acting as a family or  
20 group day care home provider un-  
21 less the children meet the income  
22 eligibility guidelines for free or re-  
23 duced price meals under section 9.

24 "(II) OTHER FACTORS.—A family  
25 or group day care home that does not

1 meet the criteria set forth in clause  
2 (ii)(I) may elect to be provided reim-  
3 bursement factors determined in ac-  
4 cordance with the following require-  
5 ments:

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

19 " (bb) INELIGIBLE CHIL-  
20 DREN.—In the case of meals or  
21 supplements served under this  
22 subsection to children who are  
23 members of households whose in-  
24 comes do not meet the income eli-  
25 gibility guidelines, the family or

1 group day care home shall be pro-  
2 vided reimbursement factors in  
3 accordance with subclause (I).

4 "(III) INFORMATION AND DETER-  
5 MINATIONS.—

6 "(aa) IN GENERAL.—If a  
7 family or group day care home  
8 elects to claim the factors de-  
9 scribed in subclause (II), the fam-  
10 ily or group day care home spon-  
11 soring organization serving the  
12 home shall collect the necessary  
13 income information, as deter-  
14 mined by the Secretary, from any  
15 parent or other caretaker to make  
16 the determinations specified in  
17 subclause (II) and shall make the  
18 determinations in accordance  
19 with rules prescribed by the Sec-  
20 retary.

21 "(bb) CATEGORICAL ELIGI-  
22 BILITY.—In making a determina-  
23 tion under item (aa), a family or  
24 group day care home sponsoring  
25 organization may consider a child

1 participating in or subsidized  
2 under, or a child with a parent  
3 participating in or subsidized  
4 under, a federally or State sup-  
5 ported child care or other benefit  
6 program with an income eligi-  
7 bility limit that does not exceed  
8 the eligibility standard for free or  
9 reduced price meals under section  
10 9 to be a child who is a member  
11 of a household whose income meets  
12 the income eligibility guidelines  
13 under section 9.

14 "(cc) *FACTORS FOR CHIL-*  
15 *DREN ONLY.*—A family or group  
16 day care home may elect to re-  
17 ceive the reimbursement factors  
18 prescribed under clause (ii)(III)  
19 solely for the children participat-  
20 ing in a program referred to in  
21 item (bb) if the home elects not to  
22 have income statements collected  
23 from parents or other caretakers.

24 "(IV) *SIMPLIFIED MEAL COUNT-*  
25 *ING AND REPORTING PROCEDURES.*—

1           The Secretary shall prescribe sim-  
2           plified meal counting and reporting  
3           procedures for use by a family or  
4           group day care home that elects to  
5           claim the factors under subclause (II)  
6           and by a family or group day care  
7           home sponsoring organization that  
8           sponsors the home. The procedures the  
9           Secretary prescribes may include 1 or  
10          more of the following:

11                   “(aa) Setting an annual per-  
12                   centage for each home of the num-  
13                   ber of meals served that are to be  
14                   reimbursed in accordance with the  
15                   reimbursement factors prescribed  
16                   under clause (ii)(III) and an an-  
17                   nual percentage of the number of  
18                   meals served that are to be reim-  
19                   bursed in accordance with the re-  
20                   imbursement factors prescribed  
21                   under subclause (I), based on the  
22                   family income of children enrolled  
23                   in the home in a specified month  
24                   or other period.

1           “(bb) Placing a home into 1  
2           of 2 or more reimbursement cat-  
3           egories annually based on the per-  
4           centage of children in the home  
5           whose households have incomes  
6           that meet the income eligibility  
7           guidelines under section 9, with  
8           each such reimbursement category  
9           carrying a set of reimbursement  
10          factors such as the factors pre-  
11          scribed under clause (ii)(III) or  
12          subclause (I) or factors established  
13          within the range of factors pre-  
14          scribed under clause (ii)(III) and  
15          subclause (I).

16           “(cc) Such other simplified  
17          procedures as the Secretary may  
18          prescribe.

19           “(V) MINIMUM VERIFICATION RE-  
20          QUIREMENTS.—The Secretary may es-  
21          tablish any necessary minimum ver-  
22          ification requirements.”

23           (2) GRANTS TO STATES TO PROVIDE ASSISTANCE  
24          TO FAMILY OR GROUP DAY CARE HOMES.—Section

1 17(f)(3) of the Act is amended by adding at the end  
2 the following:

3           “(D) GRANTS TO STATES TO PROVIDE AS-  
4           SISTANCE TO FAMILY OR GROUP DAY CARE  
5           HOMES.—

6           “(i) IN GENERAL.—

7                   “(I) RESERVATION.—From  
8           amounts made available to carry out  
9           this section, the Secretary shall reserve  
10           \$5,000,000 of the amount made avail-  
11           able for fiscal year 1996.

12                   “(II) PURPOSE.—The Secretary  
13           shall use the funds made available  
14           under subclause (I) to provide grants  
15           to States for the purpose of provid-  
16           ing—

17                           “(aa) assistance, including  
18                           grants, to family and day care  
19                           home sponsoring organizations  
20                           and other appropriate organiza-  
21                           tions, in securing and providing  
22                           training, materials, automated  
23                           data processing assistance, and  
24                           other assistance for the staff of the  
25                           sponsoring organizations; and

1                   “(bb) training and other as-  
2                   sistance to family and group day  
3                   care homes in the implementation  
4                   of the amendments to subpara-  
5                   graph (A) made by section  
6                   423(b)(1) of the Work Oppor-  
7                   tunity Act of 1995.

8                   “(i) ALLOCATION.—The Secretary  
9                   shall allocate from the funds reserved under  
10                  clause (i)(I)—

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

13                  “(II) any remaining amount  
14                  among the States, based on the number  
15                  of family day care homes participating  
16                  in the program in a State during fis-  
17                  cal year 1994 as a percentage of the  
18                  number of all family day care homes  
19                  participating in the program during  
20                  fiscal year 1994.

21                  “(iii) RETENTION OF FUNDS.—Of the  
22                  amount of funds made available to a State  
23                  for fiscal year 1996 under clause (i), the  
24                  State may retain not to exceed 30 percent

1 of the amount to carry out this subpara-  
2 graph.

3 “(iv) *ADDITIONAL PAYMENTS.*—Any  
4 payments received under this subparagraph  
5 shall be in addition to payments that a  
6 State receives under subparagraph (A) (as  
7 amended by section 423(b)(1) of the Work  
8 Opportunity Act of 1995).”

9 (3) *PROVISION OF DATA.*—Section 17(f)(3) of the  
10 Act (as amended by paragraph (2)) is further amend-  
11 ed by adding at the end the following:

12 “(E) *PROVISION OF DATA TO FAMILY OR*  
13 *GROUP DAY CARE HOME SPONSORING ORGANIZA-*  
14 *TION.*—

15 “(i) *CENSUS DATA.*—The Secretary  
16 shall provide to each State agency admin-  
17 istering a child and adult care food pro-  
18 gram under this section data from the most  
19 recent decennial census survey or other ap-  
20 propriate census survey for which the data  
21 are available showing which areas in the  
22 State meet the requirements of subpara-  
23 graph (A)(ii)(I)(aa). The State agency shall  
24 provide the data to family or group day

1 care home sponsoring organizations located  
2 in the State.

3 "(ii) SCHOOL DATA.—

4 "(I) IN GENERAL.—A State agen-  
5 cy administering the school lunch pro-  
6 gram under this Act or the school  
7 breakfast program under the Child Nu-  
8 trition Act of 1966 (42 U.S.C. 1771 et  
9 seq.) shall provide to approved family  
10 or group day care home sponsoring or-  
11 ganizations a list of schools serving ele-  
12 mentary school children in the State in  
13 which not less than  $\frac{1}{2}$  of the children  
14 enrolled are certified to receive free or  
15 reduced price meals. The State agency  
16 shall collect the data necessary to cre-  
17 ate the list annually and provide the  
18 list on a timely basis to any approved  
19 family or group day care home spon-  
20 soring organization that requests the  
21 list.

22 "(II) USE OF DATA FROM PRE-  
23 CEDING SCHOOL YEAR.—In determin-  
24 ing for a fiscal year or other annual  
25 period whether a home qualifies as a

1 tier I family or group day care home  
2 under subparagraph (A)(ii)(I), the  
3 State agency administering the pro-  
4 gram under this section, and a family  
5 or group day care home sponsoring or-  
6 ganization, shall use the most current  
7 available data at the time of the deter-  
8 mination.

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

24 (4) CONFORMING AMENDMENTS.—Section 17(c)  
25 of the Act is amended by inserting “except as pro-

1       vided in subsection (f)(3)," after "For purposes of this  
2       section," each place it appears in paragraphs (1), (2),  
3       and (3).

4       (c) *DISALLOWING MEAL CLAIMS.*—The fourth sentence  
5       of section 17(f)(4) of the Act is amended by inserting "(in-  
6       cluding institutions that are not family or group day care  
7       home sponsoring organizations)" after "institutions".

8       (d) *ELIMINATION OF STATE PAPERWORK AND OUT-  
9       REACH BURDEN.*—Section 17 of the Act is amended by  
10      striking subsection (k) and inserting the following:

11      "(k) *TRAINING AND TECHNICAL ASSISTANCE.*—A  
12      State participating in the program established under this  
13      section shall provide sufficient training, technical assist-  
14      ance, and monitoring to facilitate effective operation of the  
15      program. The Secretary shall assist the State in developing  
16      plans to fulfill the requirements of this subsection."

17      (f) *STUDY OF IMPACT OF AMENDMENTS ON PROGRAM  
18      PARTICIPATION AND FAMILY DAY CARE LICENSING.*—

19           (1) *IN GENERAL.*—The Secretary of Agriculture,  
20      in conjunction with the Secretary of Health and  
21      Human Services, shall study the impact of the  
22      amendments made by this section on—

23           (A) the number of family day care homes  
24      participating in the child and adult care food

1 program established under section 17 of the Na-  
2 tional School Lunch Act (42 U.S.C. 1766);

3 (B) the number of day care home sponsor-  
4 ing organizations participating in the program;

5 (C) the number of day care homes that are  
6 licensed, certified, registered, or approved by  
7 each State in accordance with regulations issued  
8 by the Secretary;

9 (D) the rate of growth of the numbers re-  
10 ferred to in subparagraphs (A) through (C);

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

13 (i) received reimbursement under the  
14 program prior to the amendments made by  
15 this section but do not receive reimburse-  
16 ment after the amendments made by this  
17 section; or

18 (ii) received full reimbursement under  
19 the program prior to the amendments made  
20 by this section but do not receive full reim-  
21 bursement after the amendments made by  
22 this section; and

23 (F) the proportion of low-income children  
24 participating in the program prior to the  
25 amendments made by this section and the pro-

1           portion of low-income children participating in  
2           the program after the amendments made by this  
3           section.

4           (2) *REQUIRED DATA.*—Each State agency par-  
5           ticipating in the child and adult care food program  
6           under section 17 of the National School Lunch Act  
7           (42 U.S.C. 1766) shall submit to the Secretary data  
8           on—

9                   (A) the number of family day care homes  
10                  participating in the program on July 31, 1996,  
11                  and July 31, 1997;

12                  (B) the number of family day care homes li-  
13                  censed, certified, registered, or approved for serv-  
14                  ice on July 31, 1996, and July 31, 1997; and

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

17           (3) *SUBMISSION OF REPORT.*—Not later than 2  
18           years after the effective date of section 423 of this Act,  
19           the Secretary shall submit the study required under  
20           this subsection to the Committee on Economic and  
21           Educational Opportunities of the House of Represent-  
22           atives and the Committee on Agriculture, Nutrition,  
23           and Forestry of the Senate.

24           (f) *EFFECTIVE DATE.*—

1           (1) *IN GENERAL.*—Except as provided in para-  
2 graph (2), the amendments made by this section shall  
3 become effective on the date of enactment of this Act.

4           (2) *IMPROVED TARGETING OF DAY CARE HOME*  
5 *REIMBURSEMENTS.*—The amendments made by para-  
6 graphs (1), (3), and (4) of subsection (b) shall become  
7 effective on August 1, 1996.

8           (3) *REGULATIONS.*—

9           (A) *INTERIM REGULATIONS.*—Not later than  
10 February 1, 1996, the Secretary shall issue in-  
11 terim regulations to implement—

12           (i) the amendments made by para-  
13 graphs (1), (3), and (4) of subsection (b);  
14 and

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

18           (B) *FINAL REGULATIONS.*—Not later than  
19 August 1, 1996, the Secretary shall issue final  
20 regulations to implement the provisions of law  
21 referred to in subparagraph (A).

1 SEC. 424. REDUCING REQUIRED REPORTS TO STATE AGEN-  
2 CIES AND SCHOOLS.

3 Section 19 of the National School Lunch Act (42  
4 U.S.C. 1769a) is amended by striking subsection (c) and  
5 inserting the following:

6 "(c) REPORT.—Not later than 1 year after the date  
7 of enactment of the Work Opportunity Act of 1995, the Sec-  
8 retary shall—

9 "(1) review all reporting requirements under this  
10 Act and the Child Nutrition Act of 1966 (42 U.S.C.  
11 1771 et seq.) that are in effect, as of the date of enact-  
12 ment of the Work Opportunity Act of 1995, for agen-  
13 cies and schools referred to in subsection (a); and

14 "(2) provide a report to the Committee on Eco-  
15 nomic and Educational Opportunities of the House of  
16 Representatives and the Committee on Agriculture,  
17 Nutrition, and Forestry of the Senate that—

18 "(A) describes the reporting requirements  
19 described in paragraph (1) that are required by  
20 law;

21 "(B) makes recommendations concerning  
22 the elimination of any requirement described in  
23 subparagraph (A) because the contribution of the  
24 requirement to program effectiveness is not suffi-  
25 cient to warrant the paperwork burden that is

1 placed on agencies and schools referred to in sub-  
2 section (a); and

3 “(C) provides a justification for reporting  
4 requirements described in paragraph (1) that are  
5 required solely by regulation.”

## 6 **Subtitle D—Reauthorization**

### 7 **SEC. 431. COMMODITY DISTRIBUTION PROGRAM; COMMOD- 8 ITY SUPPLEMENTAL FOOD PROGRAM.**

9 (a) *REAUTHORIZATION.*—The first sentence of section  
10 4(a) of the Agriculture and Consumer Protection Act of  
11 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended  
12 by striking “1995” and inserting “2002”.

13 (b) *ADMINISTRATIVE FUNDING.*—Section 5(a)(2) of the  
14 Act (Public Law 93–86; 7 U.S.C. 612c note) is amended  
15 by striking “1995” and inserting “2002”.

### 16 **SEC. 432. EMERGENCY FOOD ASSISTANCE PROGRAM.**

17 (a) *REAUTHORIZATION.*—The first sentence of section  
18 204(a)(1) of the Emergency Food Assistance Act of 1983  
19 (Public Law 98–8; 7 U.S.C. 612c note) is amended by strik-  
20 ing “1995” and inserting “2002”.

21 (b) *PROGRAM TERMINATION.*—Section 212 of the Act  
22 (Public Law 98–8; 7 U.S.C. 612c note) is amended by strik-  
23 ing “1995” and inserting “2002”.

1       (c) *REQUIRED PURCHASES OF COMMODITIES.*—Sec-  
2       tion 214 of the Act (Public Law 98-8; 7 U.S.C. 612c note)  
3       is amended—

4             (1) in the first sentence of subsection (a), by  
5       striking “1995” and inserting “2002”; and

6             (2) in subsection (e), by striking “1995” each  
7       place it appears and inserting “2002”.

8       (d) *EXTENSION.*—Section 13962 of the Omnibus Budg-  
9       et Reconciliation Act of 1993 (Public Law 103-66; 107  
10      Stat. 680) is amended by striking “1994, 1995, and 1996”  
11      each place it appears and inserting “1994 through 2002”.

12      **SEC. 433. SOUP KITCHENS PROGRAM.**

13      Section 110 of the Hunger Prevention Act of 1988  
14      (Public Law 100-435; 7 U.S.C. 612c note) is amended—

15             (1) in the first sentence of subsection (a), by  
16       striking “1995” and inserting “2002”; and

17             (2) in subsection (c)(2)—

18                 (A) in the paragraph heading, by striking  
19       “1995” and inserting “2002”; and

20                 (B) by striking “1995” each place it ap-  
21       pears and inserting “2002”.

22      **SEC. 434. NATIONAL COMMODITY PROCESSING.**

23      The first sentence of section 1114(a)(2)(A) of the Agri-  
24      culture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is  
25      amended by striking “1995” and inserting “2002”.

1 **SEC. 435. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

2           Section 5(d)(2) of the Agriculture and Consumer  
3           Protection Act of 1973 (Public Law 93-86; 7 U.S.C.  
4           612c note) is amended by striking "1995" and insert-  
5           ing "2002".

6                           **TITLE V—NONCITIZENS**

7 **SEC. 501. STATE OPTION TO PROHIBIT ASSISTANCE FOR**  
8                           **CERTAIN ALIENS.**

9           (a) *IN GENERAL.*—A State may, at its option, prohibit  
10           the use of any Federal funds received for the provision of  
11           assistance under any means-tested public assistance pro-  
12           gram for any individual who is a noncitizen of the United  
13           States.

14           (b) *EXCEPTIONS.*—Subsection (a) shall not apply to—  
15                       (1) any individual who is described in subclause  
16                       (II), (III), or (IV) of section 1614(a)(1)(B)(i) of the  
17                       Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i));  
18                       and

19                       (2) any program described in section 502(f)(2).

20 **SEC. 502. DEEMED INCOME REQUIREMENT FOR FEDERAL**  
21                           **AND FEDERALLY FUNDED PROGRAMS.**

22           (a) *DEEMING REQUIREMENT FOR FEDERAL AND FED-*  
23           *ERALLY FUNDED PROGRAMS.*—Subject to subsection (d), for  
24           purposes of determining the eligibility of an individual  
25           (whether a citizen or national of the United States or an  
26           alien) for assistance and the amount of assistance, under

1 any Federal program of assistance provided or funded, in  
2 whole or in part, by the Federal Government for which eli-  
3 gibility is based on need, the income and resources described  
4 in subsection (b) shall, notwithstanding any other provision  
5 of law, be deemed to be the income and resources of such  
6 individual.

7 (b) *DEEMED INCOME AND RESOURCES.*—The income  
8 and resources described in this subsection include the follow-  
9 ing:

10 (1) The income and resources of any person who,  
11 as a sponsor of such individual's entry into the Unit-  
12 ed States, or in order to enable such individual law-  
13 fully to remain in the United States, executed an affi-  
14 davit of support or similar agreement with respect to  
15 such individual.

16 (2) The income and resources of the sponsor's  
17 spouse.

18 (c) *LENGTH OF DEEMING PERIOD.*—The requirement  
19 of subsection (a) shall apply for the period for which the  
20 sponsor has agreed, in such affidavit or agreement, to pro-  
21 vide support for such individual, or for a period of 5 years  
22 beginning on the date such individual was first lawfully  
23 in the United States after the execution of such affidavit  
24 or agreement, whichever period is longer.

1     (d) *LIMITATION ON MEASUREMENT OF DEEMED IN-*  
2 *COME AND RESOURCES.—*

3           (1) *IN GENERAL.—If a determination described*  
4 *in paragraph (2) is made, the amount of income and*  
5 *resources of the sponsor or the sponsor's spouse which*  
6 *shall be attributed to the sponsored individual shall*  
7 *not exceed the amount actually provided, for a period*  
8 *beginning on the date of such determination and last-*  
9 *ing 12 months or, if the address of the sponsor is un-*  
10 *known to the sponsored individual on the date of such*  
11 *determination, for 12 months after the address be-*  
12 *comes known to the sponsored individual or to the*  
13 *agency (which shall inform such individual within 7*  
14 *days).*

15           (2) *DETERMINATION.—The determination de-*  
16 *scribed in this paragraph is a determination by an*  
17 *agency that a sponsored individual would, in the ab-*  
18 *sence of the assistance provided by the agency, be un-*  
19 *able to obtain food and shelter, taking into account*  
20 *the individual's own income, plus any cash, food,*  
21 *housing, or other assistance provided by other indi-*  
22 *viduals, including the sponsor.*

23     (e) *DEEMING AUTHORITY TO STATE AND LOCAL AGEN-*  
24 *CIES.—*

1           (1) *IN GENERAL.*—Notwithstanding any other  
2 provision of law, but subject to an exception equiva-  
3 lent to that in subsection (d), the State or local gov-  
4 ernment may, for purposes of determining the eligi-  
5 bility of an individual (whether a citizen or national  
6 of the United States or an alien) for assistance, and  
7 the amount of assistance, under any State or local  
8 program of assistance for which eligibility is based on  
9 need, or any need-based program of assistance admin-  
10 istered by a State or local government other than a  
11 program described in subsection (a), require that the  
12 income and resources described in paragraph (2) be  
13 deemed to be the income and resources of such indi-  
14 vidual.

15           (2) *DEEMED INCOME AND RESOURCES.*—The in-  
16 come and resources described in this paragraph in-  
17 clude the following:

18           (A) *The income and resources of any person*  
19 *who, as a sponsor of such individual's entry into*  
20 *the United States, or in order to enable such in-*  
21 *dividual lawfully to remain in the United*  
22 *States, executed an affidavit of support or simi-*  
23 *lar agreement with respect to such individual.*

24           (B) *The income and resources of the spon-*  
25 *sor's spouse.*

1           (3) *LENGTH OF DEEMED INCOME PERIOD.*—Sub-  
2     ject to an exception equivalent to subsection (d), a  
3     State or local government may impose a requirement  
4     described in paragraph (1) for the period for which  
5     the sponsor has agreed, in such affidavit or agree-  
6     ment, to provide support for such individual, or for  
7     a period of 5 years beginning on the date such indi-  
8     vidual was first lawfully in the United States after  
9     the execution of such affidavit or agreement, which-  
10    ever period is longer.

11    (f) *APPLICABILITY OF SECTION.*—

12           (1) *INDIVIDUALS.*—The provisions of this section  
13    shall not apply to the eligibility of any individual  
14    who is described in subclause (II), (III), or (IV) of  
15    section 1614(a)(1)(B)(i) of the Social Security Act  
16    (42 U.S.C. 1382c(a)(1)(B)(i)).

17           (2) *PROGRAMS.*—The provisions of this section  
18    shall not apply to eligibility for—

19           (A) emergency medical services under title  
20           XIX of the Social Security Act (42 U.S.C. 1396  
21           et seq.);

22           (B) short-term emergency disaster relief;

23           (C) assistance or benefits under the Na-  
24           tional School Lunch Act;

1           (D) assistance or benefits under the Child  
2           Nutrition Act of 1966;

3           (E) public health assistance for immuniza-  
4           tions with respect to immunizable diseases and  
5           for testing and treatment for communicable dis-  
6           eases if the Secretary of Health and Human  
7           Services determines that such testing and treat-  
8           ment is necessary;

9           (F) the Head Start program (42 U.S.C.  
10          9801); and

11          (G) programs specified by the Attorney  
12          General, in the Attorney General's sole and  
13          unreviewable discretion after consultation with  
14          appropriate Federal agencies and departments,  
15          which (i) deliver services at the community level,  
16          including through public or private nonprofit  
17          agencies; (ii) do not condition the provision of  
18          assistance, the amount of assistance provided, or  
19          the cost of assistance provided on the individual  
20          recipient's income or resources; and (iii) are nec-  
21          essary for the protection of life, safety, or public  
22          health.

23          (g) CONFORMING AMENDMENTS.—

24                 (1) Section 1621 of the Social Security Act (42  
25                 U.S.C. 1382j) is repealed.

1           (2) Section 1614(f)(3) of such Act (42 U.S.C.  
2           1382c(f)(3)) is amended by striking "section 1621"  
3           and inserting "section 502 of the Work Opportunity  
4           Act of 1995".

5   **SEC. 503. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**  
6                                   **SUPPORT.**

7           (a) *ENFORCEABILITY*.—No affidavit of support may be  
8           relied upon by the Attorney General or by any consular  
9           officer to establish that an alien is not excludable as a pub-  
10          lic charge under section 212(a)(4) of the Immigration and  
11          Nationality Act unless such affidavit is executed as a con-  
12          tract—

13                   (1) which is legally enforceable against the spon-  
14          sor by the sponsored individual, by the Federal Gov-  
15          ernment, and by any State, district, territory, or pos-  
16          session of the United States (or any subdivision of  
17          such State, district, territory, or possession of the  
18          United States) which provides any benefit under a  
19          program described in subsection (d)(2), but not later  
20          than 10 years after the sponsored individual last re-  
21          ceives any such benefit;

22                   (2) in which the sponsor agrees to financially  
23          support the sponsored individual, so that he or she  
24          will not become a public charge, until the sponsored

1 individual has worked in the United States for 40  
2 qualifying quarters; and

3 (3) in which the sponsor agrees to submit to the  
4 jurisdiction of any Federal or State court for the pur-  
5 pose of actions brought under subsection (d)(4).

6 (b) FORMS.—Not later than 90 days after the date of  
7 the enactment of this Act, the Secretary of State, the Attor-  
8 ney General, and the Secretary of Health and Human Serv-  
9 ices shall jointly formulate the affidavit of support described  
10 in this section.

11 (c) NOTIFICATION OF CHANGE OF ADDRESS.—

12 (1) IN GENERAL.—The sponsor shall notify the  
13 Attorney General and the State, district, territory, or  
14 possession in which the sponsored individual is cur-  
15 rently resident within 30 days of any change of ad-  
16 dress of the sponsor during the period specified in  
17 subsection (a)(1).

18 (2) PENALTY.—Any person subject to the re-  
19 quirement of paragraph (1) who fails to satisfy such  
20 requirement shall be subject to a civil penalty of—

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

22 or

23 (B) if such failure occurs with knowledge  
24 that the sponsored individual has received any  
25 benefit described in section 241(a)(5)(C) of the

1           *Immigration and Nationality Act, not less than*  
2           *\$2,000 or more than \$5,000.*

3           *(d) REIMBURSEMENT OF GOVERNMENT EXPENSES.—*

4           *(1) IN GENERAL.—Upon notification that a*  
5           *sponsored individual has received any benefit under*  
6           *a program described in paragraph (2), the appro-*  
7           *priate Federal, State, or local official shall request re-*  
8           *imbursement by the sponsor in the amount of such as-*  
9           *istance.*

10           *(2) PROGRAMS DESCRIBED.—The programs de-*  
11           *scribed in this paragraph include the following:*

12                   *(A) Assistance under a State program fund-*  
13                   *ed under part A of title IV of the Social Security*  
14                   *Act.*

15                   *(B) The medicaid program under title XIX*  
16                   *of the Social Security Act.*

17                   *(C) The food stamp program under the*  
18                   *Food Stamp Act of 1977.*

19                   *(D) The supplemental security income pro-*  
20                   *gram under title XVI of the Social Security Act.*

21                   *(E) Any State general assistance program.*

22                   *(F) Any other program of assistance funded,*  
23                   *in whole or in part, by the Federal Government*  
24                   *or any State or local government entity, for*

1           which eligibility for benefits is based on need, ex-  
2           cept the programs specified in section 502(f)(2).

3           (3) *REGULATIONS.*—The Commissioner of Social  
4           Security shall prescribe such regulations as may be  
5           necessary to carry out paragraph (1). Such regula-  
6           tions shall provide for notification to the sponsor by  
7           certified mail to the sponsor's last known address.

8           (4) *REIMBURSEMENT.*—If within 45 days after  
9           requesting reimbursement, the appropriate Federal,  
10          State, or local agency has not received a response  
11          from the sponsor indicating a willingness to com-  
12          mence payments, an action may be brought against  
13          the sponsor pursuant to the affidavit of support.

14          (5) *ACTION IN CASE OF FAILURE.*—If the sponsor  
15          fails to abide by the repayment terms established by  
16          such agency, the agency may, within 60 days of such  
17          failure, bring an action against the sponsor pursuant  
18          to the affidavit of support.

19          (6) *STATUTE OF LIMITATIONS.*—No cause of ac-  
20          tion may be brought under this subsection later than  
21          10 years after the sponsored individual last received  
22          any benefit under a program described in paragraph  
23          (2).

24          (e) *JURISDICTION.*—For purposes of this section, no  
25          State court shall decline for lack of jurisdiction to hear any

1 action brought against a sponsor for reimbursement of the  
2 cost of any benefit under a program described in subsection  
3 (d)(2) if the sponsored individual received public assistance  
4 while residing in the State.

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

6 (1) the term "sponsor" means an individual  
7 who—

8 (A) is a United States citizen or national  
9 or an alien who is lawfully admitted to the  
10 United States for permanent residence;

11 (B) is 18 years of age or over;

12 (C) is domiciled in any of the several States  
13 of the United States, the District of Columbia, or  
14 any territory or possession of the United States;  
15 and

16 (D) demonstrates the means to maintain an  
17 annual income equal to at least 200 percent of  
18 the poverty line for the individual and the indi-  
19 vidual's family (including the sponsored individ-  
20 ual), through evidence that shall include a copy  
21 of the individual's Federal income tax returns  
22 for his or her most recent two taxable years and  
23 a written statement, executed under oath or as  
24 permitted under penalty of perjury under section

1 1746 of title 28, United States Code, that the  
2 copies are true copies of such returns;

3 (2) the term "poverty line" has the same mean-  
4 ing given such term in section 673(2) of the Commu-  
5 nity Services Block Grant Act (42 U.S.C. 9902(2));  
6 and

7 (3) the term "qualifying quarter" means a three-  
8 month period in which the sponsored individual  
9 has—

10 (A) earned at least the minimum necessary  
11 for the period to count as one of the 40 calendar  
12 quarters required to qualify for social security  
13 retirement benefits;

14 (B) not received need-based public assist-  
15 ance; and

16 (C) had income tax liability for the tax  
17 year of which the period was part.

18 **SEC. 504. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI**  
19 **BENEFITS.**

20 (a) *IN GENERAL.*—Paragraph (1) of section 1614(a)  
21 of the Social Security Act (42 U.S.C. 1382c(a)) is amend-  
22 ed—

23 (1) in subparagraph (B)(i), by striking "either"  
24 and all that follows through ", or" and inserting "(I)  
25 a citizen; (II) a noncitizen who is granted asylum

1 under section 208 of the Immigration and National-  
2 ity Act or whose deportation has been withheld under  
3 section 243(h) of such Act for a period of not more  
4 than 5 years after the date of arrival into the United  
5 States; (III) a noncitizen who is admitted to the  
6 United States as a refugee under section 207 of such  
7 Act for not more than such 5-year period; (IV) a  
8 noncitizen, lawfully present in any State (or any ter-  
9 ritory or possession of the United States), who is a  
10 veteran (as defined in section 101 of title 38, United  
11 States Code) with a discharge characterized as an  
12 honorable discharge and not on account of alienage or  
13 who is the spouse or unmarried dependent child of  
14 such veteran; or (V) a noncitizen who has worked suf-  
15 ficient calendar quarters of coverage to be a fully in-  
16 sured individual for benefits under title II, or"; and  
17 (2) by adding at the end the following new flush  
18 sentence:

19 "For purposes of subparagraph (B)(i)(IV), the determina-  
20 tion of whether a noncitizen is lawfully present in the Unit-  
21 ed States shall be made in accordance with regulations of  
22 the Attorney General. A noncitizen shall not be considered  
23 to be lawfully present in the United States for purposes of  
24 this title merely because the noncitizen may be considered

1 to be permanently residing in the United States under color  
2 of law for purposes of any particular program.”.

3 (b) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-  
5 graph (2), the amendments made by subsection (a)  
6 shall apply to applicants for benefits for months be-  
7 ginning on or after the date of the enactment of this  
8 Act, without regard to whether regulations have been  
9 issued to implement such amendments.

10 (2) APPLICATION TO CURRENT RECIPIENTS.—

11 (A) APPLICATION AND NOTICE.—Notwith-  
12 standing any other provision of law, in the case  
13 of an individual who is receiving supplemental  
14 security income benefits under title XVI of the  
15 Social Security Act as of the date of the enact-  
16 ment of this Act and whose eligibility for such  
17 benefits would terminate by reason of the amend-  
18 ments made by subsection (a), such amendments  
19 shall apply with respect to the benefits of such  
20 individual for months beginning on or after Jan-  
21 uary 1, 1997, and the Commissioner of Social  
22 Security shall so notify the individual not later  
23 than 90 days after the date of the enactment of  
24 this Act.

25 (B) REAPPLICATION.—

1           (i) *IN GENERAL.*—Not later than 120  
2           days after the date of the enactment of this  
3           Act, each individual notified pursuant to  
4           subparagraph (A) who desires to reapply  
5           for benefits under title XVI of the Social Se-  
6           curity Act shall reapply to the Commis-  
7           sioner of Social Security.

8           (ii) *DETERMINATION OF ELIGI-*  
9           *BILITY.*—Not later than 1 year after the  
10          date of the enactment of this Act, the Com-  
11          missioner of Social Security shall determine  
12          the eligibility of each individual who  
13          reapplies for benefits under clause (i) pur-  
14          suant to the procedures of such title XVI.

15 **SEC. 505. TREATMENT OF NONCITIZENS.**

16       (a) *IN GENERAL.*—Notwithstanding any other provi-  
17       sion of law, a noncitizen who has entered into the United  
18       States on or after the date of the enactment of this Act shall  
19       not, during the 5-year period beginning on the date of such  
20       noncitizen's entry into the United States, be eligible to re-  
21       ceive any benefits under any program of assistance pro-  
22       vided, or funded, in whole or in part, by the Federal Gov-  
23       ernment, for which eligibility for benefits is based on need.

24       (b) *EXCEPTIONS.*—Subsection (a) shall not apply to—

1           (1) any individual who is described in subclause  
2           (II), (III), (IV), or (V) of section 1614(a)(1)(B)(i) of  
3           the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i));  
4           and

5           (2) any program described in section 502(f)(2);  
6           and

7           (3) payments for foster care and adoption assist-  
8           ance under part E of title IV of the Social Security  
9           Act for a child who would, in the absence of this sec-  
10          tion, be eligible to have such payments made on the  
11          child's behalf under such part, but only if the foster  
12          or adoptive parent or parents of such child are not  
13          noncitizens described in subsection (a).

14 **SEC. 506. INFORMATION REPORTING.**

15          (a) **TITLE IV OF THE SOCIAL SECURITY ACT.**—Sec-  
16          tion 405 of the Social Security Act, as added by section  
17          101(b), is amended by adding at the end the following new  
18          subsection:

19          “(f) **STATE REQUIRED TO PROVIDE CERTAIN INFOR-**  
20          **MATION.**—Each State to which a grant is made under sec-  
21          tion 403 shall, at least 4 times annually and upon request  
22          of the Immigration and Naturalization Service, furnish the  
23          Immigration and Naturalization Service with the<sup>1</sup> name  
24          and address of, and other identifying information on, any

1 individual who the State knows is unlawfully in the United  
2 States.”.

3 (b) SSI.—Section 1631(e) of such Act (42 U.S.C.  
4 1383(e)) is amended—

5 (1) by redesignating the paragraphs (6) and (7)  
6 inserted by sections 206(d)(2) and 206(f)(1) of the So-  
7 cial Security Independence and Programs Improve-  
8 ment Act of 1994 (Public Law 103–296; 108 Stat.  
9 1514, 1515) as paragraphs (7) and (8), respectively;  
10 and

11 (2) by adding at the end the following new para-  
12 graph:

13 “(9) Notwithstanding any other provision of law,  
14 the Commissioner shall, at least 4 times annually and  
15 upon request of the Immigration and Naturalization  
16 Service (hereafter in this paragraph referred to as the  
17 ‘Service’), furnish the Service with the name and ad-  
18 dress of, and other identifying information on, any  
19 individual who the Commissioner knows is unlaw-  
20 fully in the United States, and shall ensure that each  
21 agreement entered into under section 1616(a) with a  
22 State provides that the State shall furnish such infor-  
23 mation at such times with respect to any individual  
24 who the State knows is unlawfully in the United  
25 States.”.



1 who is not a person lawfully present within the United  
2 States.

3 (b) *EXCEPTIONS.*—Subsection (a) shall not apply with  
4 respect to the following benefits:

5 (1) *Emergency medical services under title XIX*  
6 *of the Social Security Act.*

7 (2) *Short-term emergency disaster relief.*

8 (3) *Assistance or benefits under the National*  
9 *School Lunch Act.*

10 (4) *Assistance or benefits under the Child Nutri-*  
11 *tion Act of 1966.*

12 (5) *Public health assistance for immunizations*  
13 *and, if the Secretary of Health and Human Services*  
14 *determines that it is necessary to prevent the spread*  
15 *of a serious communicable disease, for testing and*  
16 *treatment of such disease.*

17 (c) *DEFINITIONS.*—For purposes of this section:

18 (1) *FEDERAL BENEFIT.*—The term “Federal ben-  
19 *efit” means—*

20 (A) *the issuance of any grant, contract,*  
21 *loan, professional license, or commercial license*  
22 *provided by an agency of the United States or*  
23 *by appropriated funds of the United States; and*

24 (B) *any retirement, welfare, Social Secu-*  
25 *rity, health, disability, public housing, post-sec-*

1           ondary education, food stamps, unemployment  
2           benefit, or any other similar benefit for which  
3           payments or assistance are provided by an agen-  
4           cy of the United States or by appropriated funds  
5           of the United States.

6           (2) *PERSON LAWFULLY PRESENT WITHIN THE*  
7           *UNITED STATES.*—The term “person lawfully present  
8           within the United States” means a person who, at the  
9           time the person applies for, receives, or attempts to  
10          receive a Federal benefit, is a United States citizen,  
11          a permanent resident alien, an alien whose deporta-  
12          tion has been withheld under section 243(h) of the Im-  
13          migration and Nationality Act (8 U.S.C. 1253(h)),  
14          an asylee, a refugee, a parolee who has been paroled  
15          for a period of at least 1 year, a national, or a na-  
16          tional of the United States for purposes of the immi-  
17          gration laws of the United States (as defined in sec-  
18          tion 101(a)(17) of the Immigration and Nationality  
19          Act (8 U.S.C. 1101(a)(17)).

20          (d) *STATE OBLIGATION.*—Notwithstanding any other  
21          provision of law, a State that administers a program that  
22          provides a Federal benefit (described in section 507(c)(1))  
23          or provides State benefits pursuant to such a program shall  
24          not be required to provide such benefit to a person who is  
25          not a person lawfully present within the United States (as

1 defined in section 507(c)(2)) through a State agency or with  
2 appropriated funds of such State.

3 (e) VERIFICATION OF ELIGIBILITY.—(1) IN GEN-  
4 ERAL.—Not later than 18 months after the date of the enact-  
5 ment of this Act, the Attorney General of the United States,  
6 after consultation with the Secretary of Health and Human  
7 Services, shall promulgate regulations requiring verifica-  
8 tion that a person applying for a Federal benefit, including  
9 a benefit described in section 507(b), is a person lawfully  
10 present within the United States and is eligible to receive  
11 such benefit. Such regulations shall, to the extent feasible,  
12 require that information requested and exchanged be simi-  
13 lar in form and manner to information requested and ex-  
14 changed under section 1137 of the Social Security Act.

15 (2) STATE COMPLIANCE.—Not later than 24 months  
16 after the date the regulations described in paragraph (1)  
17 are adopted, a State that administers a program that pro-  
18 vides a Federal benefit described in such paragraph shall  
19 have in effect a verification system that complies with the  
20 regulations.

21 (3) AUTHORIZATION OF APPROPRIATIONS.—There are  
22 authorized to be appropriated such sums as may be nec-  
23 essary to carry out the purpose of this section.

24 (f) SEVERABILITY.—If any provision of this title or  
25 the application of such provision to any person or cir-

1 circumstance is held to be unconstitutional, the remainder of  
 2 this title and the application of the provisions of such to  
 3 any person or circumstance shall not be affected thereby.

## 4 **TITLE VI—CHILD CARE**

### 5 **SEC. 601. SHORT TITLE.**

6 This title may be cited as the "Child Care and Devel-  
 7 opment Block Grant Amendments Act of 1995".

### 8 **SEC. 602. AMENDMENTS TO THE CHILD CARE AND DEVEL-** 9 **OPMENT BLOCK GRANT ACT OF 1990.**

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

#### 13 **"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

14 "There are authorized to be appropriated to carry out  
 15 this subchapter \$1,000,000,000 for fiscal year 1996, and  
 16 such sums as may be necessary for each of the fiscal years  
 17 1997 through 2000."

18 (b) **LEAD AGENCY.**—Section 658D(b) of the Child Care  
 19 and Development Block Grant Act of 1990 (42 U.S.C.  
 20 9858b(b)) is amended—

21 (1) in paragraph (1)—

22 (A) in subparagraph (A), by striking  
 23 "State" and inserting "governmental or non-  
 24 governmental"; and

1           (B) in subparagraph (C), by inserting  
2           “with sufficient time and Statewide distribution  
3           of the notice of such hearing,” after “hearing in  
4           the State”; and

5           (2) in paragraph (2), by striking the second sen-  
6           tence.

7           (c) *APPLICATION AND PLAN*.—Section 658E of the  
8           Child Care and Development Block Grant Act of 1990 (42  
9           U.S.C. 9858c) is amended—

10          (1) in subsection (b), by striking “imple-  
11          mented—” and all that follows through “plans.” and  
12          inserting “implemented during a 2-year period.”; and

13          (2) in subsection (c)—

14                (A) in paragraph (2)—

15                   (i) in subparagraph (A)—

16                        (I) in clause (iii) by striking the  
17                        semicolon and inserting a period; and

18                        (II) by striking “except” and all  
19                        that follows through “1992.”; and

20                   (ii) in subparagraph (E)—

21                        (I) by striking clause (ii) and in-  
22                        serting the following new clause:

23                            “(ii) the State will implement mecha-  
24                            nisms to ensure that appropriate payment  
25                            mechanisms exist so that proper payments

1 under this subchapter will be made to pro-  
2 viders within the State and to permit the  
3 State to furnish information to such provid-  
4 ers.”; and

5 (II) by adding at the end thereof  
6 the following new sentence: “In lieu of  
7 any licensing and regulatory require-  
8 ments applicable under State and local  
9 law, the Secretary, in consultation  
10 with Indian tribes and tribal organiza-  
11 tions, shall develop minimum child  
12 care standards (that appropriately re-  
13 flect tribal needs and available re-  
14 sources) that shall be applicable to In-  
15 dian tribes and tribal organization re-  
16 ceiving assistance under this sub-  
17 chapter.”; and

18 (iii) by striking subparagraphs (H)  
19 and (I);

20 (B) in paragraph (3)—

21 (i) in subparagraph (C)—

22 (I) in the subparagraph heading,  
23 by striking “AND TO INCREASE” and  
24 all that follows through “CARE SER-  
25 VICES”;

1 (II) by striking "25 percent" and  
2 inserting "15 percent"; and

3 (III) by striking "and to provide  
4 before." and all that follows through  
5 "658H"); and

6 (ii) by adding at the end thereof the  
7 following new subparagraph:

8 "(D) LIMITATION ON ADMINISTRATIVE  
9 COSTS.—Not more than 5 percent of the aggre-  
10 gate amount of payments received under this  
11 subchapter by a State in each fiscal year may be  
12 expended for administrative costs, not including  
13 direct service costs, incurred by such State to  
14 carry out all its functions and duties under this  
15 subchapter."; and

16 (C) by adding at the end thereof the follow-  
17 ing new paragraph:

18 "(6) SERVICES FOR THE WORKING POOR.—The  
19 State plan shall described the manner in which ser-  
20 vices will be provided to the working poor."

21 (d) CLARIFICATION OF ELIGIBLE CHILD.—Section  
22 658P(4)(B) of the Child care and Development Block Grant  
23 Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking  
24 "75 percent" and inserting "100 percent".

1       (e) *QUALITY*.—Section 658G of the Child Care and De-  
2       velopment Block Grant Act of 1990 (42 U.S.C. 9858e) is  
3       amended—

4               (1) in the matter preceding paragraph (1)—

5                       (A) by striking “A State” and inserting  
6                       “(a) *IN GENERAL*.—A State”;

7                       (B) by striking “not less than 20 percent  
8                       of”; and

9                       (C) by striking “one or more of the follow-  
10                      ing” and inserting “carrying out the resource  
11                      and referral activities described in subsection (b),  
12                      and for one or more of the activities described in  
13                      subsection (c).”;

14               (2) in paragraph (1), by inserting before the pe-  
15               riod the following: “, including providing comprehen-  
16               sive consumer education to parents and the public, re-  
17               ferrals that honor parental choice, and activities de-  
18               signed to improve the quality and availability of  
19               child care”;

20               (3) by striking “(1) *RESOURCE AND REFERRAL*  
21               *PROGRAMS*.—Operating” and inserting the following:

22               “(b) *RESOURCE AND REFERRAL PROGRAMS*.—The ac-  
23               tivities described in this subsection are operating”;

24               (4) by redesignating paragraphs (2) through (5)  
25               as paragraphs (1) through (4), respectively;

1           (5) by inserting before paragraph (1) (as so re-  
2           designated) the following:

3           “(c) *OTHER ACTIVITIES.*—The activities described in  
4           this section are the following.”; and

5           (6) by adding at the end thereof the following:

6           “(5) *BEFORE- AND AFTER-SCHOOL ACTIVITIES.*—  
7           Increasing the availability of before- and after-school  
8           care.

9           “(6) *INFANT CARE.*—Increasing the availability  
10          of child care for infants under the age of 18 months.

11          “(7) *NONTRADITIONAL WORK HOURS.*—Increas-  
12          ing the availability of child care between the hours of  
13          5:00 p.m. and 8:00 a.m.

14          “(d) *NONDISCRIMINATION.*—With respect to child care  
15          providers that comply with applicable State law but which  
16          are otherwise not required to be licensed by the State, the  
17          State, in carrying out this section, may not discriminate  
18          against such a provider if such provider desires to partici-  
19          pate in resource and referral activities carried out under  
20          subsection (b).”.

21          (f) *REPEAL.*—Section 658H of the Child Care and De-  
22          velopment Block Grant Act of 1990 (42 U.S.C. 9858f) is  
23          repealed.

1       (g) ENFORCEMENT.—Section 658I(b)(2) of the Child  
2 Care and Development Block Grant Act of 1990 (42 U.S.C.  
3 9858g(b)(2)) is amended—

4           (1) in the matter following clause (ii) of sub-  
5 paragraph (A), by striking “finding and that” and  
6 all that follows through the period and inserting  
7 “finding and may impose additional program re-  
8 quirements on the State, including a requirement that  
9 the State reimburse the Secretary for any funds that  
10 were improperly expended for purposes prohibited or  
11 not authorized by this subchapter, that the Secretary  
12 deduct from the administrative portion of the State  
13 allotment for the following fiscal year an amount that  
14 is less than or equal to any improperly expended  
15 funds, or a combination of such options.”; and

16           (2) by striking subparagraphs (B) and (C).

17       (h) REPORTS.—Section 658K of the Child Care and  
18 Development Block Grant Act of 1990 (42 U.S.C. 9858i)  
19 is amended—

20           (1) in the section heading, by striking “AN-  
21 NUAL REPORT” and inserting “REPORTS”; and

22           (2) in subsection (a)—

23           (A) in the subsection heading, by striking  
24 “ANNUAL REPORT” and inserting “REPORTS”;

1           (B) by striking "December 31, 1992, and  
2           annually thereafter" and inserting "December  
3           31, 1996, and every 2 years thereafter";

4           (C) in paragraph (2)—

5           (i) in subparagraph (A), by inserting  
6           before the semicolon "and the types of child  
7           care programs under which such assistance  
8           is provided";

9           (ii) by striking subparagraph (B); and

10           (iii) by redesignating subparagraphs  
11           (C) and (D) as subparagraphs (B) and (C),  
12           respectively;

13           (D) by striking paragraph (4);

14           (E) by redesignating paragraphs (5) and  
15           (6) as paragraphs (4) and (5), respectively;

16           (F) in paragraph (4), as so redesignated, by  
17           striking "and" at the end thereof;

18           (G) in paragraph (5), as so redesignated, by  
19           adding "and" at the end thereof; and

20           (H) by inserting after paragraph (5), as so  
21           redesignated, the following new paragraph:

22           "(6) describing the extent and manner to which  
23           the resource and referral activities are being carried  
24           out by the State;"

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

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

5             (2) by striking “annually” and inserting “bi-an-  
6 *nually*”; and

7             (3) by striking “Education and Labor” and in-  
8 *serting “Economic and Educational Opportunities”*.

9       (j) *ALLOTMENTS*.—Section 658O of the *Child Care and*  
10 *Development Block Grant Act of 1990* (42 *U.S.C. 9858m*)  
11 *is amended—*

12             (1) in subsection (c), by adding at the end there-  
13 *of the following new paragraph:*

14             “(6) *CONSTRUCTION OR RENOVATION OF FACILI-*  
15 *TIES*.—

16             “(A) *REQUEST FOR USE OF FUNDS*.—An  
17 *Indian tribe or tribal organization may submit*  
18 *to the Secretary a request to use amounts pro-*  
19 *vided under this subsection for construction or*  
20 *renovation purposes.*

21             “(B) *DETERMINATION*.—With respect to a  
22 *request submitted under subparagraph (A), and*  
23 *except as provided in subparagraph (C), upon a*  
24 *determination by the Secretary that adequate fa-*  
25 *cilities are not otherwise available to an Indian*

1        *tribe or tribal organization to enable such tribe*  
2        *or organization to carry out child care programs*  
3        *in accordance with this subchapter, and that the*  
4        *lack of such facilities will inhibit the operation*  
5        *of such programs in the future, the Secretary*  
6        *may permit the tribe or organization to use as-*  
7        *sistance provided under this subsection to make*  
8        *payments for the construction or renovation of*  
9        *facilities that will be used to carry out such pro-*  
10       *grams.*

11            *“(C) LIMITATION.—The Secretary may not*  
12        *permit an Indian tribe or tribal organization to*  
13        *use amounts provided under this subsection for*  
14        *construction or renovation if such use will result*  
15        *in a decrease in the level of child care services*  
16        *provided by the tribe or organization as com-*  
17        *pared to the level of such services provided by the*  
18        *tribe or organization in the fiscal year preceding*  
19        *the year for which the determination under sub-*  
20        *paragraph (A) is being made.*

21            *“(D) UNIFORM PROCEDURES.—The Sec-*  
22        *retary shall develop and implement uniform pro-*  
23        *cedures for the solicitation and consideration of*  
24        *requests under this paragraph.”; and*  
25        *(2) in subsection (e)—*

1           (A) in paragraph (1), by striking "Any"  
2           and inserting "Except as provided in paragraph  
3           (4), any"; and

4           (B) by adding at the end thereof the follow-  
5           ing new paragraph:

6           "(4) INDIAN TRIBES OR TRIBAL ORGANIZA-  
7           TIONS.—Any portion of a grant or contract made to  
8           an Indian tribe or tribal organization under sub-  
9           section (c) that the Secretary determines is not being  
10          used in a manner consistent with the provision of this  
11          subchapter in the period for which the grant or con-  
12          tract is made available, shall be reallocated by the  
13          Secretary to other tribes or organization that have  
14          submitted applications under subsection (c) in pro-  
15          portion to the original allocations to such tribes or or-  
16          ganization."

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

20                 (1) in paragraph (2), in the first sentence by in-  
21                 serting "or as a deposit for child care services if such  
22                 a deposit is required of other children being cared for  
23                 by the provider" after "child care services"; and

24                 (2) in paragraph (5)(B)—

1           (A) by inserting "great grandchild, sibling  
2           (if the provider lives in a separate residence),"  
3           after "grandchild,";

4           (B) by striking "is registered and"; and

5           (C) by striking "State" and inserting "ap-  
6           plicable".

7           (l) *APPLICATION OF SUBCHAPTER.—The Child Care*  
8           *and Development Block Grant Act of 1990 (42 U.S.C. 9858*  
9           *et seq.) is amended by adding at the end thereof the follow-*  
10          *ing new section:*

11          "SEC. 658T. *APPLICATION TO OTHER PROGRAMS.*

12           *"Notwithstanding any other provision of law, a State*  
13           *that uses funding for child care services under any Federal*  
14           *program shall ensure that activities carried out using such*  
15           *funds meet the requirements, standards, and criteria of this*  
16           *subchapter, except for the quality set-aside provisions of sec-*  
17           *tion 658G, and the regulations promulgated under this sub-*  
18           *chapter. Such sums shall be administered through a uni-*  
19           *form State plan. To the maximum extent practicable,*  
20           *amounts provided to a State under such programs shall be*  
21           *transferred to the lead agency and integrated into the pro-*  
22           *gram established under this subchapter by the State."*

1 SEC. 603. REPEALS AND TECHNICAL AND CONFORMING  
2 AMENDMENTS.

3 (a) STATE DEPENDENT CARE DEVELOPMENT GRANTS  
4 ACT.—*The State Dependent Care Development Grants Act*  
5 *(42 U.S.C. 9871 et seq.) is repealed.*

6 (b) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP  
7 ASSISTANCE ACT OF 1985.—*The Child Development Associ-*  
8 *ate Scholarship Assistance Act of 1985 (42 U.S.C. 10901*  
9 *et seq.) is repealed.*

10 (c) ADDITIONAL CONFORMING AMENDMENTS.—

11 (1) RECOMMENDED LEGISLATION.—*After con-*  
12 *sultation with the appropriate committees of the Con-*  
13 *gress and the Director of the Office of Management*  
14 *and Budget, the Secretary of Health and Human*  
15 *Services shall prepare and submit to the Congress a*  
16 *legislative proposal in the form of an implementing*  
17 *bill containing technical and conforming amendments*  
18 *to reflect the amendments and repeals made by this*  
19 *title.*

20 (2) SUBMISSION TO CONGRESS.—*Not later than*  
21 *6 months after the date of enactment of this title, the*  
22 *Secretary of Health and Human Services shall sub-*  
23 *mit the implementing bill referred to under para-*  
24 *graph (1).*

1           **TITLE VII—PROTECTION OF**  
2           **BATTERED INDIVIDUALS**

3   **SEC. 701. EXEMPTION OF BATTERED INDIVIDUALS FROM**  
4           **CERTAIN REQUIREMENTS.**

5           (a) *IN GENERAL.*—Notwithstanding any other provi-  
6   sion of, or amendment made by, this Act, the applicable  
7   administering authority of any specified provision may ex-  
8   empt from (or modify) the application of such provision  
9   to any individual who was battered or subjected to extreme  
10   cruelty if the physical, mental, or emotional well-being of  
11   the individual would be endangered by the application of  
12   such provision to such individual. The applicable admin-  
13   istering authority may take into consideration the family  
14   circumstances and the counseling and other supportive serv-  
15   ice needs of the individual.

16          (b) *SPECIFIED PROVISIONS.*—For purposes of this sec-  
17   tion, the term “specified provision” means any require-  
18   ment, limitation, or penalty under any of the following:

19           (1) Sections 404, 405 (a) and (b), 406 (b), (c),  
20           and (d), 414(d), 453(c), 459A, and 1614(a)(1) of the  
21           Social Security Act.

22           (2) Sections 5(i) and 6 (d), (j), and (n) of the  
23           Food Stamp Act, of 1977.

24           (3) Sections 501(a) and 502 of this Act.

1 (c) *DEFINITIONS AND SPECIAL RULES.—For purposes*  
 2 *of this section—*

3 (1) *BATTERED OR SUBJECTED TO EXTREME*  
 4 *CRUELTY.—The term “battered or subjected to extreme*  
 5 *cruelty” includes, but is not limited to—*

6 (A) *physical acts resulting in, or threaten-*  
 7 *ing to result in, physical injury;*

8 (B) *sexual abuse, sexual activity involving*  
 9 *a dependent child, forcing the caretaker relative*  
 10 *of a dependent child to engage in nonconsensual*  
 11 *sexual acts or activities, or threats of or attempts*  
 12 *at physical or sexual abuse;*

13 (C) *mental abuse; and*

14 (D) *neglect or deprivation of medical care.*

15 (2) *CALCULATION OF PARTICIPATION RATES.—*  
 16 *An individual exempted from the work requirements*  
 17 *under section 404 of the Social Security Act by rea-*  
 18 *son of subsection (a) shall not be included for pur-*  
 19 *poses of calculating the State’s participation rate*  
 20 *under such section.*

21 **TITLE VIII—ADOPTION**  
 22 **EXPENSES**

23 **SEC. 801. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.**

24 (a) *IN GENERAL.—Subpart C of part IV of subchapter*  
 25 *A of chapter 1 of the Internal Revenue Code of 1986 (relat-*

1 ing to refundable credits) is amended by redesignating sec-  
 2 tion 35 as section 36 and by inserting after section 34 the  
 3 following new section:

4 **"SEC. 35. ADOPTION EXPENSES.**

5       “(a) **ALLOWANCE OF CREDIT.**—In the case of an indi-  
 6 vidual, there shall be allowed as a credit against the tax  
 7 imposed by this subtitle for the taxable year the amount  
 8 of the qualified adoption expenses paid or incurred by the  
 9 taxpayer during such taxable year.

10       “(b) **LIMITATIONS.**—

11           “(1) **DOLLAR LIMITATION.**—The aggregate  
 12 amount of qualified adoption expenses which may be  
 13 taken into account under subsection (a) with respect  
 14 to the adoption of a child shall not exceed \$5,000.

15           “(2) **INCOME LIMITATION.**—The amount allow-  
 16 able as a credit under subsection (a) for any taxable  
 17 year shall be reduced (but not below zero) by an  
 18 amount which bears the same ratio to the amount so  
 19 allowable (determined without regard to this para-  
 20 graph but with regard to paragraph (1)) as—

21                   “(A) the amount (if any) by which the tax-  
 22 payer's adjusted gross income exceeds \$60,000,  
 23 bears to

24                   “(B) \$40,000.

25           “(3) **DENIAL OF DOUBLE BENEFIT.**—

1           “(A) *IN GENERAL.*—No credit shall be al-  
2           lowed under subsection (a) for any expense for  
3           which a deduction or credit is allowable under  
4           any other provision of this chapter.

5           “(B) *GRANTS.*—No credit shall be allowed  
6           under subsection (a) for any expense to the ex-  
7           tent that funds for such expense are received  
8           under any Federal, State, or local program.

9           “(C) *QUALIFIED ADOPTION EXPENSES.*—For purposes  
10          of this section, the term ‘qualified adoption expenses’ means  
11          reasonable and necessary adoption fees, court costs, attorney  
12          fees, and other expenses which are directly related to the  
13          legal and finalized adoption of a child by the taxpayer and  
14          which are not incurred in violation of State or Federal law  
15          or in carrying out any surrogate parenting arrangement.  
16          The term ‘qualified adoption expenses’ shall not include any  
17          expenses in connection with the adoption by an individual  
18          of a child who is the child of such individual’s spouse.

19          “(d) *MARRIED COUPLES MUST FILE JOINT RE-*  
20          *URNS.*—Rules similar to the rules of paragraphs (2), (3),  
21          and (4) of section 21(e) shall apply for purposes of this sec-  
22          tion.”

23          “(b) *CONFORMING AMENDMENTS.*—

1           (1) Paragraph (2) of section 1324(b) of title 31,  
2           United States Code, is amended by inserting before  
3           the period “, or from section 35 of such Code”.

4           (2) The table of sections for subpart C of part IV  
5           of subchapter A of chapter 1 of the Internal Revenue  
6           Code of 1986 is amended by striking the last item and  
7           inserting the following:

                  “Sec. 35. Adoption expenses.

                  “Sec. 36. Overpayments of tax.”

8           (c) **EFFECTIVE DATE.**—The amendments made by this  
9           section shall apply to taxable years beginning after Decem-  
10          ber 31, 1995.

11          **SEC. 802. EXCLUSION OF ADOPTION ASSISTANCE.**

12          (a) **IN GENERAL.**—Part III of subchapter B of chapter  
13          1 of the Internal Revenue Code of 1986 is amended by redес-  
14          ignating section 137 as section 138 and by inserting after  
15          section 136 the following new section:

16          **“SEC. 137. ADOPTION ASSISTANCE.**

17          “(a) **IN GENERAL.**—Gross income of an employee does  
18          not include employee adoption assistance benefits, or mili-  
19          tary adoption assistance benefits, received by the employee  
20          with respect to the employee’s adoption of a child.

21          “(b) **DEFINITIONS.**—For purposes of this section—

22                  “(1) **EMPLOYEE ADOPTION ASSISTANCE BENE-**  
23                  **FITS.**—The term ‘employee adoption assistance bene-  
24                  **fits’ means payment by an employer of qualified**

1 adoption expenses with respect to an employee's adop-  
2 tion of a child, or reimbursement by the employer of  
3 such qualified adoption expenses paid or incurred by  
4 the employee in the taxable year.

5 “(2) EMPLOYER AND EMPLOYEE.—The terms  
6 ‘employer’ and ‘employee’ have the respective mean-  
7 ings given such terms by section 127(c).

8 “(3) MILITARY ADOPTION ASSISTANCE BENE-  
9 FITS.—The term, ‘military adoption assistance bene-  
10 fits’ means benefits provided under section 1052 of  
11 title 10, United States Code, or section 514 of title 14,  
12 United States Code.

13 “(4) QUALIFIED ADOPTION EXPENSES.—

14 “(A) IN GENERAL.—The term ‘qualified  
15 adoption expenses’ means reasonable and nec-  
16 essary adoption fees, court costs, attorney fees,  
17 and other expenses—

18 “(i) which are directly related to, and  
19 the principal purpose of which is for, the  
20 legal and finalized adoption of an eligible  
21 child by the taxpayer, and

22 “(ii) which are not incurred in viola-  
23 tion of State or Federal law or in carrying  
24 out any surrogate parenting arrangement.

1                   “(B) *ELIGIBLE CHILD*.—The term ‘eligible  
2                   child’ means any individual—

3                                 “(i) who has not attained age 18 as of  
4                                 the time of the adoption, or

5                                 “(ii) who is physically or mentally in-  
6                                 capable of caring for himself.

7                   “(c) *COORDINATION WITH OTHER PROVISIONS*.—The  
8                   Secretary shall issue regulations to coordinate the applica-  
9                   tion of this section with the application of any other provi-  
10                  sion of this title which allows a credit or deduction with  
11                  respect to qualified adoption expenses.”

12                  (b) *CLERICAL AMENDMENT*.—The table of sections for  
13                  part III of subchapter B of chapter 1 of such Code is amend-  
14                  ed by striking the item relating to section 137 and insertin-  
15                  g the following new items:

                               “Sec. 137. Adoption assistance.

                               “Sec. 138. Cross references to other Acts.”

16                  (c) *EFFECTIVE DATE*.—The amendments made this  
17                  section shall apply to taxable years beginning after Decem-  
18                  ber 31, 1995.

19                  **SEC. 803. WITHDRAWAL FROM IRA FOR ADOPTION EX-**  
20   **PENSES.**

21                  (a) *IN GENERAL*.—Subsection (d) of section 408 of the  
22                  Internal Revenue Code of 1986 is amended by adding at  
23                  the end the following new paragraph:

24                                 “(8) *QUALIFIED ADOPTION EXPENSES*.—

1           “(A) *IN GENERAL.*—Any amount which is  
2           paid or distributed out of an individual retire-  
3           ment plan of the taxpayer, and which would (but  
4           for this paragraph) be includible in gross in-  
5           come, shall be excluded from gross income to the  
6           extent that—

7                   “(i) such amount exceeds the sum of—

8                           “(I) the amount excludable under  
9                           section 137, and

10                           “(II) any amount allowable as a  
11                           credit under this title with respect to  
12                           qualified adoption expenses; and

13                           “(ii) such amount does not exceed the  
14                           qualified adoption expenses paid or in-  
15                           curred by the taxpayer during the taxable  
16                           year.

17           “(B) *QUALIFIED ADOPTION EXPENSES.*—

18           For purposes of this paragraph, the term ‘quali-  
19           fied adoption expenses’ has the meaning given  
20           such term by section 137, except that such term  
21           shall not include any expense in connection with  
22           the adoption by an individual of a child who is  
23           the child of such individual’s spouse.”

1       (b) *EFFECTIVE DATE.*—The amendment made by this  
 2 section shall apply to taxable years beginning after Decem-  
 3 ber 31, 1995.

## 4       **TITLE IX—CHILD SUPPORT**

### 5       **SEC. 900. REFERENCE TO SOCIAL SECURITY ACT.**

6       *Except as otherwise specifically provided, whenever in*  
 7 *this title an amendment is expressed in terms of an amend-*  
 8 *ment to or repeal of a section or other provision, the ref-*  
 9 *erence shall be considered to be made to that section or other*  
 10 *provision of the Social Security Act.*

## 11       **Subtitle A—Eligibility for Services;** 12       **Distribution of Payments**

### 13       **SEC. 901. STATE OBLIGATION TO PROVIDE CHILD SUPPORT** 14       **ENFORCEMENT SERVICES.**

15       (a) *STATE PLAN REQUIREMENTS.*—Section 454 (42  
 16 U.S.C. 654) is amended—

17       (1) by striking paragraph (4) and inserting the  
 18 following new paragraph:

19       “(4) provide that the State will—

20       “(A) provide services relating to the estab-  
 21 lishment of paternity or the establishment, modi-  
 22 fication, or enforcement of child support obliga-  
 23 tions, as appropriate, under the plan with re-  
 24 spect to—

1           “(i) each child for whom (I) assistance  
2           is provided under the State program funded  
3           under part A of this title, (II) benefits or  
4           services are provided under the State pro-  
5           gram funded under part E of this title, or  
6           (III) medical assistance is provided under  
7           the State plan approved under title XIX,  
8           unless the State agency administering the  
9           plan determines (in accordance with para-  
10          graph (29)) that it is against the best inter-  
11          ests of the child to do so; and

12           “(ii) any other child, if an individual  
13          applies for such services with respect to the  
14          child; and

15          “(B) enforce any support obligation estab-  
16          lished with respect to—

17           “(i) a child with respect to whom the  
18          State provides services under the plan; or

19           “(ii) the custodial parent of such a  
20          child.”; and

21          (2) in paragraph (6)—

22           (A) by striking “provide that” and insert-  
23          ing “provide that—”;

24           (B) by striking subparagraph (A) and in-  
25          serting the following new subparagraph:

1           “(A) services under the plan shall be made  
2 available to nonresidents on the same terms as to  
3 residents;”;

4           (C) in subparagraph (B), by inserting “on  
5 individuals not receiving assistance under any  
6 State program funded under part A” after “such  
7 services shall be imposed”;

8           (D) in each of subparagraphs (B), (C), (D),  
9 and (E)—

10           (i) by indenting the subparagraph in  
11 the same manner as, and aligning the left  
12 margin of the subparagraph with the left  
13 margin of, the matter inserted by subpara-  
14 graph (B) of this paragraph; and

15           (ii) by striking the final comma and  
16 inserting a semicolon; and

17           (E) in subparagraph (E), by indenting each  
18 of clauses (i) and (ii) 2 additional ems.

19           (b) CONTINUATION OF SERVICES FOR FAMILIES CEAS-  
20 ING TO RECEIVE ASSISTANCE UNDER THE STATE PRO-  
21 GRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C.  
22 654) is amended—

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

24           (23);

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

3           (3) by adding after paragraph (24) the following  
4 new paragraph:

5           “(25) provide that when a family with respect to  
6 which services are provided under the plan ceases to  
7 receive assistance under the State program funded  
8 under part A, the State shall provide appropriate no-  
9 tice to the family and continue to provide such serv-  
10 ices, subject to the same conditions and on the same  
11 basis as in the case of individuals to whom services  
12 are furnished under this section, except that an appli-  
13 cation or other request to continue services shall not  
14 be required of such a family and paragraph (6)(B)  
15 shall not apply to the family.”

16 (c) CONFORMING AMENDMENTS.—

17           (1) Section 452(b) (42 U.S.C. 652(b)) is amend-  
18 ed by striking “454(6)” and inserting “454(4)”.

19           (2) Section 452(g)(2)(A) (42 U.S.C.  
20 652(g)(2)(A)) is amended by striking “454(6)” each  
21 place it appears and inserting “454(4)(A)(ii)”.

22           (3) Section 466(a)(3)(B) (42 U.S.C.  
23 666(a)(3)(B)) is amended by striking “in the case of  
24 overdue support which a State has agreed to collect

1 under section 454(6)" and inserting "in any other  
2 case".

3 (4) Section 466(e) (42 U.S.C. 666(e)) is amended  
4 by striking "paragraph (4) or (6) of section 454" and  
5 inserting "section 454(4)".

6 **SEC. 902. DISTRIBUTION OF CHILD SUPPORT COLLEC-**  
7 **TIONS.**

8 (a) *IN GENERAL.*—Section 457 (42 U.S.C. 657) is  
9 amended to read as follows:

10 **"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

11 *"(a) IN GENERAL.*—An amount collected on behalf of  
12 a family as support by a State pursuant to a plan approved  
13 under this part shall be distributed as follows:

14 *"(1) FAMILIES RECEIVING ASSISTANCE.*—In the  
15 case of a family receiving assistance from the State,  
16 the State shall—

17 *"(A) retain, or distribute to the family, the*  
18 *State share of the amount so collected; and*

19 *"(B) pay to the Federal Government the*  
20 *Federal share of the amount so collected.*

21 *"(2) FAMILIES THAT FORMERLY RECEIVED AS-*  
22 *SISTANCE.*—In the case of a family that formerly re-  
23 ceived assistance from the State:

24 *"(A) CURRENT SUPPORT PAYMENTS.*—The  
25 State shall, with regard to amounts collected

1       which represent amounts owed for the current  
2       month, distribute the amounts so collected to the  
3       family.

4               “(B) PAYMENT OF ARREARAGES.—The  
5       State shall, with regard to amounts collected  
6       which exceed amounts owed for the current  
7       month, distribute the amounts so collected as fol-  
8       lows:

9                       “(i) DISTRIBUTION TO THE FAMILY TO  
10       SATISFY ARREARAGES THAT ACCRUED  
11       AFTER THE FAMILY RECEIVED ASSIST-  
12       ANCE.—The State shall distribute the  
13       amount so collected to the family to the ex-  
14       tent necessary to satisfy any support ar-  
15       rearages with respect to the family that ac-  
16       crued after the family stopped receiving as-  
17       sistance from the State.

18                      “(ii) DISTRIBUTION TO THE FAMILY TO  
19       SATISFY ARREARAGES THAT ACCRUED BE-  
20       FORE OR WHILE THE FAMILY RECEIVED AS-  
21       SISTANCE TO THE EXTENT PAYMENTS EX-  
22       CEED ASSISTANCE RECEIVED.—In the case  
23       of arrearages of support obligations with re-  
24       spect to the family that were assigned to the  
25       State making or receiving the collection, as

1 a condition of receiving assistance from the  
2 State, and which accrued before or while the  
3 family received such assistance, the State  
4 may retain all or a part of the State share  
5 and if the State does so retain, shall retain  
6 and pay to the Federal Government the  
7 Federal share of amounts so collected, to the  
8 extent the amount so retained does not ex-  
9 ceed the amount of assistance provided to  
10 the family by the State.

11 "(iii) DISTRIBUTION OF THE REMAIN-  
12 DER TO THE FAMILY.—To the extent that  
13 neither clause (i) nor clause (ii) applies to  
14 the amount so collected, the State shall dis-  
15 tribute the amount to the family.

16 "(3) FAMILIES THAT NEVER RECEIVED ASSIST-  
17 ANCE.—In the case of any other family, the State  
18 shall distribute the amount so collected to the family.

19 "(4) FAMILIES UNDER CERTAIN AGREEMENTS.—  
20 In the case of a family receiving assistance from an  
21 Indian tribe, distribute the amount so collected pursu-  
22 ant to an agreement entered into pursuant to a State  
23 plan under section 454(32).

24 "(b) TRANSITION RULE.—Any rights to support obli-  
25 gations which were assigned to a State as a condition of

1 receiving assistance from the State under part A before the  
2 effective date of the Work Opportunity Act of 1995 shall  
3 remain assigned after such date.

4 “(c) DEFINITIONS.—As used in subsection (a):

5 “(1) ASSISTANCE.—The term ‘assistance from  
6 the State’ means—

7 “(A) assistance under the State program  
8 funded under part A or under the State plan ap-  
9 proved under part A of this title (as in effect be-  
10 fore October 1, 1995); or

11 “(B) benefits under the State plan approved  
12 under part E of this title.

13 “(2) FEDERAL SHARE.—The term ‘Federal share’  
14 means, with respect to an amount collected by the  
15 State to satisfy a support obligation owed to a family  
16 for a time period—

17 “(A) the greatest Federal medical assistance  
18 percentage in effect for the State for fiscal year  
19 1995 or any succeeding fiscal year; or

20 “(B) if support is not owed to the family  
21 for any month for which the family received aid  
22 to families with dependent children under the  
23 State plan approved under part A of this title  
24 (as in effect before October 1, 1995), the Federal

1 reimbursement percentage for the fiscal year in  
2 which the time period occurs.

3 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-  
4 AGE.—The term ‘Federal medical assistance percent-  
5 age’ means—

6 “(A) the Federal medical assistance percent-  
7 age (as defined in section 1905(b)) in the case of  
8 any State for which subparagraph (B) does not  
9 apply; or

10 “(B) the Federal medical assistance percent-  
11 age (as defined in section 1118), in the case of  
12 Puerto Rico, the Virgin Islands, Guam, and  
13 American Samoa.

14 “(4) FEDERAL REIMBURSEMENT PERCENTAGE.—  
15 The term ‘Federal reimbursement percentage’ means,  
16 with respect to a fiscal year—

17 “(A) the total amount paid to the State  
18 under section 403 for the fiscal year; divided by

19 “(B) the total amount expended by the  
20 State to carry out the State program under part  
21 A during the fiscal year.

22 “(5) STATE SHARE.—The term ‘State share’  
23 means 100 percent minus the Federal share.”

1           (b) *CONFORMING AMENDMENT.*—Section 464(a)(1) (42  
2 U.S.C. 664(a)(1)) is amended by striking “section 457(b)(4)  
3 or (d)(3)” and inserting “section 457”.

4           (c) *CLERICAL AMENDMENTS.*—Section 454 (42 U.S.C.  
5 654) is amended—

6           (1) in paragraph (11)—

7           (A) by striking “(11)” and inserting  
8           “(11)(A)”; and

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

11          (2) by redesignating paragraph (12) as subpara-  
12          graph (B) of paragraph (11).

13          (d) *EFFECTIVE DATE.*—

14          (1) *GENERAL RULE.*—Except as provided in  
15          paragraphs (2) and (3), the amendment made by sub-  
16          section (a) shall become effective on October 1, 1999.

17          (2) *EARLIER EFFECTIVE DATE FOR RULES RE-*  
18          *LATING TO DISTRIBUTION OF SUPPORT COLLECTED*  
19          *FOR FAMILIES RECEIVING ASSISTANCE.*—Section  
20          457(a)(1) of the Social Security Act, as added by the  
21          amendment made by subsection (a), shall become ef-  
22          fective on October 1, 1995.

23          (3) *SPECIAL RULE.*—A State may elect to have  
24          the amendment made by subsection (a) become effec-  
25          tive on a date earlier than October 1, 1999, which

1. date shall coincide with the operation of the single  
2. statewide automated data processing and information  
3. retrieval system required by section 454A of the So-  
4. cial Security Act (as added by section 944(a)(2)) and  
5. the State disbursement unit required by section 454B  
6. of the Social Security Act (as added by section  
7. 912(b)), and the existence of State requirements for  
8. assignment of support as a condition of eligibility for  
9. assistance under part A of the Social Security Act (as  
10. added by title I).

11. (4) CLERICAL AMENDMENTS.—The amendments  
12. made by subsection (b) shall become effective on Octo-  
13. ber 1, 1995.

14. **SEC. 903. RIGHTS TO NOTIFICATION AND HEARINGS.**

15. (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as  
16. amended by section 902(b), is amended by inserting after  
17. paragraph (11) the following new paragraph:

18. “(12) establish procedures to provide that—

19. “(A) individuals who are applying for or  
20. receiving services under this part, or are parties  
21. to cases in which services are being provided  
22. under this part—

23. “(i) receive notice<sup>1</sup> of all proceedings in  
24. which support obligations might be estab-  
25. lished or modified; and

1           “(i) receive a copy of any order estab-  
2           lishing or modifying a child support obliga-  
3           tion, or (in the case of a petition for modi-  
4           fication) a notice of determination that  
5           there should be no change in the amount of  
6           the child support award, within 14 days  
7           after issuance of such order or determina-  
8           tion; and

9           “(B) individuals applying for or receiving  
10          services under this part have access to a fair  
11          hearing or other formal complaint procedure that  
12          meets standards established by the Secretary and  
13          ensures prompt consideration and resolution of  
14          complaints (but the resort to such procedure shall  
15          not stay the enforcement of any support order);”.

16          (b) *EFFECTIVE DATE.*—The amendment made by sub-  
17          section (a) shall become effective on October 1, 1997.

18          **SEC. 904. PRIVACY SAFEGUARDS.**

19          (a) *STATE PLAN REQUIREMENT.*—Section 454 (42  
20          U.S.C. 654), as amended by section 901(b), is amended—

21                  (1) by striking “and” at the end of paragraph

22                  (24);

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

1           (3) by adding after paragraph (25) the following  
2 new paragraph:

3           “(26) will have in effect safeguards, applicable to  
4 all confidential information handled by the State  
5 agency, that are designed to protect the privacy rights  
6 of the parties, including—

7           “(A) safeguards against unauthorized use or  
8 disclosure of information relating to proceedings  
9 or actions to establish paternity, or to establish  
10 or enforce support;

11           “(B) prohibitions against the release of in-  
12 formation on the whereabouts of 1 party to an-  
13 other party against whom a protective order  
14 with respect to the former party has been en-  
15 tered; and

16           “(C) prohibitions against the release of in-  
17 formation on the whereabouts of 1 party to an-  
18 other party if the State has reason to believe that  
19 the release of the information may result in  
20 physical or emotional harm to the former  
21 party.”

22           (b) *EFFECTIVE DATE.*—The amendment made by sub-  
23 section (a) shall become effective on October 1, 1997.

1           **Subtitle B—Locate and Case**  
2                           **Tracking**

3   **SEC. 911. STATE CASE REGISTRY.**

4       Section 454A, as added by section 944(a)(2), is amend-  
5 ed by adding at the end the following new subsections:

6       “(e) STATE CASE REGISTRY.—

7           “(1) CONTENTS.—The automated system re-  
8 quired by this section shall include a registry (which  
9 shall be known as the ‘State case registry’) that con-  
10 tains records with respect to—

11           “(A) each case in which services are being  
12 provided by the State agency under the State  
13 plan approved under this part; and

14           “(B) each support order established or  
15 modified in the State on or after October 1,  
16 1998.

17       “(2) LINKING OF LOCAL REGISTRIES.—The State  
18 case registry may be established by linking local case  
19 registries of support orders through an automated in-  
20 formation network, subject to this section.

21       “(3) USE OF STANDARDIZED DATA ELEMENTS.—  
22 Such records shall use standardized data elements for  
23 both parents (such as names, social security numbers  
24 and other uniform identification numbers, dates of  
25 birth, and case identification numbers), and contain

1 such other information (such as on-case status) as the  
2 Secretary may require.

3 “(4) PAYMENT RECORDS.—Each case record in  
4 the State case registry with respect to which services  
5 are being provided under the State plan approved  
6 under this part and with respect to which a support  
7 order has been established shall include a record of—

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

13 “(B) any amount described in subpara-  
14 graph (A) that has been collected;

15 “(C) the distribution of such collected  
16 amounts;

17 “(D) the birth date of any child for whom  
18 the order requires the provision of support; and

19 “(E) the amount of any lien imposed with  
20 respect to the order pursuant to section  
21 466(a)(4).

22 “(5) UPDATING AND MONITORING.—The State  
23 agency operating the automated system required by  
24 this section shall promptly establish and maintain,  
25 and regularly monitor, case records in the State case

1 registry with respect to which services are being pro-  
2 vided under the State plan approved under this part,  
3 on the basis of—

4 “(A) information on administrative actions  
5 and administrative and judicial proceedings and  
6 orders relating to paternity and support;

7 “(B) information obtained from comparison  
8 with Federal, State, or local sources of informa-  
9 tion;

10 “(C) information on support collections and  
11 distributions; and

12 “(D) any other relevant information.

13 “(f) INFORMATION COMPARISONS AND OTHER DISCLO-  
14 SURES OF INFORMATION.—The State shall use the auto-  
15 mated system required by this section to extract informa-  
16 tion from (at such times, and in such standardized format  
17 or formats, as may be required by the Secretary), to share  
18 and compare information with, and to receive information  
19 from, other data bases and information comparison serv-  
20 ices, in order to obtain (or provide) information necessary  
21 to enable the State agency (or the Secretary or other State  
22 or Federal agencies) to carry out this part, subject to section  
23 6103 of the Internal Revenue Code of 1986. Such informa-  
24 tion comparison activities shall include the following:

1           “(1) *FEDERAL CASE REGISTRY OF CHILD SUP-*  
2           *PORT ORDERS.—Furnishing to the Federal Case Reg-*  
3           *istry of Child Support Orders established under sec-*  
4           *tion 453(h) (and update as necessary, with informa-*  
5           *tion including notice of expiration of orders) the min-*  
6           *imum amount of information on child support cases*  
7           *recorded in the State case registry that is necessary*  
8           *to operate the registry (as specified by the Secretary*  
9           *in regulations).*

10           “(2) *FEDERAL PARENT LOCATOR SERVICE.—Ex-*  
11           *changing information with the Federal Parent Loca-*  
12           *tor Service for the purposes specified in section 453.*

13           “(3) *TEMPORARY FAMILY ASSISTANCE AND MED-*  
14           *ICAID AGENCIES.—Exchanging information with*  
15           *State agencies (of the State and of other States) ad-*  
16           *ministering programs funded under part A, programs*  
17           *operated under State plans under title XIX, and other*  
18           *programs designated by the Secretary, as necessary to*  
19           *perform State agency responsibilities under this part*  
20           *and under such programs.*

21           “(4) *INTRASTATE AND INTERSTATE INFORMATION*  
22           *COMPARISONS.—Exchanging information with other*  
23           *agencies of the State, agencies of other States, and*  
24           *interstate information networks, as necessary and ap-*

1       appropriate to carry out (or assist other States to carry  
2       out) the purposes of this part.”.

3       **SEC. 912. COLLECTION AND DISBURSEMENT OF SUPPORT**  
4               **PAYMENTS.**

5       (a) **STATE PLAN REQUIREMENT.**—Section 454 (42  
6       U.S.C. 654), as amended by sections 901(b) and 904(a), is  
7       amended—

8               (1) by striking “and” at the end of paragraph  
9       (25);

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

12              (3) by adding after paragraph (26) the following  
13       new paragraph:

14              “(27) provide that, on and after October 1, 1998,  
15       the State agency will—

16              “(A) operate a State disbursement unit in  
17       accordance with section 454B; and

18              “(B) have sufficient State staff (consisting  
19       of State employees), and (at State option) pri-  
20       vate or governmental contractors reporting di-  
21       rectly to the State agency, to—

22              “(i) provide automated monitoring  
23       and enforcement of support collections  
24       through the unit (including carrying out

1 the automated data processing responsibil-  
2 ities described in section 454A(g)); and

3 “(ii) take the actions described in sec-  
4 tion 466(c)(1) in appropriate cases.”

5 (b) *ESTABLISHMENT OF STATE DISBURSEMENT*  
6 *UNIT.*—Part D of title IV (42 U.S.C. 651–669), as amended  
7 by section 944(a)(2), is amended by inserting after section  
8 454A the following new section:

9 “**SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT**  
10 **PAYMENTS.**

11 “(a) *STATE DISBURSEMENT UNIT.*—

12 “(1) *IN GENERAL.*—In order for a State to meet  
13 the requirements of this section, the State agency  
14 must establish and operate a unit (which shall be  
15 known as the ‘State disbursement unit’) for the collec-  
16 tion and disbursement of payments under support or-  
17 ders in all cases being enforced by the State pursuant  
18 to section 454(4).

19 “(2) *OPERATION.*—The State disbursement unit  
20 shall be operated—

21 “(A) directly by the State agency (or 2 or  
22 more State agencies under a regional cooperative  
23 agreement), or (to the extent appropriate) by a  
24 contractor responsible directly to the State agen-  
25 cy; and

1           “(B) in coordination with the automated  
2           system established by the State pursuant to sec-  
3           tion 454A.

4           “(3) *LINKING OF LOCAL DISBURSEMENT*  
5           *UNITS.*—The State disbursement unit may be estab-  
6           lished by linking local disbursement units through an  
7           automated information network, subject to this sec-  
8           tion. The Secretary must agree that the system will  
9           not cost more nor take more time to establish or oper-  
10          ate than a centralized system. In addition, employers  
11          shall be given 1 location to which income withholding  
12          is sent.

13          “(b) *REQUIRED PROCEDURES.*—The State disburse-  
14          ment unit shall use automated procedures, electronic proc-  
15          esses, and computer-driven technology to the maximum ex-  
16          tent feasible, efficient, and economical, for the collection and  
17          disbursement of support payments, including procedures—

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

22                 “(2) for accurate identification of payments;

23                 “(3) to ensure prompt disbursement of the custo-  
24                 dial parent's share of any payment; and

1           “(4) to furnish to any parent, upon request,  
2           timely information on the current status of support  
3           payments under an order requiring payments to be  
4           made by or to the parent.

5           “(c) *TIMING OF DISBURSEMENTS.*—

6           “(1) *IN GENERAL.*—Except as provided in para-  
7           graph (2), the State disbursement unit shall distribute  
8           all amounts payable under section 457(a) within 2  
9           business days after receipt from the employer or other  
10          source of periodic income, if sufficient information  
11          identifying the payee is provided.

12          “(2) *PERMISSIVE RETENTION OF ARREARAGES.*—  
13          The State disbursement unit may delay the distribu-  
14          tion of collections toward arrearages until the resolu-  
15          tion of any timely appeal with respect to such arrear-  
16          ages.

17          “(d) *BUSINESS DAY DEFINED.*—As used in this sec-  
18          tion, the term ‘business day’ means a day on which State  
19          offices are open for regular business.”

20          “(c) *USE OF AUTOMATED SYSTEM.*—Section 454A, as  
21          added by section 944(a)(2) and as amended by section 911,  
22          is amended by adding at the end the following new sub-  
23          section:

24          “(g) *COLLECTION AND DISTRIBUTION OF SUPPORT*  
25          *PAYMENTS.*—

1           “(1) IN GENERAL.—The State shall use the auto-  
2           mated system required by this section, to the maxi-  
3           mum extent feasible, to assist and facilitate the collec-  
4           tion and disbursement of support payments through  
5           the State disbursement unit operated under section  
6           454B, through the performance of functions, includ-  
7           ing, at a minimum—

8           “(A) transmission of orders and notices to  
9           employers (and other debtors) for the withholding  
10          of wages and other income—

11          “(i) within 2 business days after re-  
12          ceipt from a court, another State, an em-  
13          ployer, the Federal Parent Locator Service,  
14          or another source recognized by the State of  
15          notice of, and the income source subject to,  
16          such withholding; and

17          “(ii) using uniform formats prescribed  
18          by the Secretary;

19          “(B) ongoing monitoring to promptly iden-  
20          tify failures to make timely payment of support;  
21          and

22          “(C) automatic use of enforcement proce-  
23          dures (including procedures authorized pursuant  
24          to section 466(c)) where payments are not timely  
25          made.

1           “(2) *BUSINESS DAY DEFINED.*—As used in para-  
2 graph (1), the term ‘business day’ means a day on  
3 which State offices are open for regular business.”.

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

6 **SEC. 913. STATE DIRECTORY OF NEW HIRES.**

7           (a) *STATE PLAN REQUIREMENT.*—Section 454 (42  
8 U.S.C. 654), as amended by sections 901(b), 904(a) and  
9 912(a), is amended—

10           (1) by striking “and” at the end of paragraph  
11 (26);

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

14           (3) by adding after paragraph (27) the following  
15 new paragraph:

16           “(28) provide that, on and after October 1, 1997,  
17 the State will operate a State Directory of New Hires  
18 in accordance with section 453A.”.

19           (b) *STATE DIRECTORY OF NEW HIRES.*—Part D of  
20 title IV (42 U.S.C. 651–669) is amended by inserting after  
21 section 453 the following new section:

22 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

23           “(a) *ESTABLISHMENT.*—

24           “(1) *IN GENERAL.*—Not later than October 1,  
25 1997, each State shall establish an automated direc-

1 tory (to be known as the 'State Directory of New  
2 Hires') which shall contain information supplied in  
3 accordance with subsection (b) by employers on each  
4 newly hired employee.

5 "(2) DEFINITIONS.—As used in this section:

6 "(A) EMPLOYEE.—The term 'employee'—

7 "(i) means an individual who is an  
8 employee within the meaning of chapter 24  
9 of the Internal Revenue Code of 1986; and

10 "(ii) does not include an employee of a  
11 Federal or State agency performing intel-  
12 ligence or counterintelligence functions, if  
13 the head of such agency has determined that  
14 reporting pursuant to paragraph (1) with  
15 respect to the employee could endanger the  
16 safety of the employee or compromise an on-  
17 going investigation or intelligence mission.

18 "(B) EMPLOYER.—The term 'employer' in-  
19 cludes—

20 "(i) any governmental entity, and

21 "(ii) any labor organization.

22 "(C) LABOR ORGANIZATION.—The term  
23 'labor organization' shall have the meaning given  
24 such term in section 2(5) of the National Labor  
25 Relations Act, and includes any entity (also

1 known as a 'hiring hall') which is used by the  
2 organization and an employer to carry out re-  
3 quirements described in section 8(f)(3) of such  
4 Act of an agreement between the organization  
5 and the employer.

6 "(b) EMPLOYER INFORMATION.—

7 "(1) REPORTING REQUIREMENT.—

8 "(A) IN GENERAL.—Except as provided in  
9 subparagraphs (B) and (C), each employer shall  
10 furnish to the Directory of New Hires of the  
11 State in which a newly hired employee works, a  
12 report that contains the name, address, and so-  
13 cial security number of the employee, and the  
14 name of, and identifying number assigned under  
15 section 6109 of the Internal Revenue Code of  
16 1986 to, the employer.

17 "(B) MULTISTATE EMPLOYERS.—An em-  
18 ployer that has employees who are employed in  
19 2 or more States and that transmits reports  
20 magnetically or electronically may comply with  
21 subparagraph (A) by designating 1 State in  
22 which such employer has employees to which it  
23 will transmit the report described in subpara-  
24 graph (A), and transmitting such report to such  
25 State. Any employer that transmits reports pur-

1           suant to this subparagraph shall notify the Sec-  
2           retary in writing as to which State such em-  
3           ployer designates for the purpose of sending re-  
4           ports.

5           “(C) FEDERAL GOVERNMENT EMPLOYERS.—  
6           Any department, agency, or instrumentality of  
7           the United States shall comply with subpara-  
8           graph (A) by transmitting the report described  
9           in subparagraph (A) to the National Directory  
10          of New Hires established pursuant to section  
11          453.

12          “(2) TIMING OF REPORT.—The report required  
13          by paragraph (1) with respect to an employee shall  
14          be made not later than the later of—

15                 “(A) 30 days after the date the employer  
16                 hires the employee; or

17                 “(B) in the case of an employer that reports  
18                 by magnetic or electronic means, the 1st business  
19                 day of the week following the date on which the  
20                 employee 1st receives wages or other compensa-  
21                 tion from the employer.

22          “(c) REPORTING FORMAT AND METHOD.—Each report  
23          required by subsection (b) shall be made on a  
24          W-4 form and may be transmitted by 1st class mail, mag-  
25          netically, or electronically.

1       “(d) *CIVIL MONEY PENALTIES ON NONCOMPLYING EM-*  
2 *PLOYERS.—The State shall have the option to set a State*  
3 *civil money penalty which shall be less than—*

4               “(1) \$25; or

5               “(2) \$500 if, under State law, the failure is the  
6 *result of a conspiracy between the employer and the*  
7 *employee to not supply the required report or to sup-*  
8 *ply a false or incomplete report.*

9       “(e) *ENTRY OF EMPLOYER INFORMATION.—Informa-*  
10 *tion shall be entered into the data base maintained by the*  
11 *State Directory of New Hires within 5 business days of re-*  
12 *ceipt from an employer pursuant to subsection (b).*

13       “(f) *INFORMATION COMPARISONS.—*

14               “(1) *IN GENERAL.—Not later than October 1,*  
15 *1998, an agency designated by the State shall, di-*  
16 *rectly or by contract, conduct automated comparisons*  
17 *of the social security numbers reported by employers*  
18 *pursuant to subsection (b) and the social security*  
19 *numbers appearing in the records of the State case*  
20 *registry for cases being enforced under the State plan.*

21               “(2) *NOTICE OF MATCH.—When an information*  
22 *comparison conducted under paragraph (1) reveals a*  
23 *match with respect to the social security number of an*  
24 *individual required to provide support under a sup-*  
25 *port order, the State Directory of New Hires shall*

1 provide the agency administering the State plan ap-  
2 proved under this part of the appropriate State with  
3 the name, address, and social security number of the  
4 employee to whom the social security number is as-  
5 signed, and the name of, and identifying number as-  
6 signed under section 6109 of the Internal Revenue  
7 Code of 1986 to, the employer.

8 "(g) TRANSMISSION OF INFORMATION.—

9 "(1) TRANSMISSION OF WAGE WITHHOLDING NO-  
10 TICES TO EMPLOYERS.—Within 2 business days after  
11 the date information regarding a newly hired em-  
12 ployee is entered into the State Directory of New  
13 Hires, the State agency enforcing the employee's child  
14 support obligation shall transmit a notice to the em-  
15 ployer of the employee directing the employer to with-  
16 hold from the wages of the employee an amount equal  
17 to the monthly (or other periodic) child support obli-  
18 gation of the employee, unless the employee's wages  
19 are not subject to withholding pursuant to section  
20 466(b)(3).

21 "(2) TRANSMISSIONS TO THE NATIONAL DIREC-  
22 TORY OF NEW HIRES.—

23 "(A) NEW HIRE INFORMATION.—Within 2  
24 business days after the date information regard-  
25 ing a newly hired employee is entered into the

1        *State Directory of New Hires, the State Direc-*  
2        *tory of New Hires shall furnish the information*  
3        *to the National Directory of New Hires.*

4                *“(B) WAGE AND UNEMPLOYMENT COM-*  
5        *PENSATION INFORMATION.—The State Directory*  
6        *of New Hires shall, on a quarterly basis, furnish*  
7        *to the National Directory of New Hires extracts*  
8        *of the reports required under section 303(a)(6) to*  
9        *be made to the Secretary of Labor concerning the*  
10       *wages and unemployment compensation paid to*  
11       *individuals, by such dates, in such format, and*  
12       *containing such information as the Secretary of*  
13       *Health and Human Services shall specify in reg-*  
14       *ulations.*

15               *“(3) BUSINESS DAY DEFINED.—As used in this*  
16       *subsection, the term ‘business day’ means a day on*  
17       *which State offices are open for regular business.*

18               *“(h) OTHER USES OF NEW HIRE INFORMATION.—*

19               *“(1) LOCATION OF CHILD SUPPORT OBLIGORS.—*  
20       *The agency administering the State plan approved*  
21       *under this part shall use information received pursu-*  
22       *ant to subsection (f)(2) to locate individuals for pur-*  
23       *poses of establishing paternity and establishing, modi-*  
24       *fying, and enforcing child support obligations.*

1           “(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN  
2           PROGRAMS.—A State agency responsible for admin-  
3           istering a program specified in section 1137(b) shall  
4           have access to information reported by employers pur-  
5           suant to subsection (b) of this section for purposes of  
6           verifying eligibility for the program.

7           “(3) ADMINISTRATION OF EMPLOYMENT SECUR-  
8           ITY AND WORKERS’ COMPENSATION.—State agencies  
9           operating employment security and workers’ com-  
10          pensation programs shall have access to information  
11          reported by employers pursuant to subsection (b) for  
12          the purposes of administering such programs.”

13          (c) QUARTERLY WAGE REPORTING.—Section  
14          1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

15                 (1) by inserting “(including State and local gov-  
16                 ernmental entities)” after “employers”; and

17                 (2) by inserting “, and except that no report  
18                 shall be filed with respect to an employee of a State  
19                 agency performing intelligence or counterintelligence  
20                 functions, if the head of such agency has determined  
21                 that filing such a report could endanger the safety of  
22                 the employee or compromise an ongoing investigation  
23                 or intelligence mission” after “paragraph (2)”.

1 SEC. 914. AMENDMENTS CONCERNING INCOME WITHHOLD-  
2 ING.

3 (a) MANDATORY INCOME WITHHOLDING.—

4 (1) IN GENERAL.—Section 466(a)(1) (42 U.S.C.  
5 666(a)(1)) is amended to read as follows:

6 “(1)(A) Procedures described in subsection (b)  
7 for the withholding from income of amounts payable  
8 as support in cases subject to enforcement under the  
9 State plan.

10 “(B) Procedures under which the wages of a per-  
11 son with a support obligation imposed by a support  
12 order issued (or modified) in the State before October  
13 1, 1996, if not otherwise subject to withholding under  
14 subsection (b), shall become subject to withholding as  
15 provided in subsection (b) if arrearages occur, without  
16 the need for a judicial or administrative hearing.”

17 (2) CONFORMING AMENDMENTS.—

18 (A) Section 466(b) (42 U.S.C. 666(b)) is  
19 amended in the matter preceding paragraph (1),  
20 by striking “subsection (a)(1)” and inserting  
21 “subsection (a)(1)(A)”.

22 (B) Section 466(b)(4) (42 U.S.C. 666(b)(4))  
23 is amended to read as follows:

24 “(4)(A) Such withholding must be carried out in  
25 full compliance with all procedural due process re-  
26 quirements of the State, and the State must send no-

1        *tice to each absent parent to whom paragraph (1) ap-*  
2        *plies—*

3                *“(i) that the withholding has commenced;*

4                *and*

5                *“(ii) of the procedures to follow if the absent*  
6                *parent desires to contest such withholding on the*  
7                *grounds that the withholding or the amount*  
8                *withheld is improper due to a mistake of fact.*

9                *“(B) The notice under subparagraph (A) shall*  
10              *include the information provided to the employer*  
11              *under paragraph (6)(A).”*

12              *(C) Section 466(b)(5) (42 U.S.C. 666(b)(5))*  
13              *is amended by striking all that follows “adminis-*  
14              *tered by” and inserting “the State through the*  
15              *State disbursement unit established pursuant to*  
16              *section 454B, in accordance with the require-*  
17              *ments of section 454B.”*

18              *(D) Section 466(b)(6)(A) (42 U.S.C.*  
19              *666(b)(6)(A)) is amended—*

20                      *(i) in clause (i), by striking “to the ap-*  
21                      *propriate agency” and all that follows and*  
22                      *inserting “to the State disbursement unit*  
23                      *within 2 business days after the date the*  
24                      *amount would (but for this subsection) have*

1           been paid or credited to the employee, for  
2           distribution in accordance with this part.”;

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

6           (iii) by adding at the end the following  
7           new clause:

8           “(iii) As used in this subparagraph, the term  
9           ‘business day’ means a day on which State offices are  
10          open for regular business.”.

11          (E) Section 466(b)(6)(D) (42 U.S.C.  
12          666(b)(6)(D)) is amended by striking “any em-  
13          ployer” and all that follows and inserting “any  
14          employer who—

15          “(i) discharges from employment, refuses to  
16          employ, or takes disciplinary action against any  
17          absent parent subject to wage withholding re-  
18          quired by this subsection because of the existence  
19          of such withholding and the obligations or addi-  
20          tional obligations which it imposes upon the em-  
21          ployer; or

22          “(ii) fails to withhold support from wages,  
23          or to pay such amounts to the State disburse-  
24          ment unit in accordance with this subsection.”.

1           (F) Section 466(b) (42 U.S.C. 666(b)) is  
2           amended by adding at the end the following new  
3           paragraph:

4           “(11) Procedures under which the agency admin-  
5           istering the State plan approved under this part may  
6           execute a withholding order through electronic means  
7           and without advance notice to the obligor.”.

8           (b) **CONFORMING AMENDMENT.**—Section 466(c) (42  
9           U.S.C. 666(c)) is repealed.

10       **SEC. 915. LOCATOR INFORMATION FROM INTERSTATE NET-**  
11                **WORKS.**

12           Section 466(a) (42 U.S.C. 666(a)) is amended by add-  
13           ing at the end the following new paragraph:

14           “(12) Procedures to ensure that all Federal and  
15           State agencies conducting activities under this part  
16           have access to any system used by the State to locate  
17           an individual for purposes relating to motor vehicles  
18           or law enforcement.”.

19       **SEC. 916. EXPANSION OF THE FEDERAL PARENT LOCATOR**  
20                **SERVICE.**

21           (a) **EXPANDED AUTHORITY TO LOCATE INDIVIDUALS**  
22           **AND ASSETS.**—Section 453 (42 U.S.C. 653) is amended—

23           (1) in subsection (a), by striking all that follows  
24           “subsection (c))” and inserting “, for the purpose of  
25           establishing parentage, establishing, setting the

1 amount of, modifying, or enforcing child support obli-  
2 gations, or enforcing child visitation orders—

3 “(1) information on, or facilitating the discovery  
4 of, the location of any individual—

5 “(A) who is under an obligation to pay  
6 child support or provide child visitation rights;

7 “(B) against whom such an obligation is  
8 sought;

9 “(C) to whom such an obligation is owed,  
10 including the individual's social security number (or  
11 numbers), most recent address, and the name, address,  
12 and employer identification number of the individ-  
13 ual's employer;

14 “(2) information on the individual's wages (or  
15 other income) from, and benefits of, employment (in-  
16 cluding rights to or enrollment in group health care  
17 coverage); and

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

21 (2) in subsection (b), in the matter preceding  
22 paragraph (1), by striking “social security” and all  
23 that follows through “absent parent” and inserting  
24 “information described in subsection (a)”.

1       (b) *AUTHORIZED PERSON FOR INFORMATION REGARD-*  
2 *ING VISITATION RIGHTS.*—Section 453(c) (42 U.S.C.  
3 653(c)) is amended—

4           (1) in paragraph (1), by striking “support” and  
5 inserting “support or to seek to enforce orders provid-  
6 ing child visitation rights”;

7           (2) in paragraph (2), by striking “, or any agent  
8 of such court; and” and inserting “or to issue an  
9 order against a resident parent for visitation rights,  
10 or any agent of such court;”;

11          (3) by striking the period at the end of para-  
12 graph (3) and inserting “; and”; and

13          (4) by adding at the end the following new para-  
14 graph:

15           “(4) the absent parent, only with regard to a  
16 court order against a resident parent for child visita-  
17 tion rights.”.

18       (c) *REIMBURSEMENT FOR INFORMATION FROM FED-*  
19 *ERAL AGENCIES.*—Section 453(e)(2) (42 U.S.C. 653(e)(2)).  
20 is amended in the 4th sentence by inserting “in an amount  
21 which the Secretary determines to be reasonable payment  
22 for the information exchange (which amount shall not in-  
23 clude payment for the costs of obtaining, compiling, or  
24 maintaining the information)” before the period.

1       (d) *REIMBURSEMENT FOR REPORTS BY STATE AGEN-*  
 2 *CIES.—Section 453 (42 U.S.C. 653) is amended by adding*  
 3 *at the end the following new subsection:*

4       “(g) *The Secretary may reimburse Federal and State*  
 5 *agencies for the costs incurred by such entities in furnishing*  
 6 *information requested by the Secretary under this section*  
 7 *in an amount which the Secretary determines to be reason-*  
 8 *able payment for the information exchange (which amount*  
 9 *shall not include payment for the costs of obtaining, compil-*  
 10 *ing, or maintaining the information).”.*

11       (e) *TECHNICAL AMENDMENTS.—*

12           (1) *Sections 452(a)(9), 453(a), 453(b), 463(a),*  
 13 *463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),*  
 14 *653(b), 663(a), 663(e), and 663(f)) are each amended*  
 15 *by inserting “Federal” before “Parent” each place*  
 16 *such term appears.*

17           (2) *Section 453 (42 U.S.C. 653) is amended in*  
 18 *the heading by adding “FEDERAL” before “PARENT”.*

19       (f) *NEW COMPONENTS.—Section 453 (42 U.S.C. 653),*  
 20 *as amended by subsection (d) of this section, is amended*  
 21 *by adding at the end the following new subsection:*

22       “(h)(1) *Not later than October 1, 1998, in order to as-*  
 23 *sist States in administering programs under State plans*  
 24 *approved under this part and programs funded under part*  
 25 *A, and for the other purposes specified in this section, the*

1 Secretary shall establish and maintain in the Federal Par-  
2 ent Locator Service an automated registry (which shall be  
3 known as the 'Federal Case Registry of Child Support Or-  
4 ders'), which shall contain abstracts of support orders and  
5 other information described in paragraph (2) with respect  
6 to each case in each State case registry maintained pursu-  
7 ant to section 454A(e), as furnished (and regularly up-  
8 dated), pursuant to section 454A(f), by State agencies ad-  
9 ministering programs under this part.

10       “(2) The information referred to in paragraph (1)  
11 with respect to a case shall be such information as the Sec-  
12 retary may specify in regulations (including the names, so-  
13 cial security numbers or other uniform identification num-  
14 bers, and State case identification numbers) to identify the  
15 individuals who owe or are owed support (or with respect  
16 to or on behalf of whom support obligations are sought to  
17 be established), and the State or States which have the case.

18       “(i)(1) In order to assist States in administering pro-  
19 grams under State plans approved under this part and pro-  
20 grams funded under part A, and for the other purposes spec-  
21 ified in this section, the Secretary shall, not later than Octo-  
22 ber 1, 1996, establish and maintain in the Federal Parent  
23 Locator Service an automated directory to be known as the  
24 National Directory of New Hires, which shall contain the  
25 information supplied pursuant to section 453A(g)(2).

1       “(2) Information shall be entered into the data base  
2 maintained by the National Directory of New Hires within  
3 2 business days of receipt pursuant to section 453A(g)(2).

4       “(3) The Secretary of the Treasury shall have access  
5 to the information in the National Directory of New Hires  
6 for purposes of administering section 32 of the Internal  
7 Revenue Code of 1986, or the advance payment of the  
8 earned income tax credit under section 3507 of such Code,  
9 and verifying a claim with respect to employment in a tax  
10 return.

11       “(4) The Secretary shall maintain within the National  
12 Directory of New Hires a list of multistate employers that  
13 report information regarding newly hired employees pursu-  
14 ant to section 453A(b)(1)(B), and the State which each such  
15 employer has designated to receive such information.

16       “(j)(1)(A) The Secretary shall transmit information  
17 on individuals and employers maintained under this sec-  
18 tion to the Social Security Administration to the extent nec-  
19 essary for verification in accordance with subparagraph  
20 (B).

21       “(B) The Social Security Administration shall verify  
22 the accuracy of, correct, or supply to the extent possible,  
23 and report to the Secretary, the following information sup-  
24 plied by the Secretary pursuant to subparagraph (A):

1           “(i) The name, social security number, and birth  
2           date of each such individual.

3           “(ii) The employer identification number of each  
4           such employer.

5           “(2) For the purpose of locating individuals in a pa-  
6           ternity establishment case or a case involving the establish-  
7           ment, modification, or enforcement of a support order, the  
8           Secretary shall—

9           “(A) compare information in the National Di-  
10           rectory of New Hires against information in the sup-  
11           port case abstracts in the Federal Case Registry of  
12           Child Support Orders not less often than every 2  
13           business days; and

14           “(B) within 2 such days after such a comparison  
15           reveals a match with respect to an individual, report  
16           the information to the State agency responsible for the  
17           case.

18           “(3) To the extent and with the frequency that the Sec-  
19           retary determines to be effective in assisting States to carry  
20           out their responsibilities under programs operated under  
21           this part and programs funded under part A, the Secretary  
22           shall—

23           “(A) compare the information in each compo-  
24           nent of the Federal Parent Locator Service main-  
25           tained under this section against the information in

1 each other such component (other than the compari-  
2 son required by paragraph (2)), and report instances  
3 in which such a comparison reveals a match with re-  
4 spect to an individual to State agencies operating  
5 such programs; and

6 "(B) disclose information in such registries to  
7 such State agencies.

8 "(4) The National Directory of New Hires shall pro-  
9 vide the Commissioner of Social Security with all informa-  
10 tion in the National Directory, which shall be used to deter-  
11 mine the accuracy of payments under the supplemental se-  
12 curity income program under title XVI and in connection  
13 with benefits under title II.

14 "(5) The Secretary may provide access to information  
15 reported by employers pursuant to section 453A(b) for re-  
16 search purposes found by the Secretary to be likely to con-  
17 tribute to achieving the purposes of part A or this part,  
18 but without personal identifiers.

19 "(k)(1) The Secretary shall reimburse the Commis-  
20 sioner of Social Security, at a rate negotiated between the  
21 Secretary and the Commissioner, for the costs incurred by  
22 the Commissioner in performing the verification services de-  
23 scribed in subsection (j).

24 "(2) The Secretary shall reimburse costs incurred by  
25 State directories of new hires in furnishing information as

1 required by subsection (j)(3), at rates which the Secretary  
2 determines to be reasonable (which rates shall not include  
3 payment for the costs of obtaining, compiling, or maintain-  
4 ing such information).

5       “(3) A State or Federal agency that receives informa-  
6 tion from the Secretary pursuant to this section shall reim-  
7 burse the Secretary for costs incurred by the Secretary in  
8 furnishing the information, at rates which the Secretary de-  
9 termines to be reasonable (which rates shall include pay-  
10 ment for the costs of obtaining, verifying, maintaining, and  
11 comparing the information).

12       “(l) Information in the Federal Parent Locator Serv-  
13 ice, and information resulting from comparisons using such  
14 information, shall not be used or disclosed except as ex-  
15 pressly provided in this section, subject to section 6103 of  
16 the Internal Revenue Code of 1986.

17       “(m) The Secretary shall establish and implement safe-  
18 guards with respect to the entities established under this  
19 section designed to—

20               “(1) ensure the accuracy and completeness of in-  
21 formation in the Federal Parent Locator Service; and

22               “(2) restrict access to confidential information in  
23 the Federal Parent Locator Service to authorized per-  
24 sons, and restrict use of such information to author-  
25 ized purposes.

1       “(n) Each department, agency, and instrumentality of  
2 the United States shall on a quarterly basis report to the  
3 Federal Parent Locator Service the name and social secu-  
4 rity number of each employee and the wages paid to the  
5 employee during the previous quarter, except that no report  
6 shall be filed with respect to an employee of a department,  
7 agency, or instrumentality performing intelligence or coun-  
8 terintelligence functions, if the head of such department,  
9 agency, or instrumentality has determined that filing such  
10 a report could endanger the safety of the employee or com-  
11 promise an ongoing investigation or intelligence mission.”.

12       (f) CONFORMING AMENDMENTS.—

13       (1) TO PART D OF TITLE IV OF THE SOCIAL SE-  
14       CURITY ACT.—Section 454(8)(B) (42 U.S.C.  
15       654(8)(B)) is amended to read as follows:

16               “(B) the Federal Parent Locator Service es-  
17               tablished under section 453;”.

18       (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—  
19       Section 3304(a)(16) of the Internal Revenue Code of  
20       1986 is amended—

21               (A) by striking “Secretary of Health, Edu-  
22               cation, and Welfare” each place such term ap-  
23               pears and inserting “Secretary of Health and  
24               Human Services”;

1           (B) in subparagraph (B), by striking "such  
2 information" and all that follows and inserting  
3 "information furnished under subparagraph (A)  
4 or (B) is used only for the purposes authorized  
5 under such subparagraph;";

6           (C) by striking "and" at the end of sub-  
7 paragraph (A);

8           (D) by redesignating subparagraph (B) as  
9 subparagraph (C); and

10          (E) by inserting after subparagraph (A) the  
11 following new subparagraph:

12           "(B) wage and unemployment compensa-  
13 tion information contained in the records of such  
14 agency shall be furnished to the Secretary of  
15 Health and Human Services (in accordance with  
16 regulations promulgated by such Secretary) as  
17 necessary for the purposes of the National Direc-  
18 tory of New Hires established under section  
19 453(i) of the Social Security Act, and".

20          (3) TO STATE GRANT PROGRAM UNDER TITLE III  
21 OF THE SOCIAL SECURITY ACT.—Subsection (h) of sec-  
22 tion 303 (42 U.S.C. 503) is amended to read as fol-  
23 lows:

24          "(h)(1) The State agency charged with the administra-  
25 tion of the State law shall, on a reimbursable basis—

1           “(A) disclose quarterly, to the Secretary of  
2       Health and Human Services wage and claim infor-  
3       mation, as required pursuant to section 453(i)(1),  
4       contained in the records of such agency;

5           “(B) ensure that information provided pursuant  
6       to subparagraph (A) meets such standards relating to  
7       correctness and verification as the Secretary of Health  
8       and Human Services, with the concurrence of the Sec-  
9       retary of Labor, may find necessary; and

10          “(C) establish such safeguards as the Secretary of  
11       Labor determines are necessary to insure that infor-  
12       mation disclosed under subparagraph (A) is used only  
13       for purposes of section 453(i)(1) in carrying out the  
14       child support enforcement program under title IV.

15          “(2) Whenever the Secretary of Labor, after reasonable  
16       notice and opportunity for hearing to the State agency  
17       charged with the administration of the State law, finds that  
18       there is a failure to comply substantially with the require-  
19       ments of paragraph (1), the Secretary of Labor shall notify  
20       such State agency that further payments will not be made  
21       to the State until the Secretary of Labor is satisfied that  
22       there is no longer any such failure. Until the Secretary of  
23       Labor is so satisfied, the Secretary shall make no future  
24       certification to the Secretary of the Treasury with respect  
25       to the State.

1       “(3) For purposes of this subsection—

2               “(A) the term ‘wage information’ means infor-  
3 mation regarding wages paid to an individual, the  
4 social security account number of such individual,  
5 and the name, address, State, and the Federal em-  
6 ployer identification number of the employer paying  
7 such wages to such individual; and

8               “(B) the term ‘claim information’ means infor-  
9 mation regarding whether an individual is receiving,  
10 has received, or has made application for, unemploy-  
11 ment compensation, the amount of any such com-  
12 pensation being received (or to be received by such in-  
13 dividual), and the individual’s current (or most re-  
14 cent) home address.”.

15 **SEC. 917. COLLECTION AND USE OF SOCIAL SECURITY NUM-**  
16 **BERS FOR USE IN CHILD SUPPORT ENFORCE-**  
17 **MENT.**

18       (a) **STATE LAW REQUIREMENT.**—Section 466(a) (42  
19 U.S.C. 666(a)), as amended by section 915, is amended by  
20 adding at the end the following new paragraph:

21               “(13) Procedures requiring that the social secu-  
22 rity number of—

23                       “(A) any applicant for a professional li-  
24 cense, commercial driver’s license, occupational

1 license, or marriage license be recorded on the  
2 application;

3 “(B) any individual who is subject to a di-  
4 vorce decree, support order, or paternity deter-  
5 mination or acknowledgment be placed in the  
6 records relating to the matter; and

7 “(C) any individual who has died be placed  
8 in the records relating to the death and be re-  
9 corded on the death certificate.

10 For purposes of subparagraph (A), if a State allows  
11 the use of a number other than the social security  
12 number, the State shall so advise any applicants.”

13 (b) CONFORMING AMENDMENTS.—Section  
14 205(c)(2), (3) (42 U.S.C. 405(c)(2)(C)), as amended by sec-  
15 tion 321(a)(9) of the Social Security Independence and  
16 Program Improvements Act of 1994, is amended—

17 (1) in clause (i), by striking “may require” and  
18 inserting “shall require”;

19 (2) in clause (ii), by inserting after the 1st sen-  
20 tence the following: “In the administration of any  
21 law involving the issuance of a marriage certificate or  
22 license, each State shall require each party named in  
23 the certificate or license to furnish to the State (or po-  
24 litical subdivision thereof), or any State agency hav-

1       ing administrative responsibility for the law involved,  
2       the social security number of the party.”;

3           (3) in clause (ii), by inserting “or marriage cer-  
4       tificate” after “Such numbers shall not be recorded on  
5       the birth certificate”.

6           (4) in clause (vi), by striking “may” and insert-  
7       ing “shall”; and

8           (5) by adding at the end the following new  
9       clauses:

10                   “(x) An agency of a State (or a politi-  
11                   cal subdivision thereof) charged with the ad-  
12                   ministration of any law concerning the is-  
13                   suanance or renewal of a license, certificate,  
14                   per. vit, or other authorization to engage in  
15                   a profession, an occupation, or a commer-  
16                   cial activity shall require all applicants for  
17                   issuance or renewal of the license, certifi-  
18                   cate, permit, or other authorization to pro-  
19                   vide the applicant’s social security number  
20                   to the agency for the purpose of administer-  
21                   ing such laws, and for the purpose of re-  
22                   sponding to requests for information from  
23                   an agency operating pursuant to part D of  
24                   title IV.

1           “(xi) All divorce decrees, support or-  
2           ders, and paternity determinations issued,  
3           and all paternity acknowledgments made,  
4           in each State shall include the social secu-  
5           rity number of each party to the decree,  
6           order, determination, or acknowledgement  
7           in the records relating to the matter, for the  
8           purpose of responding to requests for infor-  
9           mation from an agency operating pursuant  
10          to part D of title IV.”

11           **Subtitle C—Streamlining and**  
12           **Uniformity of Procedures**

13          **SEC. 921. ADOPTION OF UNIFORM STATE LAWS.**

14          Section 466 (42 U.S.C. 666) is amended by adding  
15          at the end the following new subsection:

16          “(f)(1) In order to satisfy section 454(20)(A) on or  
17          after January 1, 1997, each State must have in effect the  
18          Uniform Interstate Family Support Act, as approved by  
19          the National Conference of Commissioners on Uniform  
20          State Laws in August 1992 (with the modifications and  
21          additions specified in this subsection), and the procedures  
22          required to implement such Act.

23          “(2) The State law enacted pursuant to paragraph (1)  
24          may be applied to any case involving an order which is

1 established or modified in a State and which is sought to  
2 be modified or enforced in another State.

3       “(3) The State law enacted pursuant to paragraph (1)  
4 of this subsection shall contain the following provision in  
5 lieu of section 611(a)(1) of the Uniform Interstate Family  
6 Support Act:

7               “(1) the following requirements are met:

8                       “(i) the child, the individual obligee, and  
9                       the obligor—

10                               “(I) do not reside in the issuing State;

11                               and

12                               “(II) either reside in this State or are  
13                               subject to the jurisdiction of this State pur-  
14                               suant to section 201; and

15                               “(ii) in any case where another State is  
16                               exercising or seeks to exercise jurisdiction to  
17                               modify the order, the conditions of section 204  
18                               are met to the same extent as required for pro-  
19                               ceedings to establish orders; or’.

20       “(4) The State law enacted pursuant to paragraph (1)  
21 shall provide that, in any proceeding subject to the law,  
22 process may be served (and proved) upon persons in the  
23 State by any means acceptable in any State which is the  
24 initiating or responding State in the proceeding.”

1 SEC. 922. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR  
2 CHILD SUPPORT ORDERS.

3 Section 1738B of title 28, United States Code, is  
4 amended—

5 (1) in subsection (a)(2), by striking “subsection  
6 (e)” and inserting “subsections (e), (f), and (i)”;

7 (2) in subsection (b), by inserting after the 2nd  
8 undesignated paragraph the following:

9 “‘child’s home State’ means the State in which  
10 a child lived with a parent or a person acting as par-  
11 ent for at least 6 consecutive months immediately pre-  
12 ceding the time of filing of a petition or comparable  
13 pleading for support and, if a child is less than 6  
14 months old, the State in which the child lived from  
15 birth with any of them. A period of temporary ab-  
16 sence of any of them is counted as part of the 6-month  
17 period.”;

18 (3) in subsection (c), by inserting “by a court of  
19 a State” before “is made”;

20 (4) in subsection (c)(1), by inserting “and sub-  
21 sections (e), (f), and (g)” after “located”;

22 (5) in subsection (d)—

23 (A) by inserting “individual” before “con-  
24 testant”; and

25 (B) by striking “subsection (e)” and insert-  
26 ing “subsections (e) and (f)”;

1           (6) in subsection (e), by striking "make a modi-  
2       fication of a child support order with respect to a  
3       child that is made" and inserting "modify a child  
4       support order issued";

5           (7) in subsection (e)(1), by inserting "pursuant  
6       to subsection (i)" before the semicolon;

7           (8) in subsection (e)(2)—

8               (A) by inserting "individual" before "con-  
9       testant" each place such term appears; and

10               (B) by striking "to that court's making the  
11       modification and assuming" and inserting "with  
12       the State of continuing, exclusive jurisdiction for  
13       a court of another State to modify the order and  
14       assume";

15           (9) by redesignating subsections (f) and (g) as  
16       subsections (g) and (h), respectively;

17           (10) by inserting after subsection (e) the follow-  
18       ing new subsection:

19       "*(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If*  
20 *1 or more child support orders have been issued in this or*  
21 *another State with regard to an obligor and a child, a court*  
22 *shall apply the following rules in determining which order*  
23 *to recognize for purposes of continuing, exclusive jurisdic-*  
24 *tion and enforcement:*

1           “(1) If only 1 court has issued a child support  
2 order, the order of that court must be recognized.

3           “(2) If 2 or more courts have issued child sup-  
4 port orders for the same obligor and child, and only  
5 1 of the courts would have continuing, exclusive juris-  
6 diction under this section, the order of that court  
7 must be recognized.

8           “(3) If 2 or more courts have issued child sup-  
9 port orders for the same obligor and child, and more  
10 than 1 of the courts would have continuing, exclusive  
11 jurisdiction under this section, an order issued by a  
12 court in the current home State of the child must be  
13 recognized, but if an order has not been issued in the  
14 current home State of the child, the order most re-  
15 cently issued must be recognized.

16           “(4) If 2 or more courts have issued child sup-  
17 port orders for the same obligor and child, and none  
18 of the courts would have continuing, exclusive juris-  
19 diction under this section, a court may issue a child  
20 support order, which must be recognized.

21           “(5) The court that has issued an order recog-  
22 nized under this subsection is the court having con-  
23 tinuing, exclusive jurisdiction.”;

24           (11) in subsection (g) (as so redesignated)—

1 (A) by striking "PRIOR" and inserting  
2 "MODIFIED"; and

3 (B) by striking "subsection (e)" and insert-  
4 ing "subsections (e) and (f)";

5 (12) in subsection (h) (as so redesignated)—

6 (A) in paragraph (2), by inserting "includ-  
7 ing the duration of current payments and other  
8 obligations of support" before the comma; and

9 (B) in paragraph (3), by inserting "arrear  
10 under" after "enforce"; and

11 (13) by adding at the end the following new sub-  
12 section:

13 "(i) REGISTRATION FOR MODIFICATION.—If there is  
14 no individual contestant or child residing in the issuing  
15 State, the party or support enforcement agency seeking to  
16 modify, or to modify and enforce, a child support order is-  
17 sued in another State shall register that order in a State  
18 with jurisdiction over the nonmovant for the purpose of  
19 modification."

20 **SEC. 923. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**  
21 **CASES.**

22 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
23 tions 915 and 917(a), is amended by adding at the end  
24 the following new paragraph:

25 "(14) Procedures under which—

1           “(A)(i) the State shall respond within 5  
2           business days to a request made by another State  
3           to enforce a support order; and

4           “(ii) the term ‘business day’ means a day  
5           on which State offices are open for regular busi-  
6           ness;

7           “(B) the State may, by electronic or other  
8           means, transmit to another State a request for  
9           assistance in a case involving the enforcement of  
10          a support order, which request—

11           “(i) shall include such information as  
12           will enable the State to which the request is  
13           transmitted to compare the information  
14           about the case to the information in the  
15           data bases of the State; and

16           “(ii) shall constitute a certification by  
17           the requesting State—

18           “(I) of the amount of support  
19           under the order the payment of which  
20           is in arrears; and

21           “(II) that the requesting State has  
22           complied with all procedural due proc-  
23           ess requirements applicable to the case;

24           “(C) if the State provides assistance to an-  
25           other State pursuant to this paragraph with re-

1           spect to a case, neither State shall consider the  
2           case to be transferred to the caseload of such  
3           other State; and

4           “(D) the State shall maintain records of—

5                   “(i) the number of such requests for as-  
6                   sistance received by the State;

7                   “(ii) the number of cases for which the  
8                   State collected support in response to such  
9                   a request; and

10                   “(iii) the amount of such collected sup-  
11                   port.”.

12 **SEC. 924. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

13           (a) *PROMULGATION.*—Section 452(a) (42 U.S.C.  
14 652(a)) is amended—

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

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

19                   (3) by adding at the end the following new para-  
20                   graph:

21                   “(11) not later than 60 days after the date of the  
22                   enactment of the Work Opportunity Act of 1995, es-  
23                   tablish an advisory committee, which shall include  
24                   State directors of programs under this part, and not  
25                   later than June 30, 1996, after consultation with the

1 advisory committee, promulgate forms to be used by  
2 States in interstate cases for—

3 “(A) collection of child support through in-  
4 come withholding;

5 “(B) imposition of liens; and

6 “(C) administrative subpoenas.”

7 (b) *USE BY STATES.*—Section 454(9) (42 U.S.C.  
8 654(9)) is amended—

9 (1) by striking “and” at the end of subpara-  
10 graph (C);

11 (2) by inserting “and” at the end of subpara-  
12 graph (D); and

13 (3) by adding at the end the following new sub-  
14 paragraph:

15 “(E) no later than October 1, 1996, in  
16 using the forms promulgated pursuant to section  
17 452(a)(11) for income withholding, imposition of  
18 liens, and issuance of administrative subpoenas  
19 in interstate child support cases;”

20 **SEC. 925. STATE LAWS PROVIDING EXPEDITED PROCE-**  
21 **DURES.**

22 (a) *STATE LAW REQUIREMENTS.*—Section 466 (42  
23 U.S.C. 666), as amended by section 914, is amended—

24 (1) in subsection (a)(2), by striking the 1st sen-  
25 tence and inserting the following: “Expedited admin-

1        *istrative and judicial procedures (including the proce-*  
2        *dures specified in subsection (c)) for establishing pa-*  
3        *ternity and for establishing, modifying, and enforcing*  
4        *support obligations.”; and*

5                *(2) by inserting after subsection (b) the following*  
6        *new subsection:*

7        *“(c) The procedures specified in this subsection are the*  
8        *following:*

9                *“(1) Procedures which give the State agency the*  
10        *authority to take the following actions relating to es-*  
11        *tablishment or enforcement of support orders, without*  
12        *the necessity of obtaining an order from any other ju-*  
13        *dicial or administrative tribunal, and to recognize*  
14        *and enforce the authority of State agencies of other*  
15        *States) to take the following actions:*

16                *“(A) To order genetic testing for the pur-*  
17        *pose of paternity establishment as provided in*  
18        *section 466(a)(5).*

19                *“(B) To subpoena any financial or other*  
20        *information needed to establish, modify, or en-*  
21        *force a support order, and to impose penalties*  
22        *for failure to respond to such a subpoena.*

23                *“(C) To require all entities in the State (in-*  
24        *cluding for-profit, nonprofit, and governmental*  
25        *employers) to provide promptly, in response to a*

1 request by the State agency of that or any other  
2 State administering a program under this part,  
3 information on the employment, compensation,  
4 and benefits of any individual employed by such  
5 entity as an employee or contractor, and to sanc-  
6 tion failure to respond to any such request.

7 "(D) To obtain access, subject to safeguards  
8 on privacy and information security, to the fol-  
9 lowing records (including automated access, in  
10 the case of records maintained in automated  
11 data bases):

12 "(i) Records of other State and local  
13 government agencies, including—

14 "(I) vital statistics (including  
15 records of marriage, birth, and di-  
16 vorce);

17 "(II) State and local tax and rev-  
18 enue records (including information on  
19 residence address, employer, income  
20 and assets);

21 "(III) records concerning real and  
22 titled personal property;

23 "(IV) records of occupational and  
24 professional licenses, and records con-  
25 cerning the ownership and control of

1 corporations, partnerships, and other  
2 business entities;

3 "(V) employment security records;

4 "(VI) records of agencies admin-  
5 istering public assistance programs;

6 "(VII) records of the motor vehicle  
7 department; and

8 "(VIII) corrections records.

9 "(ii) Certain records held by private  
10 entities, including—

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

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

24 "(E) In cases where support is subject to an  
25 assignment in order to comply with a require-

1           ment imposed pursuant to part A or section  
2           1912, or to a requirement to pay through the  
3           State disbursement unit established pursuant to  
4           section 454B, upon providing notice to obligor  
5           and obligee, to direct the obligor or other payor  
6           to change the payee to the appropriate govern-  
7           ment entity.

8           “(F) To order income withholding in ac-  
9           cordance with subsections (a)(1) and (b) of sec-  
10          tion 466.

11          “(G) In cases in which there is a support  
12          arrearage, to secure assets to satisfy the arrear-  
13          age by—

14               “(i) intercepting or seizing periodic or  
15               lump-sum payments from—

16                       “(I) a State or local agency, in-  
17                       cluding unemployment compensation,  
18                       workers’ compensation, and other bene-  
19                       fits; and

20                       “(II) judgments, settlements, and  
21                       lotteries;

22                       “(ii) attaching and seizing assets of the  
23                       obligor held in financial institutions;

24                       “(iii) attaching public and private re-  
25                       tirement funds; and

1           “(iv) imposing liens in accordance  
2           with subsection (a)(4) and, in appropriate  
3           cases, to force sale of property and distribu-  
4           tion of proceeds.

5           “(H) For the purpose of securing overdue  
6           support, to increase the amount of monthly sup-  
7           port payments to include amounts for arrear-  
8           ages, subject to such conditions or limitations as  
9           the State may provide.

10          Such procedures shall be subject to due process safe-  
11          guards, including (as appropriate) requirements for  
12          notice, opportunity to contest the action, and oppor-  
13          tunity for an appeal on the record to an independent  
14          administrative or judicial tribunal.

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

20          “(A) Procedures under which—

21               “(i) each party to any paternity or  
22               child support proceeding is required (subject  
23               to privacy safeguards) to file with the tribu-  
24               nal and the State case registry upon entry  
25               of an order, and to update as appropriate,

1 information on location and identity of the  
2 party, including social security number,  
3 residential and mailing addresses, telephone  
4 number, driver's license number, and name,  
5 address, and name and telephone number of  
6 employer; and

7 "(ii) in any subsequent child support  
8 enforcement action between the parties,  
9 upon sufficient showing that diligent effort  
10 has been made to ascertain the location of  
11 such a party, the tribunal may deem State  
12 due process requirements for notice and  
13 service of process to be met with respect to  
14 the party, upon delivery of written notice to  
15 the most recent residential or employer ad-  
16 dress filed with the tribunal pursuant to  
17 clause (i).

18 "(B) Procedures under which—

19 "(i) the State agency and any admin-  
20 istrative or judicial tribunal with authority  
21 to hear child support and paternity cases  
22 exerts statewide jurisdiction over the par-  
23 ties; and

24 "(ii) in a State in which orders are is-  
25 sued by courts or administrative tribunals,

1 a case may be transferred between local ju-  
 2 risdictions in the State without need for  
 3 any additional filing by the petitioner, or  
 4 service of process upon the respondent, to re-  
 5 tain jurisdiction over the parties.”

6 (b) *AUTOMATION OF STATE AGENCY FUNCTIONS.*—

7 Section 454A, as added by section 944(a)(2) and as amend-  
 8 ed by sections 911 and 912(c), is amended by adding at  
 9 the end the following new subsection:

10 “(h) *EXPEDITED ADMINISTRATIVE PROCEDURES.*—

11 The automated system required by this section shall be used,  
 12 to the maximum extent feasible, to implement the expedited  
 13 administrative procedures required by section 466(c).”

14 **Subtitle D—Paternity**  
 15 **Establishment**

16 **SEC. 931. STATE LAWS CONCERNING PATERNITY ESTAB-**  
 17 **LISHMENT.**

18 (a) *STATE LAWS REQUIRED.*—Section 466(a)(5) (42  
 19 U.S.C. 666(a)(5)) is amended to read as follows:

20 “(5)(A)(i) Procedures which permit the establish-  
 21 ment of the paternity of a child at any time before  
 22 the child attains 21 years of age.

23 “(ii) As of August 16, 1984, clause (i) shall also  
 24 apply to a child for whom paternity has not been es-  
 25 tablished or for whom a paternity action was brought

1 but dismissed because a statute of limitations of less  
2 than 21 years was then in effect in the State.

3 “(B)(i) Procedures under which the State is re-  
4 quired, in a contested paternity case, unless otherwise  
5 barred by State law, to require the child and all other  
6 parties (other than individuals found under section  
7 454(29) to have good cause for refusing to cooperate)  
8 to submit to genetic tests upon the request of any such  
9 party if the request is supported by a sworn statement  
10 by the party—

11 “(I) alleging paternity, and setting forth  
12 facts establishing a reasonable possibility of the  
13 requisite sexual contact between the parties; or

14 “(II) denying paternity, and setting forth  
15 facts establishing a reasonable possibility of the  
16 nonexistence of sexual contact between the par-  
17 ties.

18 “(ii) Procedures which require the State agency  
19 in any case in which the agency orders genetic test-  
20 ing—

21 “(I) to pay costs of such tests, subject to  
22 recoupment (where the State so elects) from the  
23 alleged father if paternity is established; and

24 “(II) to obtain additional testing in any  
25 case where an original test result is contested,

1           upon request and advance payment by the con-  
2           testant.

3           “(C)(i) *Procedures for a simple civil process for*  
4           *voluntarily acknowledging paternity under which the*  
5           *State must provide that, before a mother and a puta-*  
6           *tive father can sign an acknowledgment of paternity,*  
7           *the mother and the putative father must be given no-*  
8           *tice, orally and in writing, of the alternatives to, the*  
9           *legal consequences of, and the rights (including, if 1*  
10          *parent is a minor, any rights afforded due to minor-*  
11          *ity status) and responsibilities that arise from, sign-*  
12          *ing the acknowledgment.*

13          “(ii) *Such procedures must include a hospital-*  
14          *based program for the voluntary acknowledgment of*  
15          *paternity focusing on the period immediately before*  
16          *or after the birth of a child, subject to such good cause*  
17          *and other exceptions as the State shall establish and*  
18          *taking into account the best interests of the child.*

19          “(iii)(I) *Such procedures must require the State*  
20          *agency responsible for maintaining birth records to*  
21          *offer voluntary paternity establishment services.*

22          “(II)(aa) *The Secretary shall prescribe regula-*  
23          *tions governing voluntary paternity establishment*  
24          *services offered by hospitals and birth record agencies.*

1           “(bb) The Secretary shall prescribe regulations  
2 specifying the types of other entities that may offer  
3 voluntary paternity establishment services, and gov-  
4 erning the provision of such services, which shall in-  
5 clude a requirement that such an entity must use the  
6 same notice provisions used by, use the same mate-  
7 rials used by, provide the personnel providing such  
8 services with the same training provided by, and  
9 evaluate the provision of such services in the same  
10 manner as the provision of such services is evaluated  
11 by, voluntary paternity establishment programs of  
12 hospitals and birth record agencies.

13           “(iv) Such procedures must require the State to  
14 develop and use an affidavit for the voluntary ac-  
15 knowledgment of paternity which includes the mini-  
16 mum requirements of the affidavit developed by the  
17 Secretary under section 452(a)(7) for the voluntary  
18 acknowledgment of paternity, and to give full faith  
19 and credit to such an affidavit signed in any other  
20 State according to its procedures.

21           “(D)(i) Procedures under which the name of the  
22 father shall be included on the record of birth of the  
23 child only—

24           “(I) if the father and mother have signed a  
25 voluntary acknowledgment of paternity; or

1           “(II) pursuant to an order issued in a judi-  
2           cial or administrative proceeding.

3           Nothing in this clause shall preclude a State agency  
4           from obtaining an admission of paternity from the  
5           father for submission in a judicial or administrative  
6           proceeding, or prohibit an order issued in a judicial  
7           or administrative proceeding which bases a legal find-  
8           ing of paternity on an admission of paternity by the  
9           father and any other additional showing required by  
10          State law.

11          “(ii) Procedures under which—

12                 “(I) a voluntary acknowledgment of pater-  
13                 nity is considered a legal finding of paternity,  
14                 subject to the right of any signatory to rescind  
15                 the acknowledgment within 60 days;

16                 “(II) after the 60-day period referred to in  
17                 subclause (I), a signed voluntary acknowledg-  
18                 ment of paternity may be challenged in court  
19                 only on the basis of fraud, duress, or material  
20                 mistake of fact, with the burden of proof upon  
21                 the challenger, and under which the legal respon-  
22                 sibilities (including child support obligations) of  
23                 any signatory arising from the acknowledgment  
24                 may not be suspended during the challenge, ex-  
25                 cept for good cause shown; and

1           “(III) judicial or administrative proceed-  
2           ings are not required or permitted to ratify an  
3           unchallenged acknowledgment of paternity.

4           “(E) Procedures under which judicial or admin-  
5           istrative proceedings are not required or permitted to  
6           ratify an unchallenged acknowledgment of paternity.

7           “(F) Procedures—

8           “(i) requiring the admission into evidence,  
9           for purposes of establishing paternity, of the re-  
10          sults of any genetic test that is—

11           “(I) of a type generally acknowledged  
12          as reliable by accreditation bodies des-  
13          ignated by the Secretary; and

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

16           “(ii) requiring an objection to genetic test-  
17          ing results to be made in writing not later than  
18          a specified number of days before any hearing at  
19          which the results may be introduced into evi-  
20          dence (or, at State option, not later than a speci-  
21          fied number of days after receipt of the results);  
22          and

23           “(iii) making the test results admissible as  
24          evidence of paternity without the need for foun-

1           dation testimony or other proof of authenticity  
2           or accuracy, unless objection is made.

3           “(G) Procedures which create a rebuttable or, at  
4           the option of the State, conclusive presumption of pa-  
5           ternity upon genetic testing results indicating a  
6           threshold probability that the alleged father is the fa-  
7           ther of the child.

8           “(H) Procedures requiring a default order to be  
9           entered in a paternity case upon a showing of service  
10          of process on the defendant and any additional show-  
11          ing required by State law.

12          “(I) Procedures providing that the parties to an  
13          action to establish paternity are not entitled to a trial  
14          by jury.

15          “(J) Procedures which require that a temporary  
16          order be issued, upon motion by a party, requiring  
17          the provision of child support pending an adminis-  
18          trative or judicial determination of parentage, where  
19          there is clear and convincing evidence of paternity  
20          (on the basis of genetic tests or other evidence).

21          “(K) Procedures under which bills for preg-  
22          nancy, childbirth, and genetic testing are admissible  
23          as evidence without requiring third-party foundation  
24          testimony, and shall constitute prima facie evidence

1 of amounts incurred for such services or for testing on  
2 behalf of the child.

3 “(L) Procedures ensuring that the putative fa-  
4 ther has a reasonable opportunity to initiate a pater-  
5 nity action.

6 “(M) Procedures under which voluntary ac-  
7 knowledgments and adjudications of paternity by ju-  
8 dicial or administrative processes are filed with the  
9 State registry of birth records for comparison with in-  
10 formation in the State case registry.”

11 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDA-  
12 VIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended  
13 by inserting “, and develop an affidavit to be used for the  
14 voluntary acknowledgment of paternity which shall include  
15 the social security number of each parent” before the semi-  
16 colon.

17 (c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C.  
18 668) is amended by striking “a simple civil process for vol-  
19 untarily acknowledging paternity and”.

20 **SEC. 932. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**  
21 **LISHMENT.**

22 Section 454(23) (42 U.S.C. 654(23)) is amended by  
23 inserting “and will publicize the availability and encourage  
24 the use of procedures for voluntary establishment of pater-

1 nity and child support by means the State deems appro-  
 2 priate" before the semicolon.

3 **SEC. 933. COOPERATION BY APPLICANTS FOR AND RECIPI-**  
 4 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

5 Section 454 (42 U.S.C. 654), as amended by sections  
 6 901(b), 904(a), 912(a), and 913(a), is amended—

7 (1) by striking "and" at the end of paragraph  
 8 (27);

9 (2) by striking the period at the end of para-  
 10 graph (28) and inserting "; and"; and

11 (3) by inserting after paragraph (28) the follow-  
 12 ing new paragraph:

13 "(29) provide that the State agency responsible  
 14 for administering the State plan—

15 "(A) shall make the determination (and re-  
 16 determination at appropriate intervals) as to  
 17 whether an individual who has applied for or is  
 18 receiving assistance under the State program  
 19 funded under part A or the State program under  
 20 title XIX is cooperating in good faith with the  
 21 State in establishing the paternity of, or in es-  
 22 tablishing, modifying, or enforcing a support  
 23 order for, any child of the individual by provid-  
 24 ing the State agency with the name of, and such  
 25 other information as the State agency may re-

1           quire with respect to, the noncustodial parent of  
2           the child, subject to such good cause and other  
3           exceptions as the State shall establish and taking  
4           into account the best interests of the child;

5           “(B) shall require the individual to supply  
6           additional necessary information and appear at  
7           interviews, hearings, and legal proceedings;

8           “(C) shall require the individual and the  
9           child to submit to genetic tests pursuant to judi-  
10          cial or administrative order; and

11          “(D) shall promptly notify the individual  
12          and the State agency administering the State  
13          program funded under part A and the State  
14          agency administering the State program under  
15          title XIX of each such determination, and if  
16          noncooperation is determined, the basis there-  
17          fore.”

18                           **Subtitle E—Program**  
19                           **Administration and Funding**

20   **SEC. 94L. PERFORMANCE-BASED INCENTIVES AND PEN-**  
21                           **ALTIES.**

22           (a) **INCENTIVE PAYMENTS.—**

23                   (1) **IN GENERAL.—**Section 458 (42 U.S.C. 658)  
24           is amended—

1           (A) in subsection (a), by striking "aid to  
2 families" and all through the end period, and in-  
3 serting "assistance under a program funded  
4 under part A, and regardless of the economic cir-  
5 cumstances of their parents, the Secretary shall,  
6 from the support collected which would otherwise  
7 represent the reimbursement to the Federal gov-  
8 ernment under section 457, pay to each State for  
9 each fiscal year, on a quarterly basis (as de-  
10 scribed in subsection (e)) beginning with the  
11 quarter commencing October 1, 1999, an incen-  
12 tive payment in an amount determined under  
13 subsections (b) and (c).";

14           (B) by striking subsections (b) and (c) and  
15 inserting the following:

16           "(b)(1) Not later than 60 days after the date of the  
17 enactment of the Work Opportunity Act of 1995, the Sec-  
18 retary shall establish a committee which shall include State  
19 directors of programs under this part and which shall de-  
20 velop for the Secretary's approval a formula for the dis-  
21 tribution of incentive payments to the States.

22           "(2) The formula developed and approved under para-  
23 graph (1)—

24           "(A) shall result in a percentage of the collec-  
25 tions described in subsection (a) being distributed to

1 each State based on the State's comparative perform-  
2 ance in the following areas and any other areas ap-  
3 proved by the Secretary under this subsection:

4       “(i) The IV-D paternity establishment per-  
5 centage, as defined in section 452(g)(2).

6       “(ii) The percentage of cases with a support  
7 order with respect to which services are being  
8 provided under the State plan approved under  
9 this part.

10       “(iii) The percentage of cases with a sup-  
11 port order in which child support is paid with  
12 respect to which services are being so provided.

13       “(iv) In cases receiving services under the  
14 State plan approved under this part, the amount  
15 of child support collected compared to the  
16 amount of outstanding child support owed.

17       “(v) The cost-effectiveness of the State pro-  
18 gram;

19       “(B) shall take into consideration—

20       “(i) the impact that incentives can have on  
21 reducing the need to provide public assistance  
22 and on permanently removing families from  
23 public assistance;

1           “(ii) the need to balance accuracy and fair-  
2           ness with simplicity of understanding and data  
3           gathering;

4           “(iii) the need to reward performance which  
5           improves short- and long-term program out-  
6           comes, especially establishing paternity and sup-  
7           port orders and encouraging the timely payment  
8           of support;

9           “(iv) the Statewide paternity establishment  
10          percentage;

11          “(v) baseline data on current performance  
12          and projected costs of performance increases to  
13          assure that top performing States can actually  
14          achieve the top incentive levels with a reasonable  
15          resource investment;

16          “(vi) performance outcomes which would  
17          warrant an increase in the total incentive pay-  
18          ments made to the States; and

19          “(vii) the use or distribution of any portion  
20          of the total incentive payments in excess of the  
21          total of the payments which may be distributed  
22          under subsection (c);

23          “(C) shall be determined so as to distribute to the  
24          States total incentive payments equal to the total in-  
25          centive payments for all States in fiscal year 1994.

1 plus a portion of any increase in the reimbursement  
2 to the Federal Government under section 457 from fis-  
3 cal year 1999 or any other increase based on other  
4 performance outcomes approved by the Secretary  
5 under this subsection;

6 "(D) shall use a definition of the term 'State'  
7 which does not include any area within the jurisdic-  
8 tion of an Indian tribal government; and

9 "(E) shall use a definition of the term 'Statewide  
10 paternity establishment percentage' to mean with re-  
11 spect to a State and a fiscal year—

12 "(i) the total number of children in the  
13 State who were born out of wedlock, who have  
14 not attained 1 year of age and for whom pater-  
15 nity is established or acknowledged during the  
16 fiscal year; divided by

17 "(ii) the total number of children born out  
18 of wedlock in the State during the fiscal year.

19 "(c) The total amount of the incentives payment made  
20 by the Secretary to a State in a fiscal year shall not exceed  
21 90 percent of the total amounts expended by such State dur-  
22 ing such year for the operation of the plan approved under  
23 section 454, less payments to the State pursuant to section  
24 455 for such year.";

1           (2) in subsection (d), by striking “, and any  
2 amounts” through “shall be excluded”.

3           (b) *PAYMENTS TO POLITICAL SUBDIVISIONS.*—Section  
4 454(22) (42 U.S.C. 654(22)) is amended by inserting before  
5 the semicolon the following: “, but a political subdivision  
6 shall not be entitled to receive, and the State may retain,  
7 any amount in excess of the amount the political subdivi-  
8 sion expends on the State program under this part, less the  
9 amount equal to the percentage of that expenditure paid  
10 by the Secretary under section 455”.

11           (c) *CALCULATION OF IV-D PATERNITY ESTABLISH-*  
12 *MENT PERCENTAGE.*—

13           (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is  
14 amended—

15           (A) in the matter preceding subparagraph  
16 (A) by inserting “its overall performance in  
17 child support enforcement is satisfactory (as de-  
18 fined in section 458(b) and regulations of the  
19 Secretary), and” after “1994,”; and

20           (B) in each of subparagraphs (A) and (B),  
21 by striking “75” and inserting “90”.

22           (2) Section 452(g)(2)(A) (42 U.S.C.  
23 652(g)(2)(A)) is amended in the matter preceding  
24 clause (i)—

1           (A) by striking "paternity establishment  
2           percentage" and inserting "IV-D paternity es-  
3           tablishment percentage"; and

4           (B) by striking "(or all States, as the case  
5           may be)".

6           (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is  
7           amended—

8           (A) by striking subparagraph (A) and re-  
9           designating subparagraphs (B) and (C) as sub-  
10          paragraphs (A) and (B), respectively;

11          (B) in subparagraph (A) (as so redesi-  
12          gnated), by striking "the percentage of children  
13          born out-of-wedlock in a State" and inserting  
14          "the percentage of children in a State who are  
15          born out of wedlock or for whom support has not  
16          been established"; and

17          (C) in subparagraph (B) (as so redesi-  
18          gnated)—

19               (i) by inserting "and overall perform-  
20               ance in child support enforcement" after  
21               "paternity establishment percentages"; and

22               (ii) by inserting "and securing sup-  
23               port" before the period.

24          (d) EFFECTIVE DATES.—

25               (1) INCENTIVE ADJUSTMENTS.—

1           (A) *IN GENERAL.*—The amendments made  
2           by subsections (a) and (b) shall become effective  
3           on the date of the enactment of this Act, except  
4           to the extent provided in subparagraph (B).

5           (B) *EXCEPTION.*—Section 458 of the Social  
6           Security Act, as in effect before the date of the  
7           enactment of this section, shall be effective for  
8           purposes of incentive payments to States for fis-  
9           cal years before fiscal year 2000.

10          (2) *PENALTY REDUCTIONS.*—The amendments  
11          made by subsection (c) shall become effective with re-  
12          spect to calendar quarters beginning on and after the  
13          date of the enactment of this Act.

14 **SEC. 942. FEDERAL AND STATE REVIEWS AND AUDITS.**

15          (a) *STATE AGENCY ACTIVITIES.*—Section 454 (42  
16 U.S.C. 654) is amended—

17           (1) in paragraph (14), by striking “(14)” and  
18           inserting “(14)(A)”;

19           (2) by redesignating paragraph (15) as subpara-  
20           graph (B) of paragraph (14); and

21           (3) by inserting after paragraph (14) the follow-  
22           ing new paragraph:

23           “(15) provide for—”

24           “(A) a process for annual reviews of and re-  
25           ports to the Secretary on the State program op-

1           erated under the State plan approved under this  
2           part, including such information as may be nec-  
3           essary to measure State compliance with Federal  
4           requirements for expedited procedures, using  
5           such standards and procedures as are required  
6           by the Secretary, under which the State agency  
7           will determine the extent to which the program  
8           is operated in compliance with this part; and

9           “(B) a process of extracting from the auto-  
10          mated data processing system required by para-  
11          graph (16) and transmitting to the Secretary  
12          data and calculations concerning the levels of ac-  
13          complishment (and rates of improvement) with  
14          respect to applicable performance indicators (in-  
15          cluding IV-D paternity establishment percent-  
16          ages and overall performance in child support  
17          enforcement) to the extent necessary for purposes  
18          of sections 452(g) and 458.”

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

21           “(4)(A) review data and calculations transmitted  
22          by State agencies pursuant to section 454(15)(B) on  
23          State program accomplishments with respect to per-  
24          formance indicators for purposes of subsection (g) of  
25          this section and section 458;

1           “(B) review annual reports submitted pursuant  
2 to section 454(15)(A) and, as appropriate, provide to  
3 the State comments, recommendations for additional  
4 or alternative corrective actions, and technical assist-  
5 ance; and

6           “(C) conduct audits, in accordance with the Gov-  
7 ernment auditing standards of the Comptroller Gen-  
8 eral of the United States—

9           “(i) at least once every 3 years (or more fre-  
10 quently, in the case of a State which fails to  
11 meet the requirements of this part concerning  
12 performance standards and reliability of pro-  
13 gram data) to assess the completeness, reliability,  
14 and security of the data, and the accuracy of the  
15 reporting systems, used in calculating perform-  
16 ance indicators under subsection (g) of this sec-  
17 tion and section 458;

18           “(ii) of the adequacy of financial manage-  
19 ment of the State program operated under the  
20 State plan approved under this part, including  
21 assessments of—

22           “(I) whether Federal and other funds  
23 made available to carry out the State pro-  
24 gram are being appropriately expended,

1                   and are properly and fully accounted for;  
2                   and

3                   “(II) whether collections and disburse-  
4                   ments of support payments are carried out  
5                   correctly and are fully accounted for; and

6                   “(iii) for such other purposes as the Sec-  
7                   retary may find necessary;”.

8           (c) *EFFECTIVE DATE.*—The amendments made by this  
9 section shall be effective with respect to calendar quarters  
10 beginning 12 months or more after the date of the enactment  
11 of this Act.

12 **SEC. 943. REQUIRED REPORTING PROCEDURES.**

13           (a) *ESTABLISHMENT.*—Section 452(a)(5) (42 U.S.C.  
14 652(a)(5)) is amended by inserting “, and establish proce-  
15 dures to be followed by States for collecting and reporting  
16 information required to be provided under this part, and  
17 establish uniform definitions (including those necessary to  
18 enable the measurement of State compliance with the re-  
19 quirements of this part relating to expedited processes) to  
20 be applied in following such procedures” before the semi-  
21 colon.

22           (b) *STATE PLAN REQUIREMENT.*—Section 454 (42  
23 U.S.C. 654), as amended by sections 901(b), 904(a), 912(a),  
24 913(a), and 933, is amended—

1           (1) by striking "and" at the end of paragraph  
2           (28);

3           (2) by striking the period at the end of para-  
4           graph (29) and inserting "; and"; and

5           (3) by adding after paragraph (29) the following  
6           new paragraph:

7           “(30) provide that the State shall use the defini-  
8           tions established under section 452(a)(5) in collecting  
9           and reporting information as required under this  
10          part.”

11 **SEC. 944. AUTOMATED DATA PROCESSING REQUIREMENTS.**

12       (a) **REVISED REQUIREMENTS.—**

13           (1) **IN GENERAL.—**Section 454(16) (42 U.S.C.  
14       654(16)) is amended—

15           (A) by striking “, at the option of the  
16       State,”;

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

19           (C) by inserting “meeting the requirements  
20       of section 454A” after “information retrieval sys-  
21       tem”;

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

24           (E) by striking “(i)”; and

1           (F) by striking "(including" and all that  
2 follows and inserting a semicolon.

3           (2) *AUTOMATED DATA PROCESSING.*—Part D of  
4 title IV (42 U.S.C. 651–669) is amended by inserting  
5 after section 454 the following new section:

6 *"SEC. 454A. AUTOMATED DATA PROCESSING.*

7           *"(a) IN GENERAL.*—In order for a State to meet the  
8 requirements of this section, the State agency administering  
9 the State program under this part shall have in operation  
10 a single statewide automated data processing and informa-  
11 tion retrieval system which has the capability to perform  
12 the tasks specified in this section with the frequency and  
13 in the manner required by or under this part.

14           *"(b) PROGRAM MANAGEMENT.*—The automated system  
15 required by this section shall perform such functions as the  
16 Secretary may specify relating to management of the State  
17 program under this part, including—

18           *"(1) controlling and accounting for use of Fed-*  
19 *eral, State, and local funds in carrying out the pro-*  
20 *gram; and*

21           *"(2) maintaining the data necessary to meet*  
22 *Federal reporting requirements under this part on a*  
23 *timely basis.*

24           *"(c) CALCULATION OF PERFORMANCE INDICATORS.*—  
25 *In order to enable the Secretary to determine the incentive*

1 and penalty adjustments required by sections 452(g) and  
2 458, the State agency shall—

3           “(1) use the automated system—

4                   “(A) to maintain the requisite data on  
5                   State performance with respect to paternity es-  
6                   tablishment and child support enforcement in the  
7                   State; and

8                   “(B) to calculate the IV-D paternity estab-  
9                   lishment percentage and overall performance in  
10                   child support enforcement for the State for each  
11                   fiscal year; and

12           “(2) have in place systems controls to ensure the  
13           completeness and reliability of, and ready access to,  
14           the data described in paragraph (1)(A), and the accu-  
15           racy of the calculations described in paragraph  
16           (1)(B).

17           “(d) **INFORMATION INTEGRITY AND SECURITY.**—The  
18           State agency shall have in effect safeguards on the integrity,  
19           accuracy, and completeness of, access to, and use of data  
20           in the automated system required by this section, which  
21           shall include the following (in addition to such other safe-  
22           guards as the Secretary may specify in regulations):

23                   “(1) **POLICIES RESTRICTING ACCESS.**—Written  
24           policies concerning access to data by State agency

1 personnel, and sharing of data with other persons,  
2 which—

3 “(A) permit access to and use of data only  
4 to the extent necessary to carry out the State  
5 program under this part; and

6 “(B) specify the data which may be used for  
7 particular program purposes, and the personnel  
8 permitted access to such data.

9 “(2) SYSTEMS CONTROLS.—Systems controls  
10 (such as passwords or blocking of fields) to ensure  
11 strict adherence to the policies described in paragraph  
12 (1).

13 “(3) MONITORING OF ACCESS.—Routine mon-  
14 itoring of access to and use of the automated system,  
15 through methods such as audit trails and feedback  
16 mechanisms, to guard against and promptly identify  
17 unauthorized access or use.

18 “(4) TRAINING AND INFORMATION.—Procedures  
19 to ensure that all personnel (including State and local  
20 agency staff and contractors) who may have access to  
21 or be required to use confidential program data are  
22 informed of applicable requirements and penalties  
23 (including those in section 6103 of the Internal Reve-  
24 nue Code of 1986), and are adequately trained in se-  
25 curity procedures.

1           “(5) *PENALTIES.*—*Administrative penalties (up*  
2           *to and including dismissal from employment) for un-*  
3           *authorized access to, or disclosure or use of, confiden-*  
4           *tial data.*”.

5           (3) *REGULATIONS.*—*The Secretary of Health and*  
6           *Human Services shall prescribe final regulations for*  
7           *implementation of section 454A of the Social Security*  
8           *Act not later than 2 years after the date of the enact-*  
9           *ment of this Act.*

10          (4) *IMPLEMENTATION TIMETABLE.*—*Section*  
11          *454(24) (42 U.S.C. 654(24)), as amended by sections*  
12          *904(a)(2) and 912(a)(1), is amended to read as fol-*  
13          *lows:*

14               “(24) *provide that the State will have in effect*  
15               *an automated data processing and information re-*  
16               *trieval system—*

17                       “(A) *by October 1, 1997, which meets all re-*  
18                       *quirements of this part which were enacted on or*  
19                       *before the date of enactment of the Family Sup-*  
20                       *port Act of 1988; and*

21                       “(B) *by October 1, 1999, which meets all re-*  
22                       *quirements of this part enacted on or before the*  
23                       *date of the enactment of the Work Opportunity*  
24                       *Act of 1995, except that such deadline shall be*  
25                       *extended by 1 day for each day (if any) by*

1           which the Secretary fails to meet the deadline  
2           imposed by section 944(a)(3) of the Work Oppor-  
3           tunity Act of 1995.”.

4           (b) *SPECIAL FEDERAL MATCHING RATE FOR DEVELOP-*  
5 *MENT COSTS OF AUTOMATED SYSTEMS.—*

6           (1) *IN GENERAL.—*Section 455(a) (42 U.S.C.  
7           655(a)) is amended—

8           (A) in paragraph (1)(B)—

9                   (i) by striking “90 percent” and in-  
10                   serting “the percent specified in paragraph  
11                   (3)”;

12                   (ii) by striking “so much of”; and

13                   (iii) by striking “which the Secretary”  
14                   and all that follows and inserting “, and”;  
15                   and

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

18           “(3)(A) The Secretary shall pay to each State, for each  
19           quarter in fiscal years 1996 and 1997, 90 percent of so  
20           much of the State expenditures described in paragraph  
21           (1)(B) as the Secretary finds are for a system meeting the  
22           requirements specified in section 454(16) (as in effect on  
23           the day before the date of the enactment of the Work Oppor-  
24           tunity Act of 1995), but limited to the amount approved

1 for States in the advance planning documents of such States  
2 submitted on or before May 1, 1995.

3       “(B)(i) The Secretary shall pay to each State, for each  
4 quarter in fiscal years 1997 through 2001, the percentage  
5 specified in clause (ii) of so much of the State expenditures  
6 described in paragraph (1)(B) as the Secretary finds are  
7 for a system meeting the requirements of sections 454(16)  
8 and 454A.

9       “(ii) The percentage specified in this clause is the  
10 greater of—

11               “(I) 80 percent; or

12               “(II) the percentage otherwise applicable to Fed-  
13 eral payments to the State under subparagraph (A)  
14 (as adjusted pursuant to section 458).”

15               (2) TEMPORARY LIMITATION ON PAYMENTS  
16 UNDER SPECIAL FEDERAL MATCHING RATE.—

17               (A) IN GENERAL.—The Secretary of Health  
18 and Human Services may not pay more than  
19 \$260,000,000 in the aggregate under section  
20 455(a)(3) of the Social Security Act for fiscal  
21 years 1996, 1997, 1998, 1999, and 2000.

22               (B) ALLOCATION OF LIMITATION AMONG  
23 STATES.—The total amount payable to a State  
24 under section 455(a)(3) of such Act for fiscal  
25 years 1996, 1997, 1998, 1999, and 2000 shall

1 not exceed the limitation determined for the  
 2 State by the Secretary of Health and Human  
 3 Services in regulations.

4 (C) *ALLOCATION FORMULA.*—The regula-  
 5 tions referred to in subparagraph (B) shall pre-  
 6 scribe a formula for allocating the amount speci-  
 7 fied in subparagraph (A) among States with  
 8 plans approved under part D of title IV of the  
 9 Social Security Act, which shall take into ac-  
 10 count—

11 (i) the relative size of State caseloads  
 12 under such part; and

13 (ii) the level of automation needed to  
 14 meet the automated data processing require-  
 15 ments of such part.

16 (c) *CONFORMING AMENDMENT.*—Section 123(c) of the  
 17 Family Support Act of 1988 (102 Stat. 2352; Public Law  
 18 100-485) is repealed.

19 *SEC. 945. TECHNICAL ASSISTANCE.*

20 (a) *FOR TRAINING OF FEDERAL AND STATE STAFF,*  
 21 *RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL*  
 22 *PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.*—  
 23 Section 452 (42 U.S.C. 652) is amended by adding at the  
 24 end the following new subsection:

1       “(j) Out of any money in the Treasury of the United  
 2 States not otherwise appropriated, there is hereby appro-  
 3 priated to the Secretary for each fiscal year an amount  
 4 equal to 1 percent of the total amount paid to the Federal  
 5 Government pursuant to section 457(a) during the imme-  
 6 diately preceding fiscal year (as determined on the basis  
 7 of the most recent reliable data available to the Secretary  
 8 as of the end of the 3rd calendar quarter following the end  
 9 of such preceding fiscal year), to cover costs incurred by  
 10 the Secretary for—

11               “(1) information dissemination and technical as-  
 12 sistance to States, training of State and Federal staff,  
 13 staffing studies, and related activities needed to im-  
 14 prove programs under this part (including technical  
 15 assistance concerning State automated systems re-  
 16 quired by this part); and

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

20       (b) OPERATION OF FEDERAL PARENT LOCATOR SERV-  
 21 ICE.—Section 453 (42 U.S.C. 653), as amended by section  
 22 916(f), is amended by adding at the end the following new  
 23 subsection:

24       “(n) Out of any money in the Treasury of the United  
 25 States not otherwise appropriated, there is hereby appro-

1 priated to the Secretary for each fiscal year an amount  
 2 equal to 2 percent of the total amount paid to the Federal  
 3 Government pursuant to section 457(a) during the imme-  
 4 diately preceding fiscal year (as determined on the basis  
 5 of the most recent reliable data available to the Secretary  
 6 as of the end of the 3rd calendar quarter following the end  
 7 of such preceding fiscal year), to cover costs incurred by  
 8 the Secretary for operation of the Federal Parent Locator  
 9 Service under this section, to the extent such costs are not  
 10 recovered through user fees."

11 **SEC. 946. REPORTS AND DATA COLLECTION BY THE SEC-**  
 12 **RETARY.**

13 (a) **ANNUAL REPORT TO CONGRESS.**—

14 (1) Section 452(a)(10)(A) (42 U.S.C.  
 15 652(a)(10)(A)) is amended—

16 (A) by striking "this part;" and inserting  
 17 "this part, including—"; and

18 (B) by adding at the end the following new  
 19 clauses:

20 "(i) the total amount of child support  
 21 payments collected as a result of services  
 22 furnished during the fiscal year to individ-  
 23 uals receiving services under this part;

1           “(i) the cost to the States and to the  
2           Federal Government of so furnishing the  
3           services; and

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

6                   “(I) who became ineligible for as-  
7                   sistance under State programs funded  
8                   under part A during a month in the  
9                   fiscal year; and

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

13           (2) Section 452(a)(10)(C) (42 U.S.C.  
14           652(a)(10)(C)) is amended—

15                   (A) in the matter preceding clause (i)—

16                           (i) by striking “with the data required  
17                           under each clause being separately stated  
18                           for cases” and inserting “separately stated  
19                           for (1) cases”;

20                           (ii) by striking “cases where the child  
21                           was formerly receiving” and inserting “or  
22                           formerly received”;

23                           (iii) by inserting “or 1912” after  
24                           “471(a)(17)”; and

1 (iv) by inserting "(2)" before "all  
2 other";

3 (B) in each of clauses (i) and (ii); by strik-  
4 ing ", and the total amount of such obligations";

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

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

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

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

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

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

20 (3) Section 452(a)(10)(G) (42 U.S.C.  
21 652(a)(10)(G)) is amended by striking "on the use of  
22 Federal courts and".

23 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is  
24 amended—

1 (A) in subparagraph (H), by striking  
2 "and";

3 (B) in subparagraph (I), by striking the pe-  
4 riod and inserting "; and"; and

5 (C) by inserting after subparagraph (I) the  
6 following new subparagraph:

7 "(J) compliance, by State, with the stand-  
8 ards established pursuant to subsections (h) and  
9 (i).".

10 (5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is  
11 amended by striking all that follows subparagraph  
12 (J), as added by paragraph (4).

13 (b) *EFFECTIVE DATE.*—The amendments made by sub-  
14 section (a) shall be effective with respect to fiscal year 1996  
15 and succeeding fiscal years.

16 **Subtitle F—Establishment and**  
17 **Modification of Support Orders**

18 **SEC. 951. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-**  
19 **SION.**

20 (a) *ESTABLISHMENT.*—There is hereby established a  
21 commission to be known as the National Child Support  
22 Guidelines Commission (in this section referred to as the  
23 "Commission").

24 (b) *GENERAL DUTIES.*—

1           (1) *IN GENERAL.*—The Commission shall deter-  
2       mine—

3           (A) whether it is appropriate to develop a  
4       national child support guideline for consider-  
5       ation by the Congress or for adoption by individ-  
6       ual States; or

7           (B) based on a study of various guideline  
8       models, the benefits and deficiencies of such mod-  
9       els, and any needed improvements.

10          (2) *DEVELOPMENT OF MODELS.*—If the Commis-  
11       sion determines under paragraph (1)(A) that a na-  
12       tional child support guideline is needed or under  
13       paragraph (1)(B) that improvements to guideline  
14       models are needed, the Commission shall develop such  
15       national guideline or improvements.

16          (c) *MATTERS FOR CONSIDERATION BY THE COMMIS-*  
17       *SION.*—In making the recommendations concerning guide-  
18       lines required under subsection (b), the Commission shall  
19       consider—

20           (1) the adequacy of State child support guide-  
21       lines established pursuant to section 467;

22           (2) matters generally applicable to all support  
23       orders, including—

24           (A) the feasibility of adopting uniform  
25       terms in all child support orders;

1           (B) how to define income and under what  
2           circumstances income should be imputed; and

3           (C) tax treatment of child support pay-  
4           ments;

5           (3) the appropriate treatment of cases in which  
6           either or both parents have financial obligations to  
7           more than 1 family, including the effect (if any) to  
8           be given to—

9           (A) the income of either parent's spouse;

10          and

11          (B) the financial responsibilities of either  
12          parent for other children or stepchildren;

13          (4) the appropriate treatment of expenses for  
14          child care (including care of the children of either  
15          parent, and work-related or job-training-related child  
16          care);

17          (5) the appropriate treatment of expenses for  
18          health care (including uninsured health care) and  
19          other extraordinary expenses for children with special  
20          needs;

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

23                 (A) support (including shared support) for  
24                 postsecondary or vocational education; and

25                 (B) support for disabled adult children;

1           (7) procedures to automatically adjust child sup-  
2 port orders periodically to address changed economic  
3 circumstances, including changes in the Consumer  
4 Price Index or either parent's income and expenses in  
5 particular cases;

6           (8) procedures to help noncustodial parents ad-  
7 dress grievances regarding visitation and custody or-  
8 ders to prevent such parents from withholding child  
9 support payments until such grievances are resolved;  
10 and

11           (9) whether, or to what extent, support levels  
12 should be adjusted in cases in which custody is shared  
13 or in which the noncustodial parent has extended vis-  
14 itation rights.

15       (d) MEMBERSHIP.—

16           (1) NUMBER; APPOINTMENT.—

17           (A) IN GENERAL.—The Commission shall be  
18 composed of 12 individuals appointed not later  
19 than January 15, 1997, of which—

20           (i) 2 shall be appointed by the Chair-  
21 man of the Committee on Finance of the  
22 Senate, and 1 shall be appointed by the  
23 ranking minority member of the Committee;

24           (ii) 2 shall be appointed by the Chair-  
25 man of the Committee on Ways and Means

1           of the House of Representatives, and 1 shall  
2           be appointed by the ranking minority mem-  
3           ber of the Committee; and

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

6           (B) QUALIFICATIONS OF MEMBERS.—Mem-  
7           bers of the Commission shall have expertise and  
8           experience in the evaluation and development of  
9           child support guidelines. At least 1 member shall  
10          represent advocacy groups for custodial parents,  
11          at least 1 member shall represent advocacy  
12          groups for noncustodial parents, and at least 1  
13          member shall be the director of a State program  
14          under part D of title IV of the Social Security  
15          Act.

16          (2) TERMS OF OFFICE.—Each member shall be  
17          appointed for a term of 2 years. A vacancy in the  
18          Commission shall be filled in the manner in which  
19          the original appointment was made.

20          (e) COMMISSION POWERS, COMPENSATION, ACCESS TO  
21          INFORMATION, AND SUPERVISION.—The 1st sentence of sub-  
22          paragraph (C), the 1st and 3rd sentences of subparagraph  
23          (D), subparagraph (F) (except with respect to the conduct  
24          of medical studies), clauses (ii) and (iii) of subparagraph  
25          (G), and subparagraph (H) of section 1886(e)(6) of the So-

1 cial Security Act shall apply to the Commission in the same  
 2 manner in which such provisions apply to the Prospective  
 3 Payment Assessment Commission.

4 (f) *REPORT.*—Not later than 2 years after the appoint-  
 5 ment of members, the Commission shall submit to the Presi-  
 6 dent, the Committee on Ways and Means of the House of  
 7 Representatives, and the Committee on Finance of the Sen-  
 8 ate, a recommended national child support guideline and  
 9 a final assessment of issues relating to such a proposed na-  
 10 tional child support guideline.

11 (g) *TERMINATION.*—The Commission shall terminate  
 12 6 months after the submission of the report described in sub-  
 13 section (e).

14 **SEC. 952. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**  
 15 **MENT OF CHILD SUPPORT ORDERS.**

16 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended  
 17 to read as follows:

18 “(10) Procedures under which the State shall re-  
 19 view and adjust each support order being enforced  
 20 under this part upon the request of either parent or  
 21 the State if there is an assignment. Such procedures  
 22 shall provide the following:

23 “(A) The State shall review and, as appro-  
 24 priate, adjust the support order every 3 years,

1 taking into account the best interests of the child  
2 involved.

3 “(B)(i) The State may elect to review and,  
4 if appropriate, adjust an order pursuant to sub-  
5 paragraph (A) by—

6 “(I) reviewing and, if appropriate, ad-  
7 justing the order in accordance with the  
8 guidelines established pursuant to section  
9 467(a) if the amount of the child support  
10 award under the order differs from the  
11 amount that would be awarded in accord-  
12 ance with the guidelines; or

13 “(II) applying a cost-of-living adjust-  
14 ment to the order in accordance with a for-  
15 mula developed by the State and permit ei-  
16 ther party to contest the adjustment, within  
17 30 days after the date of the notice of the  
18 adjustment, by making a request for review  
19 and, if appropriate, adjustment of the order  
20 in accordance with the child support guide-  
21 lines established pursuant to section 467(a).

22 “(ii) Any adjustment under clause (i) shall  
23 be made without a requirement for proof or  
24 showing of a change in circumstances.

1           “(C) The State may use automated methods  
2           (including automated comparisons with wage or  
3           State income tax data) to identify orders eligible  
4           for review, conduct the review, identify orders el-  
5           igible for adjustment, and apply the appropriate  
6           adjustment to the orders eligible for adjustment  
7           under the threshold established by the State.

8           “(D)(i) The State shall, at the request of ei-  
9           ther parent subject to such an order or of any  
10          State child support enforcement agency, review  
11          and, if appropriate, adjust the order in accord-  
12          ance with the guidelines established pursuant to  
13          section 467(a) based upon a substantial change  
14          in the circumstances of either parent.

15          “(ii) The State shall provide notice to the  
16          parents subject to such an order informing them  
17          of their right to request the State to review and,  
18          if appropriate, adjust the order pursuant to  
19          clause (i). The notice may be included in the  
20          order.”.

21 **SEC. 553. FURNISHING CONSUMER REPORTS FOR CERTAIN**  
22 **PURPOSES RELATING TO CHILD SUPPORT.**

23          Section 604 of the Fair Credit Reporting Act (15  
24 U.S.C. 1681b) is amended by adding at the end the follow-  
25 ing new paragraphs:

1           “(4) In response to a request by the head of a  
2 State or local child support enforcement agency (or a  
3 State or local government official authorized by the  
4 head of such an agency), if the person making the re-  
5 quest certifies to the consumer reporting agency  
6 that—

7           “(A) the consumer report is needed for the  
8 purpose of establishing an individual’s capacity  
9 to make child support payments or determining  
10 the appropriate level of such payments;

11           “(B) the paternity of the consumer for the  
12 child to which the obligation relates has been es-  
13 tablished or acknowledged by the consumer in ac-  
14 cordance with State laws under which the obliga-  
15 tion arises (if required by those laws);

16           “(C) the person has provided at least 10  
17 days’ prior notice to the consumer whose report  
18 is requested, by certified or registered mail to the  
19 last known address of the consumer, that the re-  
20 port will be requested; and

21           “(D) the consumer report will be kept con-  
22 fidential, will be used solely for a purpose de-  
23 scribed in subparagraph (A), and will not be  
24 used in connection with any other civil, admin-

1            istrative, or criminal proceeding, or for any  
2            other purpose.

3            “(5) To an agency administering a State plan  
4            under section 454 of the Social Security Act (42  
5            U.S.C. 654) for use to set an initial or modified child  
6            support award.”.

7 **SEC. 954. NONLIABILITY FOR DEPOSITORY INSTITUTIONS**  
8            **PROVIDING FINANCIAL RECORDS TO STATE**  
9            **CHILD SUPPORT ENFORCEMENT AGENCIES**  
10           **IN CHILD SUPPORT CASES.**

11           (a) *IN GENERAL.*—Notwithstanding any other provi-  
12 sion of Federal or State law, a depository institution shall  
13 not be liable under any Federal or State law to any person  
14 for disclosing any financial record of an individual to a  
15 State child support enforcement agency attempting to estab-  
16 lish, modify, or enforce a child support obligation of such  
17 individual.

18           (b) *PROHIBITION OF DISCLOSURE OF FINANCIAL*  
19 *RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCE-*  
20 *MENT AGENCY.*—A State child support enforcement agency  
21 which obtains a financial record of an individual from a  
22 financial institution pursuant to subsection (a) may dis-  
23 close such financial record only for the purpose of, and to  
24 the extent necessary in, establishing, modifying, or enforce-  
25 ing a child support obligation of such individual.

1       (c) *CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-*  
2 *SURE.—*

3           (1) *DISCLOSURE BY STATE OFFICER OR EM-*  
4 *PLOYEE.—If any person knowingly, or by reason of*  
5 *negligence, discloses a financial record of an individ-*  
6 *ual in violation of subsection (b), such individual*  
7 *may bring a civil action for damages against such*  
8 *person in a district court of the United States.*

9           (2) *NO LIABILITY FOR GOOD FAITH BUT ERRO-*  
10 *NEOUS INTERPRETATION.—No liability shall arise*  
11 *under this subsection with respect to any disclosure*  
12 *which results from a good faith, but erroneous, inter-*  
13 *pretation of subsection (b).*

14           (3) *DAMAGES.—In any action brought under*  
15 *paragraph (1), upon a finding of liability on the part*  
16 *of the defendant, the defendant shall be liable to the*  
17 *plaintiff in an amount equal to the sum of—*

18                   (A) *the greater of—*

19                           (i) *\$1,000 for each act of unauthorized*  
20 *disclosure of a financial record with respect*  
21 *to which such defendant is found liable; or*

22                           (ii) *the sum of—*

23                                   (I) *the actual damages sustained*  
24 *by the plaintiff as a result of such un-*  
25 *authorized disclosure; plus*

1                   (II) in the case of a willful disclo-  
2                   sure or a disclosure which is the result  
3                   of gross negligence, punitive damages;  
4                   plus

5                   (B) the costs (including attorney's fees) of  
6                   the action.

7           (d) *DEFINITIONS.*—For purposes of this section:

8           (1) The term “depository institution” means—

9           (A) a depository institution, as defined in  
10           section 3(c) of the Federal Deposit Insurance Act  
11           (12 U.S.C. 1813(c));

12           (B) an institution-affiliated party, as de-  
13           fined in section 3(u) of such Act (12 U.S.C.  
14           1813(v)); and

15           (C) any Federal credit union or State credit  
16           union, as defined in section 101 of the Federal  
17           Credit Union Act (12 U.S.C. 1752), including  
18           an institution-affiliated party of such a credit  
19           union, as defined in section 206(r) of such Act  
20           (12 U.S.C. 1786(r)).

21           (2) The term “financial record” has the meaning  
22           given such term in section 1101 of the Right to Fi-  
23           nancial Privacy Act of 1978 (12 U.S.C. 3401).

24           (3) The term “State child support enforcement  
25           agency” means a State agency which administers a

1 State program for establishing and enforcing child  
2 support obligations.

3 **Subtitle G—Enforcement of Support**  
4 **Orders**

5 **SEC. 961. INTERNAL REVENUE SERVICE COLLECTION OF**  
6 **ARREARAGES.**

7 (a) *AMENDMENT TO INTERNAL REVENUE CODE.*—Sec-  
8 tion 6305(a) of the Internal Revenue Code of 1986 (relating  
9 to collection of certain liability) is amended—

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

11 (3);

12 (2) by striking the period at the end of para-  
13 graph (4) and inserting “, and”;

14 (3) by adding at the end the following new para-  
15 graph:

16 “(3) no additional fee may be assessed for adjust-  
17 ments to an amount previously certified pursuant to  
18 such section 452(b) with respect to the same obligor.”;

19 and

20 (4) by striking “Secretary of Health, Education,  
21 and Welfare” each place it appears and inserting  
22 “Secretary of Health and Human Services”.

23 (b) *EFFECTIVE DATE.*—The amendments made by this  
24 section shall become effective October 1, 1997.

1 **SEC. 962. AUTHORITY TO COLLECT SUPPORT FROM FED-**  
2 **ERAL EMPLOYEES.**

3 (a) **CONSOLIDATION AND STREAMLINING OF AUTHORI-**  
4 **TIES.**—Section 459 (42 U.S.C. 659) is amended to read as  
5 follows:

6 **"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**  
7 **WITHHOLDING, GARNISHMENT, AND SIMILAR**  
8 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**  
9 **SUPPORT AND ALIMONY OBLIGATIONS.**

10 **"(a) CONSENT TO SUPPORT ENFORCEMENT.**—Not-  
11 withstanding any other provision of law (including section  
12 207 of this Act and section 5301 of title 38, United States  
13 Code), effective January 1, 1975, moneys (the entitlement  
14 to which is based upon remuneration for employment) due  
15 from, or payable by, the United States or the District of  
16 Columbia (including any agency, subdivision, or instru-  
17 mentality thereof) to any individual, including members of  
18 the Armed Forces of the United States, shall be subject, in  
19 like manner and to the same extent as if the United States  
20 or the District of Columbia were a private person, to with-  
21 holding in accordance with State law enacted pursuant to  
22 subsections (a)(1) and (b) of section 466 and regulations  
23 of the Secretary under such subsections, and to any other  
24 legal process brought, by a State agency administering a  
25 program under a State plan approved under this part or

1 by an individual obligee, to enforce the legal obligation of  
2 the individual to provide child support or alimony.

3       “(b) CONSENT TO REQUIREMENTS APPLICABLE TO  
4 PRIVATE PERSON.—With respect to notice to withhold in-  
5 come pursuant to subsection (a)(1) or (b) of section 466,  
6 or any other order or process to enforce support obligations  
7 against an individual (if the order or process contains or  
8 is accompanied by sufficient data to permit prompt identi-  
9 fication of the individual and the moneys involved), each  
10 governmental entity specified in subsection (a) shall be sub-  
11 ject to the same requirements as would apply if the entity  
12 were a private person, except as otherwise provided in this  
13 section.

14       “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE  
15 OR PROCESS—

16               “(1) DESIGNATION OF AGENT.—The head of each  
17 agency subject to this section shall—

18                       “(A) designate an agent or agents to receive  
19 orders and accept service of process in matters  
20 relating to child support or alimony; and

21                       “(B) annually publish in the Federal Reg-  
22 ister the designation of the agent or agents, iden-  
23 tified by title or position, mailing address, and  
24 telephone number.

1           “(2) *RESPONSE TO NOTICE OR PROCESS.*—If an  
2 agent designated pursuant to paragraph (1) of this  
3 subsection receives notice pursuant to State proce-  
4 dures in effect pursuant to subsection (a)(1) or (b) of  
5 section 466, or is effectively served with any order,  
6 process, or interrogatory, with respect to an individ-  
7 ual's child support or alimony payment obligations,  
8 the agent shall—

9           “(A) as soon as possible (but not later than  
10 15 days) thereafter, send written notice of the no-  
11 tice or service (together with a copy of the notice  
12 or service) to the individual at the duty station  
13 or last-known home address of the individual;

14           “(B) within 30 days (or such longer period  
15 as may be prescribed by applicable State law)  
16 after receipt of a notice pursuant to such State  
17 procedures, comply with all applicable provi-  
18 sions of section 466; and

19           “(C) within 30 days (or such longer period  
20 as may be prescribed by applicable State law)  
21 after effective service of any other such order,  
22 process, or interrogatory, respond to the order,  
23 process, or interrogatory.

24           “(d) *PRIORITY OF CLAIMS.*—If a governmental entity  
25 specified in subsection (a) receives notice or is served with

1 process, as provided in this section, concerning amounts  
2 owed by an individual to more than 1 person—

3       “(1) support collection under section 466(b) must  
4 be given priority over any other process, as provided  
5 in section 466(b)(7);

6       “(2) allocation of moneys due or payable to an  
7 individual among claimants under section 466(b)  
8 shall be governed by section 466(b) and the regula-  
9 tions prescribed under such section; and

10       “(3) such moneys as remain after compliance  
11 with paragraphs (1) and (2) shall be available to sat-  
12 isfy any other such processes on a 1st-come, 1st-served  
13 basis, with any such process being satisfied out of  
14 such moneys as remain after the satisfaction of all  
15 such processes which have been previously served.

16       “(e) **NO REQUIREMENT TO VARY PAY CYCLES.**—A  
17 governmental entity that is affected by legal process served  
18 for the enforcement of an individual's child support or ali-  
19 mony payment obligations shall not be required to vary its  
20 normal pay and disbursement cycle in order to comply with  
21 the legal process.

22       “(f) **RELIEF FROM LIABILITY.**—

23       “(1) Neither the United States, nor the govern-  
24 ment of the District of Columbia, nor any disbursing  
25 officer shall be liable with respect to any payment

1       *made from moneys due or payable from the United*  
2       *States to any individual pursuant to legal process*  
3       *regular on its face, if the payment is made in accord-*  
4       *ance with this section and the regulations issued to*  
5       *carry out this section.*

6               *“(2) No Federal employee whose duties include*  
7       *taking actions necessary to comply with the require-*  
8       *ments of subsection (a) with regard to any individual*  
9       *shall be subject under any law to any disciplinary ac-*  
10       *tion or civil or criminal liability or penalty for, or*  
11       *on account of, any disclosure of information made by*  
12       *the employee in connection with the carrying out of*  
13       *such actions.*

14               *“(g) REGULATIONS.—Authority to promulgate regula-*  
15       *tions for the implementation of this section shall, insofar*  
16       *as this section applies to moneys due from (or payable*  
17       *by)—*

18               *“(1) the United States (other than the legislative*  
19       *or judicial branches of the Federal Government) or*  
20       *the government of the District of Columbia, be vested*  
21       *in the President (or the designee of the President);*

22               *“(2) the legislative branch of the Federal Govern-*  
23       *ment, be vested jointly in the President pro tempore*  
24       *of the Senate and the Speaker of the House of Rep-*  
25       *resentatives (or their designees), and*

1           “(3) the judicial branch of the Federal Govern-  
2           ment, be vested in the Chief Justice of the United  
3           States (or the designee of the Chief Justice). .

4           “(h) MONEYS SUBJECT TO PROCESS.—

5           “(1) IN GENERAL.—Subject to paragraph (2),  
6           moneys paid or payable to an individual which are  
7           considered to be based upon remuneration for employ-  
8           ment, for purposes of this section—

9           “(A) consist of—

10           “(i) compensation paid or payable for  
11           personal services of the individual, whether  
12           the compensation is denominated as wages,  
13           salary, commission, bonus, pay, allowances,  
14           or otherwise (including severance pay, sick  
15           pay, and incentive pay);

16           “(ii) periodic benefits (including a  
17           periodic benefit as defined in section  
18           228(h)(3)) or other payments—

19           “(I) under the insurance system  
20           established by title II;

21           “(II) under any other system or  
22           fund established by the United States  
23           which provides for the payment of pen-  
24           sions, retirement or retired pay, annu-  
25           ities, dependents' or survivors' benefits,

1 or similar amounts payable on account  
2 of personal services performed by the  
3 individual or any other individual;

4 "(III) as compensation for death  
5 under any Federal program;

6 "(IV) under any Federal program  
7 established to provide 'black lung' bene-  
8 fits; or

9 "(V) by the Secretary of Veterans  
10 Affairs as pension, or as compensation  
11 for a service-connected disability or  
12 death (except any compensation paid  
13 by the Secretary to a member of the  
14 Armed Forces who is in receipt of re-  
15 tired or retainer pay if the member has  
16 waived a portion of the retired pay of  
17 the member in order to receive the com-  
18 pensation); and

19 "(iii) workers' compensation benefits  
20 paid under Federal or State law; but

21 "(B) do not include any payment—

22 "(i) by way of reimbursement or other-  
23 wise, to defray expenses incurred by the in-  
24 dividual in carrying out duties associated  
25 with the employment of the individual; or

1           “(ii) as allowances for members of the  
2           uniformed services payable pursuant to  
3           chapter 7 of title 37, United States Code, as  
4           prescribed by the Secretaries concerned (de-  
5           fined by section 101(5) of such title) as nec-  
6           essary for the efficient performance of duty.

7           “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-  
8           mining the amount of any moneys due from, or pay-  
9           able by, the United States to any individual, there  
10          shall be excluded amounts which—

11           “(A) are owed by the individual to the  
12          United States;

13           “(B) are required by law to be, and are, de-  
14          ducted from the remuneration or other payment  
15          involved, including Federal employment taxes,  
16          and fines and forfeitures ordered by court-mar-  
17          tial;

18           “(C) are properly withheld for Federal,  
19          State, or local income tax purposes, if the with-  
20          holding of the amounts is authorized or required  
21          by law and if amounts withheld are not greater  
22          than would be the case if the individual claimed  
23          all dependents to which he was entitled (the  
24          withholding of additional amounts pursuant to  
25          section 3402(i) of the Internal Revenue Code of

1 1986 may be permitted only when the individual  
2 presents evidence of a tax obligation which sup-  
3 ports the additional withholding);

4 "(D) are deducted as health insurance pre-  
5 miums;

6 "(E) are deducted as normal retirement  
7 contributions (not including amounts deducted  
8 for supplementary coverage); or

9 "(F) are deducted as normal life insurance  
10 premiums from salary or other remuneration for  
11 employment (not including amounts deducted for  
12 supplementary coverage).

13 "(i) DEFINITIONS.—As used in this section:

14 "(1) UNITED STATES.—The term 'United States'  
15 includes any department, agency, or instrumentality  
16 of the legislative, judicial, or executive branch of the  
17 Federal Government, the United States Postal Serv-  
18 ice, the Postal Rate Commission, any Federal cor-  
19 poration created by an Act of Congress that is wholly  
20 owned by the Federal Government, and the govern-  
21 ments of the territories and possessions of the United  
22 States.

23 "(2) CHILD SUPPORT.—The term 'child support',  
24 when used in reference to the legal obligations of an  
25 individual to provide such support, means periodic

1     *payments of funds for the support and maintenance*  
2     *of a child or children with respect to which the indi-*  
3     *vidual has such an obligation, and (subject to and in*  
4     *accordance with State law) includes payments to pro-*  
5     *vide for health care, education, recreation, clothing, or*  
6     *to meet other specific needs of such a child or chil-*  
7     *dren, and includes attorney's fees, interest, and court*  
8     *costs, when and to the extent that the same are ex-*  
9     *pressly made recoverable as such pursuant to a decree,*  
10    *order, or judgment issued in accordance with applica-*  
11    *ble State law by a court of competent jurisdiction.*

12           “(3) *ALIMONY.*—*The term ‘alimony’, when used*  
13    *in reference to the legal obligations of an individual*  
14    *to provide the same, means periodic payments of*  
15    *funds for the support and maintenance of the spouse*  
16    *(or former spouse) of the individual, and (subject to*  
17    *and in accordance with State law) includes separate*  
18    *maintenance, alimony pendente lite, maintenance,*  
19    *and spousal support, and includes attorney's fees, in-*  
20    *terest, and court costs when and to the extent that the*  
21    *same are expressly made recoverable as such pursuant*  
22    *to a decree, order, or judgment issued in accordance*  
23    *with applicable State law by a court of competent ju-*  
24    *risdiction. Such term does not include any payment*  
25    *or transfer of property or its value by an individual*

1 to the spouse or a former spouse of the individual in  
2 compliance with any community property settlement,  
3 equitable distribution of property, or other division of  
4 property between spouses or former spouses.

5 “(4) PRIVATE PERSON.—The term ‘private per-  
6 son’ means a person who does not have sovereign or  
7 other special immunity or privilege which causes the  
8 person not to be subject to legal process.

9 “(5) LEGAL PROCESS.—The term ‘legal process’  
10 means any writ, order, summons, or other similar  
11 process in the nature of garnishment—

12 “(A) which is issued by—

13 “(i) a court of competent jurisdiction  
14 in any State, territory, or possession of the  
15 United States;

16 “(ii) a court of competent jurisdiction  
17 in any foreign country with which the  
18 United States has entered into an agree-  
19 ment which requires the United States to  
20 honor the process; or

21 “(iii) an authorized official pursuant  
22 to an order of such a court of competent ju-  
23 risdiction or pursuant to State or local law;  
24 and

1           “(B) which is directed to, and the purpose  
2 of which is to compel, a governmental entity  
3 which holds moneys which are otherwise payable  
4 to an individual to make a payment from the  
5 moneys to another party in order to satisfy a  
6 legal obligation of the individual to provide child  
7 support or make alimony payments.”.

8       **(b) CONFORMING AMENDMENTS.—**

9           (1) *TO PART D OF TITLE IV.*—Sections 461 and  
10 462 (42 U.S.C. 661 and 662) are repealed.

11          (2) *TO TITLE 5, UNITED STATES CODE.*—Section  
12 5520a of title 5, United States Code, is amended, in  
13 subsections (h)(2) and (i), by striking “sections 459;  
14 461, and 462 of the Social Security Act, 42 U.S.C.  
15 659, 661, and 662)” and inserting “section 459 of the  
16 Social Security Act (42 U.S.C. 659)”.

17       **(c) MILITARY RETIRED AND RETAINER PAY.—**

18          (1) *DEFINITION OF COURT.*—Section 1408(a)(1)  
19 of title 10, United States Code, is amended—

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

22           (B) by striking the period at the end of sub-  
23 paragraph (C) and inserting “; and”; and

24           (C) by adding after subparagraph (C) the  
25 following new subparagraph:

1           “(D) any administrative or judicial tribu-  
2           nal of a State competent to enter orders for sup-  
3           port or maintenance (including a State agency  
4           administering a program under a State plan ap-  
5           proved under part D of title IV of the Social Se-  
6           curity Act), and, for purposes of this subpara-  
7           graph, the term ‘State’ includes the District of  
8           Columbia, the Commonwealth of Puerto Rico, the  
9           Virgin Islands, Guam, and American Samoa.”.

10           (2) DEFINITION OF COURT ORDER.—Section  
11           1408(a)(2) of such title is amended by inserting “or  
12           a court order for the payment of child support not in-  
13           cluded in or accompanied by such a decree or settle-  
14           ment,” before “which—”.

15           (3) PUBLIC PAYEE.—Section 1408(d) of such  
16           title is amended—

17           (A) in the heading, by inserting “(OR FOR  
18           BENEFIT OF)” before “SPOUSE OR”; and

19           (B) in paragraph (1), in the 1st sentence,  
20           by inserting “(or for the benefit of such spouse  
21           or former spouse to a State disbursement unit es-  
22           tablished pursuant to section 454B of the Social  
23           Security Act or other public payee designated by  
24           a State, in accordance with part D of title IV of  
25           the Social Security Act, as directed by court

1           order, or as otherwise directed in accordance  
2           with such part D)" before "in an amount suffi-  
3           cient".

4           (4) *RELATIONSHIP TO PART D OF TITLE IV.*—

5           Section 1408 of such title is amended by adding at  
6           the end the following new subsection:

7           “(j) *RELATIONSHIP TO OTHER LAWS.*—In any case  
8           involving an order providing for payment of child support  
9           (as defined in section 459(i)(2) of the Social Security Act)  
10          by a member who has never been married to the other par-  
11          ent of the child, the provisions of this section shall not  
12          apply, and the case shall be subject to the provisions of sec-  
13          tion 459 of such Act.”.

14          (d) *EFFECTIVE DATE.*—The amendments made by this  
15          section shall become effective 6 months after the date of the  
16          enactment of this Act.

17       **SEC. 963. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS**  
18                               **OF MEMBERS OF THE ARMED FORCES.**

19          (a) *AVAILABILITY OF LOCATOR INFORMATION.*—

20               (1) *MAINTENANCE OF ADDRESS INFORMATION.*—

21           The Secretary of Defense shall establish a centralized  
22           personnel locator service that includes the address of  
23           each member of the Armed Forces under the jurisdic-  
24           tion of the Secretary. Upon request of the Secretary  
25           of Transportation, addresses for members of the Coast

1       Guard shall be included in the centralized personnel  
2       locator service.

3               (2) TYPE OF ADDRESS.—

4               (A) RESIDENTIAL ADDRESS.—Except as  
5       provided in subparagraph (B), the address for a  
6       member of the Armed Forces shown in the loca-  
7       tor service shall be the residential address of that  
8       member.

9               (B) DUTY ADDRESS.—The address for a  
10       member of the Armed Forces shown in the loca-  
11       tor service shall be the duty address of that mem-  
12       ber in the case of a member—

13               (i) who is permanently assigned over-  
14       seas, to a vessel, or to a routinely deployable  
15       unit; or

16               (ii) with respect to whom the Secretary  
17       concerned makes a determination that the  
18       member's residential address should not be  
19       disclosed due to national security or safety  
20       concerns.

21               (3) UPDATING OF LOCATOR INFORMATION.—

22       Within 30 days after a member listed in the locator  
23       service establishes a new residential address (or a new  
24       duty address, in the case of a member covered by  
25       paragraph (2)(B)), the Secretary concerned shall up-

1 date the locator service to indicate the new address of  
2 the member.

3 (4) AVAILABILITY OF INFORMATION.—The Sec-  
4 retary of Defense shall make information regarding  
5 the address of a member of the Armed Forces listed  
6 in the locator service available, on request, to the Fed-  
7 eral Parent Locator Service established under section  
8 453 of the Social Security Act.

9 (b) FACILITATING GRANTING OF LEAVE FOR ATTEND-  
10 ANCE AT HEARINGS.—

11 (1) REGULATIONS.—The Secretary of each mili-  
12 tary department, and the Secretary of Transportation  
13 with respect to the Coast Guard when it is not operat-  
14 ing as a service in the Navy, shall prescribe regula-  
15 tions to facilitate the granting of leave to a member  
16 of the Armed Forces under the jurisdiction of that  
17 Secretary in a case in which—

18 (A) the leave is needed for the member to at-  
19 tend a hearing described in paragraph (2);

20 (B) the member is not serving in or with a  
21 unit deployed in a contingency operation (as de-  
22 fined in section 101 of title 10, United States  
23 Code); and

1           (C) the exigencies of military service (as de-  
2           termined by the Secretary concerned) do not oth-  
3           erwise require that such leave not be granted.

4           (2) COVERED HEARINGS.—Paragraph (1) ap-  
5           plies to a hearing that is conducted by a court or  
6           pursuant to an administrative process established  
7           under State law, in connection with a civil action—

8                   (A) to determine whether a member of the  
9                   Armed Forces is a natural parent of a child; or

10                   (B) to determine an obligation of a member  
11                   of the Armed Forces to provide child support.

12           (3) DEFINITIONS.—For purposes of this sub-  
13           section:

14                   (A) The term “court” has the meaning  
15                   given that term in section 1408(a) of title 10,  
16                   United States Code.

17                   (B) The term “child support” has the mean-  
18                   ing given such term in section 459(i) of the So-  
19                   cial Security Act (42 U.S.C. 659(i)).

20           (c) PAYMENT OF MILITARY RETIRED PAY IN COMPLI-  
21           ANCE WITH CHILD SUPPORT ORDERS.—

22                   (1) DATE OF CERTIFICATION OF COURT  
23                   ORDER.—Section 1408 of title 10, United States Code,  
24                   as amended by section 962(c)(4), is amended—

1           (A) by redesignating subsections (i) and (j)  
2           as subsections (j) and (k), respectively; and

3           (B) by inserting after subsection (h) the fol-  
4           lowing new subsection:

5           “(i) *CERTIFICATION DATE.*—It is not necessary that  
6           the date of a certification of the authenticity or completeness  
7           of a copy of a court order for child support received by the  
8           Secretary concerned for the purposes of this section be recent  
9           in relation to the date of receipt by the Secretary.”

10           (2) *PAYMENTS CONSISTENT WITH ASSIGNMENTS*  
11           *OF RIGHTS TO STATES.*—Section 1408(d)(1) of such  
12           title is amended by inserting after the 1st sentence the  
13           following: “In the case of a spouse or former spouse  
14           who assigns to a State the rights of the spouse or  
15           former spouse to receive support, the Secretary con-  
16           cerned may make the child support payments referred  
17           to in the preceding sentence to that State in amounts  
18           consistent with that assignment of rights.”

19           (3) *ARREARAGES OWED BY MEMBERS OF THE*  
20           *UNIFORMED SERVICES.*—Section 1408(d) of such title  
21           is amended by adding at the end the following new  
22           paragraph:

23           “(6) In the case of a court order for which effective  
24           service is made on the Secretary concerned on or after the  
25           date of the enactment of this paragraph and which provides

1 for payments from the disposable retired pay of a member  
2 to satisfy the amount of child support set forth in the order,  
3 the authority provided in paragraph (1) to make payments  
4 from the disposable retired pay of a member to satisfy the  
5 amount of child support set forth in a court order shall  
6 apply to payment of any amount of child support arrear-  
7 ages set forth in that order as well as to amounts of child  
8 support that currently become due.”

9 (4) PAYROLL DEDUCTIONS.—The Secretary of  
10 Defense shall begin payroll deductions within 30 days  
11 after receiving notice of withholding, or for the 1st  
12 pay period that begins after such 30-day period.

13 **SEC. 964. VOIDING OF FRAUDULENT TRANSFERS.**

14 Section 466 (42 U.S.C. 666), as amended by section  
15 921, is amended by adding at the end the following new  
16 subsection:

17 “(g) In order to satisfy section 454(20)(A), each State  
18 must have in effect—

19 “(1)(A) the Uniform Fraudulent Conveyance Act  
20 of 1981;

21 “(B) the Uniform Fraudulent Transfer Act of  
22 1984; or

23 “(C) another law, specifying indicia of fraud  
24 which create a prima facie case that a debtor trans-  
25 ferred income or property to avoid payment to a child

1 support creditor, which the Secretary finds affords  
2 comparable rights to child support creditors; and

3 “(2) procedures under which, in any case in  
4 which the State knows of a transfer by a child sup-  
5 port debtor with respect to which such a prima facie  
6 case is established, the State must—

7 “(A) seek to void such transfer; or

8 “(B) obtain a settlement in the best inter-  
9 ests of the child support creditor.”

10 **SEC. 965. WORK REQUIREMENT FOR PERSONS OWING**  
11 **CHILD SUPPORT.**

12 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
13 tions 901(a), 915, 917(a), and 923, is amended by adding  
14 at the end the following new paragraph:

15 “(15) Procedures requiring the State, in any  
16 case in which an individual owes support with re-  
17 spect to a child receiving services under this part, to  
18 seek a court order or administrative order that re-  
19 quires the individual to—

20 “(A) pay such support in accordance with  
21 a plan approved by the court; or

22 “(B) if the individual is not working and  
23 is not incapacitated, participate in work activi-  
24 ties (including, at State option, work activities

1 as defined in section 482) as the court deems ap-  
2 propriate.”

3 **SEC. 966. DEFINITION OF SUPPORT ORDER.**

4 Section 453 (42 U.S.C. 653) as amended by sections  
5 916 and 945(b), is amended by adding at the end the follow-  
6 ing new subsection:

7 “(o) As used in this part, the term ‘support order’  
8 means a judgment, decree, or order, whether temporary,  
9 final, or subject to modification, issued by a court or an  
10 administrative agency of competent jurisdiction, for the  
11 support and maintenance of a child, including a child who  
12 has attained the age of majority under the law of the issuing  
13 State, or a child and the parent with whom the child is  
14 living, which provides for monetary support, health care,  
15 arrearages, or reimbursement, and which may include re-  
16 lated costs and fees, interest and penalties, income withhold-  
17 ing, attorneys’ fees, and other relief.”

18 **SEC. 967. REPORTING ARREARAGES TO CREDIT BUREAUS.**

19 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended  
20 to read as follows:

21 “(7)(A) Procedures (subject to safeguards pursu-  
22 ant to subparagraph (B)) requiring the State to re-  
23 port periodically to consumer reporting agencies (as  
24 defined in section 603(f) of the Fair Credit Reporting  
25 Act (15 U.S.C. 1681a(f)) the name of any absent par-

1       ent who is delinquent in the payment of support, and  
2       the amount of overdue support owed by such parent.

3               “(B) Procedures ensuring that, in carrying out  
4       subparagraph (A), information with respect to an ab-  
5       sent parent is reported—

6               “(i) only after such parent has been af-  
7       forded all due process required under State law,  
8       including notice and a reasonable opportunity to  
9       contest the accuracy of such information; and

10              “(ii) only to an entity that has furnished  
11       evidence satisfactory to the State that the entity  
12       is a consumer reporting agency.”

13   **SEC. 968. LIENS.**

14       Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended  
15   to read as follows:

16              “(4) Procedures under which—

17              “(A) liens arise by operation of law against  
18       real and personal property for amounts of over-  
19       due support owed by an absent parent who re-  
20       sides or owns property in the State; and

21              “(B) the State accords full faith and credit  
22       to liens described in subparagraph (A) arising in  
23       another State, without registration of the under-  
24       lying order.”

1 SEC. 969. STATE LAW AUTHORIZING SUSPENSION OF LI-  
2 CENSES.

3 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
4 tions 915, 917(a), 923, and 965, is amended by adding at  
5 the end the following new paragraph:

6 “(16) Procedures under which the State has (and  
7 uses in appropriate cases) authority to withhold or  
8 suspend, or to restrict the use of, driver’s licenses, pro-  
9 fessional and occupational licenses, and recreational  
10 licenses of individuals owing overdue support or fail-  
11 ing, after receiving appropriate notice, to comply  
12 with subpoenas or warrants relating to paternity or  
13 child support proceedings.”

14 SEC. 970. DENIAL OF PASSPORTS FOR NONPAYMENT OF  
15 CHILD SUPPORT.

16 (a) HHS CERTIFICATION PROCEDURE.—

17 (1) SECRETARIAL RESPONSIBILITY.—Section 452  
18 (42 U.S.C. 652), as amended by section 945, is  
19 amended by adding at the end the following new sub-  
20 section:

21 “(k)(1) If the Secretary receives a certification by a  
22 State agency in accordance with the requirements of section  
23 454(31) that an individual owes arrearages of child support  
24 in an amount exceeding \$5,000, the Secretary shall trans-  
25 mit such certification to the Secretary of State for action  
26 (with respect to denial, revocation, or limitation of pass-

1 ports) pursuant to section 470(b) of the Work Opportunity  
2 Act of 1995.

3 “(2) The Secretary shall not be liable to an individual  
4 for any action with respect to a certification by a State  
5 agency under this section.”

6 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-  
7 tion 454 (42 U.S.C. 654), as amended by sections  
8 901(b), 904(a), 912(b), 913(a), 933, and 943(a), is  
9 amended—

10 (A) by striking “and” at the end of para-  
11 graph (29);

12 (B) by striking the period at the end of  
13 paragraph (30) and inserting “; and”; and

14 (C) by adding after paragraph (30) the fol-  
15 lowing new paragraph:

16 “(31) provide that the State agency will have in  
17 effect a procedure (which may be combined with the  
18 procedure for tax refund offset under section 464) for  
19 certifying to the Secretary, for purposes of the proce-  
20 dure under section 452(k) (concerning denial of pass-  
21 ports), determinations that individuals owe arrear-  
22 ages of child support in an amount exceeding \$5,000,  
23 under which procedure—

24 “(A) each individual concerned is afforded  
25 notice of such determination and the con-

1 sequences thereof, and an opportunity to contest  
2 the determination; and

3 “(B) the certification by the State agency is  
4 furnished to the Secretary in such format, and  
5 accompanied by such supporting documentation,  
6 as the Secretary may require.”

7 (b) **STATE DEPARTMENT PROCEDURE FOR DENIAL OF**  
8 **PASSPORTS.—**

9 (1) **IN GENERAL.—**The Secretary of State shall,  
10 upon certification by the Secretary of Health and  
11 Human Services transmitted under section 452(k) of  
12 the Social Security Act, refuse to issue a passport to  
13 such individual, and may revoke, restrict, or limit a  
14 passport issued previously to such individual.

15 (2) **LIMIT ON LIABILITY.—**The Secretary of State  
16 shall not be liable to an individual for any action  
17 with respect to a certification by a State agency  
18 under this section.

19 (c) **EFFECTIVE DATE.—**This section and the amend-  
20 ments made by this section shall become effective October  
21 1, 1996.

22 **SEC. 971. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.**

23 The Secretary of State is authorized to negotiate recip-  
24 rocal agreements with foreign nations on behalf of the  
25 States, territories, and possessions of the United States re-

1 *garding the international enforcement of child support obli-*  
 2 *gations and designating the Department of Health and*  
 3 *Human Services as the central authority for such enforce-*  
 4 *ment.*

5 **SEC. 972. DENIAL OF MEANS-TESTED FEDERAL BENEFITS**  
 6 **TO NONCUSTODIAL PARENTS WHO ARE DE-**  
 7 **LINQUENT IN PAYING CHILD SUPPORT.**

8 (a) *IN GENERAL.*—*Notwithstanding any other provi-*  
 9 *sion of law, a non-custodial parent who is more than 2*  
 10 *months delinquent in paying child support shall not be eli-*  
 11 *gible to receive any means-tested Federal benefits.*

12 (b) *EXCEPTION.*—

13 (1) *IN GENERAL.*—*Subsection (a) shall not apply*  
 14 *to an unemployed non-custodial parent who is more*  
 15 *than 2 months delinquent in paying child support if*  
 16 *such parent—*

17 (A) *enters into a schedule of repayment for*  
 18 *past due child support with the entity that is-*  
 19 *sued the underlying child support order; and*

20 (B) *meets all of the terms of repayment*  
 21 *specified in the schedule of repayment as en-*  
 22 *forced by the appropriate disbursing entity.*

23 (2) *2-YEAR EXCLUSION.*—(A) *A non-custodial*  
 24 *parent who becomes delinquent in child support a sec-*  
 25 *ond time or any subsequent time shall not be eligible*

1 to receive any means-tested Federal benefits for a 2-  
 2 year period beginning on the date that such parent  
 3 failed to meet such terms.

4 (B) At the end of that two-year period, para-  
 5 graph (A) shall once again apply to that individual.

6 (c) **MEANS-TESTED FEDERAL BENEFITS.**— For pur-  
 7 poses of this section, the term “means-tested Federal bene-  
 8 fits” means benefits under any program of assistance, fund-  
 9 ed in whole or in part, by the Federal Government, for  
 10 which eligibility for benefits is based on need.

11 **SEC. 973. CHILD SUPPORT ENFORCEMENT FOR INDIAN**  
 12 **TRIBES.**

13 (a) **CHILD SUPPORT ENFORCEMENT AGREEMENTS.**—  
 14 Section 454 (42 U.S.C. 654), as amended by sections  
 15 901(b), 904(a), 912(b), 913(a), 933, 943(a), and 970(a)(2)  
 16 is amended—

17 (1) by striking “and” at the end of paragraph  
 18 (30);

19 (2) by striking the period at the end of para-  
 20 graph (31) and inserting “; and”; and

21 (3) by adding after paragraph (31) the following  
 22 new paragraph:

23 “(32) provide that a State that receives funding  
 24 pursuant to section 429 and that has within its bor-  
 25 ders Indian country (as defined in section 1151 of

1 title 18, United States Code) shall, through the State  
2 administering agency, make reasonable efforts to enter  
3 into cooperative agreements with an Indian tribe or  
4 tribal organization (as defined in paragraphs (1) and  
5 (2) of section 428(c)), if the Indian tribe or tribal or-  
6 ganization demonstrates that such tribe or organiza-  
7 tion has an established tribal court system or a Court  
8 of Indian Offenses with the authority to establish pa-  
9 ternity, establish and enforce support orders, and to  
10 enter support orders in accordance with child support  
11 guidelines established by such tribe or organization,  
12 under which the State and tribe or organization shall  
13 provide for the cooperative delivery of child support  
14 enforcement services in Indian country and for the  
15 forwarding of all funding collected pursuant to the  
16 functions performed by the tribe or organization to  
17 the State agency, or conversely, by the State agency  
18 to the tribe or organization, which shall distribute  
19 such funding in accordance with such agreement.”

20 (b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES  
21 AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C.  
22 655) is amended by adding at the end the following new  
23 subsection:

24 “(b) The Secretary may, in appropriate cases, make  
25 direct payments under this part to an Indian tribe or tribal

1 organization which has an approved child support enforce-  
2 ment plan under this title. In determining whether such  
3 payments are appropriate, the Secretary shall, at a mini-  
4 mum, consider whether services are being provided to eligi-  
5 ble Indian recipients by the State agency through an agree-  
6 ment entered into pursuant to section 454(32). The Sec-  
7 retary shall provide for an appropriate adjustment to the  
8 State allotment under this section to take into account any  
9 payments made under this subsection to Indian tribes or  
10 tribal organizations located within such State.

11 (c) **COOPERATIVE ENFORCEMENT AGREEMENTS.**—

12 Paragraph (7) of section 454 (42 U.S.C. 654) is amended  
13 by inserting "and Indian tribes or tribal organizations (as  
14 defined in section 450(b) of title 25, United States Code)"  
15 after "law enforcement officials".

16 **SEC. 974. FINANCIAL INSTITUTION DATA MATCHES.**

17 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
18 tions 915, 917(a), 923, 965, 969, and 976 is amended by  
19 adding at the end the following new paragraph:

20 "(18) Procedures under which the State agency  
21 shall enter into agreements with financial institutions  
22 doing business within the State to develop and oper-  
23 ate a data match system, using automated data ex-  
24 changes to the maximum extent feasible, in which  
25 such financial institutions are required to provide for

1 each calendar quarter the name, record address, social  
2 security number, and other identifying information  
3 for each absent parent identified by the State who  
4 maintains an account at such institution and, in re-  
5 sponse to a notice of lien or levy, to encumber or sur-  
6 render, as the case may be, assets held by such insti-  
7 tution on behalf of any absent parent who is subject  
8 to a child support lien pursuant to paragraph (4).  
9 For purposes of this paragraph, the term 'financial  
10 institution' means Federal and State commercial sav-  
11 ings banks, including savings and loan associations  
12 and cooperative banks, Federal and State chartered  
13 credit unions, benefit associations, insurance compa-  
14 nies, safe deposit companies, money-market mutual  
15 funds, and any similar entity authorized to do busi-  
16 ness in the State, and the term 'account' means a de-  
17 mand deposit account, checking or negotiable with-  
18 drawal order account, savings account, time deposit  
19 account, or money-market mutual fund account.

## 20 **Subtitle H—Medical Support**

### 21 **SEC. 975. TECHNICAL CORRECTION TO ERISA DEFINITION** 22 **OF MEDICAL CHILD SUPPORT ORDER.**

23 (a) **IN GENERAL.**—Section 609(a)(2)(B) of the Em-  
24 ployee Retirement Income Security Act of 1974 (29 U.S.C.  
25 1169(a)(2)(B)) is amended—

1           (1) by striking "issued by a court of competent  
2 jurisdiction";

3           (2) by striking the period at the end of clause  
4 (ii) and inserting a comma; and

5           (3) by adding, after and below clause (ii), the  
6 following:

7           "if such judgment, decree, or order (I) is issued  
8 by a court of competent jurisdiction or (II) is is-  
9 sued through an administrative process estab-  
10 lished under State law and has the force and ef-  
11 fect of law under applicable State law."

12 (b) EFFECTIVE DATE.—

13           (1) IN GENERAL.—The amendments made by  
14 this section shall take effect on the date of the enact-  
15 ment of this Act.

16           (2) PLAN AMENDMENTS NOT REQUIRED UNTIL  
17 JANUARY 1, 1996.—Any amendment to a plan required  
18 to be made by an amendment made by this section  
19 shall not be required to be made before the 1st plan  
20 year beginning on or after January 1, 1996, if—

21           (A) during the period after the date before  
22 the date of the enactment of this Act and before  
23 such 1st plan year, the plan is operated in ac-  
24 cordance with the requirements of the amend-  
25 ments made by this section; and

1           (B) such plan amendment applies retro-  
2           actively to the period after the date before the  
3           date of the enactment of this Act and before such  
4           1st plan year.

5           A plan shall not be treated as failing to be operated  
6           in accordance with the provisions of the plan merely  
7           because it operates in accordance with this para-  
8           graph.

9   **SEC. 976. ENFORCEMENT OF ORDERS FOR HEALTH CARE**  
10           **COVERAGE.**

11           Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
12           tions 915, 917(a), 923, 965, and 969, is amended by adding  
13           at the end the following new paragraph:

14           “(17) Procedures under which all child support  
15           orders enforced under this part shall include a provi-  
16           sion for the health care coverage of the child, and in  
17           the case in which an absent parent provides such cov-  
18           erage and changes employment, and the new employer  
19           provides health care coverage, the State agency shall  
20           transfer notice of the provision to the employer, which  
21           notice shall operate to enroll the child in the absent  
22           parent’s health plan, unless the absent parent contests  
23           the notice.”

1 SEC. 977. ENFORCEMENT OF ORDERS AGAINST PATERNAL  
2 GRANDPARENTS IN CASES OF MINOR PAR-  
3 ENTS.

4 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
5 tions 915, 917(a), 923, 965, 969, and 976, is amended by  
6 adding at the end the following new paragraph:

7 “(17) Procedures under which any child support  
8 order enforced under this part with respect to a child  
9 of minor parents, if the mother of such child is receiv-  
10 ing assistance under the State grant under part A,  
11 shall be enforceable, jointly and severally, against the  
12 paternal grandparents of such child.”

13 **Subtitle I—Enhancing Responsibility and Opportunity for**  
14 **Nonresidential Parents**

16 SEC. 981. GRANTS TO STATES FOR ACCESS AND VISITATION  
17 PROGRAMS.

18 Part D of title IV (42 U.S.C. 651–669) is amended  
19 by adding at the end the following new section:

20 “SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-  
21 TION PROGRAMS.

22 “(a) IN GENERAL.—The Administration for Children  
23 and Families shall make grants under this section to enable  
24 States to establish and administer programs to support and  
25 facilitate absent parents' access to and visitation of their  
26 children, by means of activities including mediation (both

1 voluntary and mandatory), counseling, education, develop-  
 2 ment of parenting plans, visitation enforcement (including  
 3 monitoring, supervision and neutral drop-off and pickup),  
 4 and development of guidelines for visitation and alternative  
 5 custody arrangements.

6       “(b) *AMOUNT OF GRANT.*—The amount of the grant  
 7 to be made to a State under this section for a fiscal year  
 8 shall be an amount equal to the lesser of—

9               “(1) 90 percent of State expenditures during the  
 10 fiscal year for activities described in subsection (a); or

11               “(2) the allotment of the State under subsection  
 12 (c) for the fiscal year.

13       “(c) *ALLOTMENTS TO STATES.*—

14               “(1) *IN GENERAL.*—The allotment of a State for  
 15 a fiscal year is the amount that bears the same ratio  
 16 to the amount appropriated for grants under this sec-  
 17 tion for the fiscal year as the number of children in  
 18 the State living with only 1 biological parent bears  
 19 to the total number of such children in all States.

20               “(2) *MINIMUM ALLOTMENT.*—The Administra-  
 21 tion for Children and Families shall adjust allotments  
 22 to States under paragraph (1) as necessary to ensure  
 23 that no State is allotted less than—

24                       “(A) \$50,000 for fiscal year 1996 or 1997;

25                       or

1           “(B) \$100,000 for any succeeding fiscal  
2           year.

3           “(d) *NO SUPPLANTATION OF STATE EXPENDITURES*  
4 *FOR SIMILAR ACTIVITIES.*—A State to which a grant is  
5 made under this section may not use the grant to supplant  
6 expenditures by the State for activities specified in sub-  
7 section (a), but shall use the grant to supplement such ex-  
8 penditures at a level at least equal to the level of such ex-  
9 penditures for fiscal year 1995.

10          “(e) *STATE ADMINISTRATION.*—Each State to which a  
11 grant is made under this section—

12           “(1) may administer State programs funded  
13 with the grant, directly or through grants to or con-  
14 tracts with courts, local public agencies, or nonprofit  
15 private entities;

16           “(2) shall not be required to operate such pro-  
17 grams on a statewide basis; and

18           “(3) shall monitor, evaluate, and report on such  
19 programs in accordance with regulations prescribed  
20 by the Secretary.”

## 21           **Subtitle J—Effect of Enactment**

### 22           **SEC. 991. EFFECTIVE DATES.**

23           “(a) *IN GENERAL.*—Except as otherwise specifically  
24 provided (but subject to subsections (b) and (c))—

1           (1) the provisions of this title requiring the en-  
2           actment or amendment of State laws under section  
3           466 of the Social Security Act, or revision of State  
4           plans under section 454 of such Act, shall be effective  
5           with respect to periods beginning on and after Octo-  
6           ber 1, 1996; and

7           (2) all other provisions of this title shall become  
8           effective upon the date of the enactment of this Act.

9           (b) *GRACE PERIOD FOR STATE LAW CHANGES.*—The  
10          provisions of this title shall become effective with respect  
11          to a State on the later of—

12           (1) the date specified in this title, or

13           (2) the effective date of laws enacted by the legis-  
14          lature of such State implementing such provisions,  
15          but in no event later than the 1st day of the 1st calendar  
16          quarter beginning after the close of the 1st regular session  
17          of the State legislature that begins after the date of the en-  
18          actment of this Act. For purposes of the previous sentence,  
19          in the case of a State that has a 2-year legislative session,  
20          each year of such session shall be deemed to be a separate  
21          regular session of the State legislature.

22           (c) *GRACE PERIOD FOR STATE CONSTITUTIONAL*  
23          *AMENDMENT.*—A State shall not be found out of compliance  
24          with any requirement enacted by this title if the State is

1 unable to so comply without amending the State constitu-  
 2 tion until the earlier of—

3       (1) 1 year after the effective date of the necessary  
 4 State constitutional amendment; or

5       (2) 5 years after the date of the enactment of this  
 6 title.

## 7 **TITLE X—REFORM OF PUBLIC** 8 **HOUSING**

### 9 **SEC. 1001. CEILING RENTS.**

10 Section 3(a)(2) of the United States Housing Act of  
 11 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

12 “(2) **ESTABLISHMENT OF CEILING RENTS.**—

13       “(A) **IN GENERAL.**—A public housing agency  
 14 may provide that each family residing in a public  
 15 housing project shall pay monthly rent in an amount  
 16 established by such agency in accordance with this  
 17 paragraph.

18       “(B) **LIMITATIONS ON AMOUNT.**—The rental  
 19 amount established under subparagraph (A)—

20       “(i) shall reflect the reasonable rental value  
 21 of the dwelling unit in which the family resides,  
 22 as compared with similar types and sizes of  
 23 dwelling units in the market area in which the  
 24 public housing project is located;

1           “(ii) shall be greater than or equal to the  
2           monthly cost to operate the housing (including  
3           any replacement reserves at the discretion of the  
4           public housing agency); and

5           “(iii) shall not exceed the amount payable  
6           as rent by such family under paragraph (1).”.

7   **SEC. 1002. DEFINITION OF ADJUSTED INCOME FOR PUBLIC**  
8           **HOUSING.**

9           (a) **DEFINITION OF ADJUSTED INCOME.**—Section  
10   3(b)(5) of the United States Housing Act of 1937 (42 U.S.C.  
11   1437a(b)(5)) is amended to read as follows:

12           “(5) The term ‘adjusted income’ means the in-  
13           come that remains after excluding—

14           “(A) \$480 for each member of the family re-  
15           siding in the household (other than the head of  
16           the household or spouse)—

17           “(i) who is under 18 years of age; or

18           “(ii) who is—

19           “(I) 18 years of age or older; and

20           “(II) a person with disabilities or  
21           a full-time student;

22           “(B) \$400 for an elderly or disabled family;

23           “(C) the amount by which the aggregate  
24           of—

1           “(i) medical expenses for an elderly or  
2           disabled family; and

3           “(ii) reasonable attendant care and  
4           auxiliary apparatus expenses for each fam-  
5           ily member who is a person with disabil-  
6           ities, to the extent necessary to enable any  
7           member of the family (including a member  
8           who is a person with disabilities) to be em-  
9           ployed;

10           exceeds 3 percent of the annual income of the  
11           family;

12           “(D) child care expenses, to the extent nec-  
13           essary to enable another member of the family to  
14           be employed or to further his or her education;

15           “(E) excessive travel expenses, not to exceed  
16           \$25 per family per week, for employment- or  
17           education-related travel, except that this sub-  
18           paragraph shall apply only to a family assisted  
19           by an Indian housing authority; and

20           “(F) subject to the requirements of sub-  
21           section (e), for public housing, adjustments to  
22           earned income established by the public housing  
23           agency, not to exceed 20 percent of the earned in-  
24           come of the family.”

1       (b) *ADJUSTMENTS TO DEFINITION OF EARNED IN-*  
2 *COME.*—Section 3 of the United States Housing Act of 1937  
3 (42 U.S.C. 1437a) is amended—

4           (1) in the first undesignated paragraph imme-  
5 diately following subsection (c)(3) (as added by sec-  
6 tion 515(b) of the Cranston-Gonzalez National Afford-  
7 able Housing Act), by striking “The earnings of” and  
8 inserting the following:

9       “(d) *EXCLUSION OF CERTAIN EARNINGS.*—The earn-  
10 ings of”; and

11           (2) by adding at the end the following new sub-  
12 section:

13       “(e) *ADJUSTMENTS TO EARNED INCOME.*—If a public  
14 housing agency establishes a y adjustment to income pursu-  
15 ant to subsection (b)(5)(F), the Secretary—

16           “(1) shall not take into account any reduction of  
17 the per dwelling unit rental income of the public  
18 housing agency resulting from that adjustment in cal-  
19 culating the contributions under section 9 for the pub-  
20 lic housing agency for the operation of the public  
21 housing; and

22           “(2) shall not reduce the level of operating sub-  
23 sidies payable to the public housing agency due to an  
24 increase in per dwelling unit rental income that re-  
25 sults from a higher level of income earned by any

1 residents whose adjusted incomes are calculated tak-  
 2 ing into account that adjustment to income, until the  
 3 public housing agency has recovered a sum equal to  
 4 the cumulative difference between—

5 “(A) the operating subsidies actually re-  
 6 ceived by the agency; and

7 “(B) the operating subsidies that the public  
 8 housing agency would have received if paragraph  
 9 (1) was not applied.”

10 (c) REPORT.—Not later than 3 years after the date of  
 11 enactment of this Act, the Comptroller General of the United  
 12 States shall submit a report to the Congress describing the  
 13 fiscal and societal impact of the amendment made by sub-  
 14 section (b)(2).

15 (d) REPEAL OF CERTAIN PROVISIONS.—

16 (1) MAXIMUM ANNUAL LIMITATION ON RENT IN-  
 17 CREASES RESULTING FROM EMPLOYMENT.—Section  
 18 957 of the Cranston-Gonzalez National Affordable  
 19 Housing Act (42 U.S.C. 12714) is repealed effective  
 20 November 28, 1990.

21 (2) ECONOMIC INDEPENDENCE.—Section 923 of  
 22 the Housing and Community Development Act of  
 23 1992 (42 U.S.C. 12714 note) is repealed effective Oc-  
 24 tober 28, 1992.

1 **SEC. 1003. FAILURE TO COMPLY WITH OTHER WELFARE**  
2 **AND PUBLIC ASSISTANCE PROGRAMS.**

3 *Title I of the United States Housing Act of 1937 (42*  
4 *U.S.C. 1437 et seq.) is amended by adding at the end the*  
5 *following new section:*

6 **"SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND**  
7 **PUBLIC ASSISTANCE PROGRAMS.**

8 *"(a) IN GENERAL.—If the benefits of a family are re-*  
9 *duced under a Federal, State, or local law relating to wel-*  
10 *fare or a public assistance program for the failure of any*  
11 *member of the family to perform an action required under*  
12 *the law or program, the family may not, for the duration*  
13 *of the reduction, receive any increased assistance under this*  
14 *Act as the result of a decrease in the income of the family*  
15 *to the extent that the decrease in income is the result of*  
16 *the benefits reduction.*

17 *"(b) EXCEPTION.—Subsection (a) shall not apply in*  
18 *any case in which the benefits of a family are reduced be-*  
19 *cause the welfare or public assistance program to which the*  
20 *Federal, State, or local law relates limits the period during*  
21 *which benefits may be provided under the program."*

22 **SEC. 1004. APPLICABILITY TO INDIAN HOUSING.**

23 *(a) IN GENERAL.—In accordance with section*  
24 *201(b)(2) of the United States Housing Act of 1937, the*  
25 *amendments made by this title shall apply to public hous-*

1 ing developed or operated pursuant to a contract between  
2 the Secretary and an Indian housing authority.

3 (b) DEFINITIONS.—For purposes of this section—

4 (1) the term “Indian housing authority” has the  
5 same meaning as in section 3(b) of the United States  
6 Housing Act of 1937;

7 (2) the term “public housing” has the same  
8 meaning as in section 3(b) of the United States Hous-  
9 ing Act of 1937; and

10 (3) the term “Secretary” means the Secretary of  
11 Housing and Urban Development.

12 **SEC. 1005. IMPLEMENTATION.**

13 The Secretary shall issue such regulations as may be  
14 necessary to carry out this title and the amendments made  
15 by this title.

16 **SEC. 1006. DEMONSTRATION PROJECT FOR ELIMINATION**  
17 **OF TAKE-ONE-TAKE-ALL REQUIREMENT.**

18 In order to demonstrate the effects of eliminating the  
19 requirement under section 8(t) of the United States Housing  
20 Act of 1937, notwithstanding any other provision of law,  
21 beginning on the date of enactment of this Act, section 8(t)  
22 of the United States Housing Act of 1937 shall not apply  
23 with respect to the multifamily housing project (as such  
24 term is defined in section 8(t)(2) of the United States Hous-

1 ing Act of 1937) consisting of the dwelling units located  
2 at 2401–2479 Sommerset Circle, in Madison, Wisconsin.

3 **SEC. 1007. EFFECTIVE DATE.**

4 *This title and the amendments made by this title shall*  
5 *take effect on the date of enactment of this Act.*

6 **TITLE XI—CHILD ABUSE**  
7 **PREVENTION AND TREATMENT**

8 **SEC. 1101. SHORT TITLE.**

9 *This title may be cited as the “Child Abuse Prevention*  
10 *and Treatment Act Amendments of 1995”.*

11 **Subtitle A—General Program**

12 **SEC. 1111. REFERENCE.**

13 *Except as otherwise expressly provided, whenever in*  
14 *this subtitle an amendment or repeal is expressed in terms*  
15 *of an amendment to, or repeal of, a section or other provi-*  
16 *sion, the reference shall be considered to be made to a section*  
17 *or other provision of the Child Abuse Prevention and Treat-*  
18 *ment Act (42 U.S.C. 5101 et seq.).*

19 **SEC. 1112. FINDINGS.**

20 *Section 2 (42 U.S.C. 5101 note) is amended—*

21 *(1) in paragraph (1), the read as follows:*

22 *“(1) each year, close to 1,000,000 American chil-*  
23 *dren are victims of abuse and neglect;”;*

24 *(2) in paragraph (3)(C), by inserting “assess-*  
25 *ment,” after “prevention;”;*

1 (3) in paragraph (4)—

2 (A) by striking "tens of"; and

3 (B) by striking "direct" and all that follows  
4 through the semicolon and inserting "tangible ex-  
5 penditures, as well as significant intangible  
6 costs,";

7 (4) in paragraph (7), by striking "remedy the  
8 causes of" and inserting "prevent";

9 (5) in paragraph (8), by inserting "safety," after  
10 "fosters the health,";

11 (6) in paragraph (10)—

12 (A) by striking "ensure that every commu-  
13 nity in the United States has" and inserting  
14 "assist States and communities with"; and

15 (B) by inserting "and family" after "com-  
16 prehensive child"; and

17 (7) in paragraph (11)—

18 (A) by striking "child protection" each  
19 place that such appears and inserting "child and  
20 family protection"; and

21 (B) in subparagraph (D), by striking "suf-  
22 ficient".

23 **SEC. 1113. OFFICE OF CHILD ABUSE AND NEGLECT.**

24 Section 101 (42 U.S.C.5101) is amended to read as  
25 follows:

1 **"SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.**

2       “(a) *ESTABLISHMENT.*—*The Secretary of Health and*  
3 *Human Services may establish an office to be known as*  
4 *the Office on Child Abuse and Neglect.*

5       “(b) *PURPOSE.*—*The purpose of the Office established*  
6 *under subsection (a) shall be to execute and coordinate the*  
7 *functions and activities of this Act. In the event that such*  
8 *functions and activities are performed by another entity or*  
9 *entities within the Department of Health and Human Serv-*  
10 *ices, the Secretary shall ensure that such functions and ac-*  
11 *tivities are executed with the necessary expertise and in a*  
12 *fully coordinated manner involving regular*  
13 *intradepartmental and interdepartmental consultation*  
14 *with all agencies involved in child abuse and neglect activi-*  
15 *ties.”.*

16 **SEC. 1114. ADVISORY BOARD ON CHILD ABUSE AND NE-**  
17 **GLECT.**

18       Section 102 (42 U.S.C.5102) is amended to read as  
19 follows:

20 **"SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NE-**  
21 **GLECT.**

22       “(a) *APPOINTMENT.*—*The Secretary may appoint an*  
23 *advisory board to make recommendations to the Secretary*  
24 *and to the appropriate committees of Congress concerning*  
25 *specific issues relating to child abuse and neglect.*

1       “(b) SOLICITATION OF NOMINATIONS.—The Secretary  
2 shall publish a notice in the Federal Register soliciting  
3 nominations for the appointment of members of the advi-  
4 sory board under subsection (a).

5       “(c) COMPOSITION.—In establishing the board under  
6 subsection (a), the Secretary shall appoint members from  
7 the general public who are individuals knowledgeable in  
8 child abuse and neglect prevention, intervention, treatment,  
9 or research, and with due consideration to representation  
10 of ethnic or racial minorities and diverse geographic areas,  
11 and who represent—

12               “(1) law (including the judiciary);

13               “(2) psychology (including child development);

14               “(3) social services (including child protective  
15 services);

16               “(4) medicine (including pediatrics);

17               “(5) State and local government;

18               “(6) organizations providing services to disabled  
19 persons;

20               “(7) organizations providing services to adoles-  
21 cents;

22               “(8) teachers;

23               “(9) parent self-help organizations;

24               “(10) parents' groups;

25               “(11) voluntary groups;

1           “(12) family rights groups; and

2           “(13) children’s rights advocates.

3           “(d) VACANCIES.—Any vacancy in the membership of  
4 the board shall be filled in the same manner in which the  
5 original appointment was made.

6           “(e) ELECTION OF OFFICERS.—The board shall elect  
7 a chairperson and vice-chairperson at its first meeting from  
8 among the members of the board.

9           “(f) DUTIES.—Not later than 1 year after the estab-  
10 lishment of the board under subsection (a), the board shall  
11 submit to the Secretary and the appropriate committees of  
12 Congress a report, or interim report, containing—

13           “(1) recommendations on coordinating Federal,  
14 State, and local child abuse and neglect activities  
15 with similar activities at the Federal, State, and local  
16 level pertaining to family violence prevention;

17           “(2) specific modifications needed in Federal  
18 and State laws and programs to reduce the number  
19 of unfounded or unsubstantiated reports of child  
20 abuse or neglect while enhancing the ability to iden-  
21 tify and substantiate legitimate cases of abuse or ne-  
22 glect which place a child in danger; and

23           “(3) recommendations for modifications needed  
24 to facilitate coordinated national data collection with  
25 respect to child protection and child welfare.”.

1 **SEC. 1115. REPEAL OF INTERAGENCY TASK FORCE.**

2 *Section 103 (42 U.S.C.5103) is repealed.*

3 **SEC. 1116. NATIONAL CLEARINGHOUSE FOR INFORMATION**  
4 **RELATING TO CHILD ABUSE.**

5 *Section 104 (42 U.S.C.5104) is amended—*

6 *(1) in subsection (a), to read as follows:*

7 *“(a) ESTABLISHMENT.—The Secretary shall through*  
8 *the Department, or by one or more contracts of not less than*  
9 *3 years duration let through a competition, establish a na-*  
10 *tional clearinghouse for information relating to child*  
11 *abuse.”;*

12 *(2) in subsection (b)—*

13 *(A) in the matter preceding paragraph (1),*  
14 *by striking “Director.” and inserting “Sec-*  
15 *retary”;*

16 *(B) in paragraph (1)—*

17 *(i) by inserting “assessment,” after*  
18 *“prevention,”; and*

19 *(ii) by striking “, including” and all*  
20 *that follows through “105(b)” and inserting*  
21 *“and”;*

22 *(C) in paragraph (2)—*

23 *(i) in subparagraph (A), by striking*  
24 *“general population” and inserting “United*  
25 *States”;*

1 (ii) in subparagraph (B), by adding  
2 "and" at the end thereof;

3 (iii) in subparagraph (C), by striking  
4 "; and" at the end thereof and inserting a  
5 period; and

6 (iv) by striking subparagraph (D); and  
7 (D) by striking paragraph (3); and

8 (3) in subsection (c)—

9 (A) in the matter preceding paragraph (1),  
10 by striking "Director" and inserting "Sec-  
11 retary";

12 (B) in paragraph (2), by striking "that is  
13 represented on the task force" and inserting "in-  
14 volved with child abuse and neglect and mecha-  
15 nisms for the sharing of such information among  
16 other Federal agencies and clearinghouses";

17 (C) in paragraph (3), by striking "State,  
18 regional" and all that follows and inserting the  
19 following: "Federal, State, regional, and local  
20 child welfare data systems which shall include:

21 "(A) standardized data on false, unfounded,  
22 unsubstantiated, and substantiated reports; and

23 "(B) information on the number of deaths  
24 due to child abuse and neglect;";

1           (D) by redesignating paragraph (4) as  
2           paragraph (6); and

3           (E) by inserting after paragraph (3), the  
4           following new paragraphs:

5           “(4) through a national data collection and  
6           analysis program and in consultation with appro-  
7           priate State and local agencies and experts in the  
8           field, collect, compile, and make available State child  
9           abuse and neglect reporting information which, to the  
10          extent practical, shall be universal and case specific,  
11          and integrated with other case-based foster care and  
12          adoption data collected by the Secretary;

13          “(5) compile, analyze, and publish a summary of  
14          the research conducted under section 105(a); and”;

15 **SEC. 1117. RESEARCH, EVALUATION AND ASSISTANCE AC-**  
16 **TIVITIES.**

17          (a) **RESEARCH.**—Section 105(a) (42 U.S.C.  
18 5105(a)) is amended—

19           (1) in the section heading, by striking “OF THE  
20          NATIONAL CENTER ON CHILD ABUSE AND  
21          NEGLECT”;

22           (2) in paragraph (1)—

23           (A) in the matter preceding subparagraph  
24          (A), by striking “, through the Center, conduct  
25          research on” and inserting “, in consultation

1 with other Federal agencies and recognized ex-  
2 perts in the field, carry out a continuing inter-  
3 disciplinary program of research that is designed  
4 to provide information needed to better protect  
5 children from abuse or neglect and to improve  
6 the well-being of abused or neglected children,  
7 with at least a portion of such research being  
8 field initiated. Such research program may focus  
9 on”;

10 (B) by redesignating subparagraphs (A)  
11 through (C) as subparagraph (B) through (D),  
12 respectively;

13 (C) by inserting before subparagraph (B)  
14 (as so redesignated) the following new subpara-  
15 graph:

16 “(A) the nature and scope of child abuse  
17 and neglect;”;

18 (D) in subparagraph (B) (as so redesign-  
19 ated), to read as follows:

20 “(B) causes, prevention, assessment, identi-  
21 fication, treatment, cultural and socio-economic  
22 distinctions, and the consequences of child abuse  
23 and neglect;”;

24 (E) in subparagraph (D) (as so redesign-  
25 ated)—

1                   (i) by striking clause (ii); and

2                   (ii) in clause (iii), to read as follows:

3                   “(ii) the incidence of substantiated and  
4 unsubstantiated reported child abuse cases;

5                   “(iii) the number of substantiated cases  
6 that result in a judicial finding of child  
7 abuse or neglect or related criminal court  
8 convictions;

9                   “(iv) the extent to which the number of  
10 unsubstantiated, unfounded and false re-  
11 ported cases of child abuse or neglect have  
12 contributed to the inability of a State to re-  
13 spond effectively to serious cases of child  
14 abuse or neglect;

15                   “(v) the extent to which the lack of ade-  
16 quate resources and the lack of adequate  
17 training of reporters have contributed to the  
18 inability of a State to respond effectively to  
19 serious cases of child abuse and neglect;

20                   “(vi) the number of unsubstantiated,  
21 false, or unfounded reports that have re-  
22 sulted in a child being placed in substitute  
23 care, and the duration of such placement;

1           “(vii) the extent to which unsubstan-  
2           tiated reports return as more serious cases  
3           of child abuse or neglect;

4           “(viii) the incidence and prevalence of  
5           physical, sexual, and emotional abuse and  
6           physical and emotional neglect in substitute  
7           care; and

8           “(ix) the incidence and outcomes of  
9           abuse allegations reported within the con-  
10          text of divorce, custody, or other family  
11          court proceedings, and the interaction be-  
12          tween this venue and the child protective  
13          services system.”; and

14          (3) in paragraph (2)—

15           (A) in subparagraph (A)—

16           (i) by striking “and demonstrations”;

17           and

18           (ii) by striking “paragraph (1)(A) and  
19           activities under section 106” and inserting  
20           “paragraph (1)”; and

21           (B) in subparagraph (B), by striking “and  
22           demonstration”.

23          (b) REPEAL.—Subsection (b) of section 105 (42 U.S.C.  
24          5105(b)) is repealed.

1       (c) *TECHNICAL ASSISTANCE.*—Section 105(c) (42  
2 *U.S.C. 5105(c))* is amended—

3           (1) by striking *“The Secretary”* and inserting:

4           *“(1) IN GENERAL.—The Secretary”;*

5           (2) by striking *“, through the Center,”;*

6           (3) by inserting *“State and local”* before *“public*  
7 *and nonprofit”;*

8           (4) by inserting *“assessment,”* before *“identifica-*  
9 *tion”;* and

10          (5) by adding at the end thereof the following  
11 *new paragraphs:*

12           *“(2) EVALUATION.—Such technical assistance*  
13 *may include an evaluation or identification of—*

14           *“(A) various methods and procedures for the*  
15 *investigation, assessment, and prosecution of*  
16 *child physical and sexual abuse cases;*

17           *“(B) ways to mitigate psychological trauma*  
18 *to the child victim; and*

19           *“(C) effective programs carried out by the*  
20 *States under titles I and II.*

21           *“(3) DISSEMINATION.—The Secretary may pro-*  
22 *vide for and disseminate information relating to var-*  
23 *ious training resources available at the State and*  
24 *local level to—*

1           “(A) individuals who are engaged, or who  
2           intend to engage, in the prevention, identifica-  
3           tion, and treatment of child abuse and neglect;  
4           and

5           “(B) appropriate State and local officials to  
6           assist in training law enforcement, legal, judi-  
7           cial, medical, mental health, education, and  
8           child welfare personnel in appropriate methods  
9           of interacting during investigative, administra-  
10          tive, and judicial proceedings with children who  
11          have been subjected to abuse.”.

12          (d) GRANTS AND CONTRACTS.—Section 105(d)(2) (42  
13          U.S.C. 5105(d)(2)) is amended by striking the second sen-  
14          tence.

15          (e) PEER REVIEW.—Section 105(e) (42 U.S.C.  
16          5105(e)) is amended—

17                 (1) in paragraph (1)—

18                         (A) in subparagraph (A)—

19                                 (i) by striking “establish a formal”  
20                                 and inserting “, in consultation with ex-  
21                                 perts in the field and other federal agencies,  
22                                 establish a formal, rigorous, and meritori-  
23                                 ous”;

24                                 (ii) by striking “and contracts”; and

1 (iii) by adding at the end thereof the  
2 following new sentence: "The purpose of this  
3 process is to enhance the quality and useful-  
4 ness of research in the field of child abuse  
5 and neglect."; and

6 (B) in subparagraph (B)—

7 (i) by striking "Office of Human De-  
8 velopment" and inserting "Administration  
9 for Children and Families"; and

10 (ii) by adding at the end thereof the  
11 following new sentence: "The Secretary shall  
12 ensure that the peer review panel utilizes  
13 scientifically valid review criteria and scor-  
14 ing guidelines for review committees."; and

15 (2) in paragraph (2)—

16 (A) in the matter preceding subparagraph  
17 (A), by striking ", contract, or other financial  
18 assistance"; and

19 (B) by adding at the end thereof the follow-  
20 ing flush sentence:

21 "The Secretary shall award grants under this section  
22 on the basis of competitive review."

23 **SEC. 1118. GRANTS FOR DEMONSTRATION PROGRAMS.**

24 Section 106 (42 U.S.C. 5106) is amended—

1           (1) in the section heading, by striking "OR  
2       SERVICE";

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

4       “(a) DEMONSTRATION PROGRAMS AND PROJECTS.—

5       *The Secretary may make grants to, and enter into contracts*  
6       *with, public agencies or nonprofit private agencies or orga-*  
7       *nizations (or combinations of such agencies or organiza-*  
8       *tions) for time limited, demonstration programs and*  
9       *projects for the following purposes:*

10           “(1) TRAINING PROGRAMS.—*The Secretary may*  
11       *award grants to public or private non-profit organi-*  
12       *zations under this section—*

13                   “(A) *for the training of professional and*  
14       *paraprofessional personnel in the fields of medi-*  
15       *cine, law, education, social work, and other rel-*  
16       *evant fields who are engaged in, or intend to*  
17       *work in, the field of prevention, identification,*  
18       *and treatment of child abuse and neglect, includ-*  
19       *ing the links between domestic violence and child*  
20       *abuse;*

21                   “(B) *to provide culturally specific instruc-*  
22       *tion in methods of protecting children from child*  
23       *abuse and neglect to children and to persons re-*  
24       *sponsible for the welfare of children, including*

1 parents of and persons who work with children  
2 with disabilities;

3 "(C) to improve the recruitment, selection,  
4 and training of volunteers serving in private  
5 and public nonprofit children, youth and family  
6 service organizations in order to prevent child  
7 abuse and neglect through collaborative analysis  
8 of current recruitment, selection, and training  
9 programs and development of model programs  
10 for dissemination and replication nationally;  
11 and

12 "(D) for the establishment of resource cen-  
13 ters for the purpose of providing information  
14 and training to professionals working in the  
15 field of child abuse and neglect.

16 "(2) *MUTUAL SUPPORT PROGRAMS.*—The Sec-  
17 retary may award grants to private non-profit orga-  
18 nizations (such as Parents Anonymous) to establish  
19 or maintain a national network of mutual support  
20 and self-help programs as a means of strengthening  
21 families in partnership with their communities.

22 "(3) *OTHER INNOVATIVE PROGRAMS AND*  
23 *PROJECTS.*—

24 "(A) *IN GENERAL.*—The Secretary may  
25 award grants to public agencies that demonstrate

1 innovation in responding to reports of child  
2 abuse and neglect including programs of collabo-  
3 rative partnerships between the State child pro-  
4 tective service agency, community social service  
5 agencies and family support programs, schools,  
6 churches and synagogues, and other community  
7 agencies to allow for the establishment of a triage  
8 system that—

9 “(i) accepts, screens and assesses re-  
10 ports received to determine which such re-  
11 ports require an intensive intervention and  
12 which require voluntary referral to another  
13 agency, program or project;

14 “(ii) provides, either directly or  
15 through referral, a variety of community-  
16 linked services to assist families in prevent-  
17 ing child abuse and neglect; and

18 “(iii) provides further investigation  
19 and intensive intervention where the child’s  
20 safety is in jeopardy.

21 “(B) KINSHIP CARE.—The Secretary may  
22 award grants to public entities to assist such en-  
23 tities in developing or implementing procedures  
24 using adult relatives as the preferred placement  
25 for children removed from their home, where such

1 relatives are determined to be capable of provid-  
2 ing a safe nurturing environment for the child or  
3 where such relatives comply with the State child  
4 protection standards.

5 “(C) VISITATION CENTERS.—The Secretary  
6 may award grants to public or private nonprofit  
7 entities to assist such entities in the establish-  
8 ment or operation of supervised visitation cen-  
9 ters where there is documented, highly suspected,  
10 or elevated risk of child sexual, physical, or emo-  
11 tional abuse where, due to domestic violence,  
12 there is an ongoing risk of harm to a parent or  
13 child.”;

14 (3) in subsection (c), by striking paragraphs (1)  
15 and (2); and

16 (4) by adding at the end thereof the following  
17 new subsection:

18 “(d) EVALUATION.—In making grants for demonstra-  
19 tion projects under this section, the Secretary shall require  
20 all such projects to be evaluated for their effectiveness.  
21 Funding for such evaluations shall be provided either as  
22 a stated percentage of a demonstration grant or as a sepa-  
23 rate grant entered into by the Secretary for the purpose of  
24 evaluating a particular demonstration project or group of  
25 projects.”

1 SEC. 1119. STATE GRANTS FOR PREVENTION AND TREAT-  
2 MENT PROGRAMS.

3 Section 107 (42 U.S.C. 5106a) is amended to read as  
4 follows:

5 "SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NE-  
6 GLECT PREVENTION AND TREATMENT PRO-  
7 GRAMS.

8 "(a) DEVELOPMENT AND OPERATION GRANTS.—The  
9 Secretary shall make grants to the States, based on the pop-  
10 ulation of children under the age of 18 in each State that  
11 applies for a grant under this section, for purposes of assist-  
12 ing the States in improving the child protective service sys-  
13 tem of each such State in—

14 "(1) the intake, assessment, screening, and inves-  
15 tigation of reports of abuse and neglect;

16 "(2)(A) creating and improving the use of multi-  
17 disciplinary teams and interagency protocols to en-  
18 hance investigations; and

19 "(B) improving legal preparation and represen-  
20 tation, including—

21 "(i) procedures for appealing and respond-  
22 ing to appeals of substantiated reports of abuse  
23 and neglect; and

24 "(ii) provisions for the appointment of a  
25 guardian ad litem.

1           “(3) case management and delivery of services  
2     provided to children and their families;

3           “(4) enhancing the general child protective sys-  
4     tem by improving risk and safety assessment tools  
5     and protocols, automation systems that support the  
6     program and track reports of child abuse and neglect  
7     from intake through final disposition and informa-  
8     tion referral systems;

9           “(5) developing, strengthening, and facilitating  
10    training opportunities and requirements for individ-  
11    uals overseeing and providing services to children and  
12    their families through the child protection system;

13           “(6) developing and facilitating training proto-  
14    cols for individuals mandated to report child abuse or  
15    neglect;

16           “(7) developing, strengthening, and supporting  
17    child abuse and neglect prevention, treatment, and re-  
18    search programs in the public and private sectors;

19           “(8) developing, implementing, or operating—

20           “(A) information and education programs  
21    or training programs designed to improve the  
22    provision of services to disabled infants with life-  
23    threatening conditions for—

24           “(i) professional and paraprofessional  
25    personnel concerned with the welfare of dis-

1           abled infants with life-threatening condi-  
2           tions, including personnel employed in child  
3           protective services programs and health-care  
4           facilities; and

5                   “(i) the parents of such infants; and

6                   “(B) programs to assist in obtaining or co-  
7           ordinating necessary services for families of dis-  
8           abled infants with life-threatening conditions,  
9           including—

10                   “(i) existing social and health services;

11                   “(ii) financial assistance; and

12                   “(iii) services necessary to facilitate  
13           adoptive placement of any such infants who  
14           have been relinquished for adoption; or

15                   “(9) developing and enhancing the capacity of  
16           community-based programs to integrate shared lead-  
17           ership strategies between parents and professionals to  
18           prevent and treat child abuse and neglect at the  
19           neighborhood level.

20           “(b) *ELIGIBILITY REQUIREMENTS.*—In order for a  
21           State to qualify for a grant under subsection (a), such State  
22           shall provide an assurance or certification, signed by the  
23           chief executive officer of the State, that the State—

1           “(1) has in effect and operation a State law or  
2           Statewide program relating to child abuse and neglect  
3           which ensures—

4                   “(A) provisions or procedures for the report-  
5                   ing of known and suspected instances of child  
6                   abuse and neglect;

7                   “(B) procedures for the immediate screen-  
8                   ing, safety assessment, and prompt investigation  
9                   of such reports;

10                  “(C) procedures for immediate steps to be  
11                  taken to ensure and protect the safety of the  
12                  abused or neglected child and of any other child  
13                  under the same care who may also be in danger  
14                  of abuse or neglect;

15                  “(D) provisions for immunity from prosecu-  
16                  tion under State and local laws and regulations  
17                  for individuals making good faith reports of sus-  
18                  pected or known instances of child abuse or ne-  
19                  glect;

20                  “(E) methods to preserve the confidentiality  
21                  of all records in order to protect the rights of the  
22                  child and of the child's parents or guardians, in-  
23                  cluding methods to ensure that disclosure (and  
24                  redisclosure) of information concerning child  
25                  abuse or neglect involving specific individuals is

1           *made only to persons or entities that the State*  
2           *determines have a need for such information di-*  
3           *rectly related to the purposes of this Act;*

4           “(F) requirements for the prompt disclosure  
5           of all relevant information to any Federal, State,  
6           or local governmental entity, or any agent of  
7           such entity, with a need for such information in  
8           order to carry out its responsibilities under law  
9           to protect children from abuse and neglect;

10           “(G) the cooperation of State law enforce-  
11           ment officials, court of competent jurisdiction,  
12           and appropriate State agencies providing  
13           human services;

14           “(H) provisions requiring, and procedures  
15           in place that facilitate the prompt expungement  
16           of any records that are accessible to the general  
17           public or are used for purposes of employment or  
18           other background checks in cases determined to  
19           be unsubstantiated or false, except that nothing  
20           in this section shall prevent State child protec-  
21           tive service agencies from keeping information on  
22           unsubstantiated reports in their casework files to  
23           assist in future risk and safety assessment; and

24           “(I) provisions and procedures requiring  
25           that in every case involving an abused or ne-

1            *glected child which results in a judicial proceed-*  
2            *ing, a guardian ad litem shall be appointed to*  
3            *represent the child in such proceedings; and*

4            *“(2) has in place procedures for responding to*  
5            *the reporting of medical neglect (including instances*  
6            *of withholding of medically indicated treatment from*  
7            *disabled infants with life-threatening conditions),*  
8            *procedures or programs, or both (within the State*  
9            *child protective services system), to provide for—*

10            *“(A) coordination and consultation with in-*  
11            *dividuals designated by and within appropriate*  
12            *health-care facilities;*

13            *“(B) prompt notification by individuals*  
14            *designated by and within appropriate health-*  
15            *care facilities of cases of suspected medical ne-*  
16            *glect (including instances of withholding of*  
17            *medically indicated treatment from disabled in-*  
18            *fant with life-threatening conditions); and*

19            *“(C) authority, under State law, for the*  
20            *State child protective service system to pursue*  
21            *any legal remedies, including the authority to*  
22            *initiate legal proceedings in a court of competent*  
23            *jurisdiction, as may be necessary to prevent the*  
24            *withholding of medically indicated treatment*

1           from disabled infants with life threatening con-  
2           ditions.

3           “(c) *ADDITIONAL REQUIREMENT.*—Not later than 2  
4 years after the date of enactment of this section, the State  
5 shall provide an assurance or certification that the State  
6 has in place provisions, procedures, and mechanisms by  
7 which individuals who disagree with an official finding of  
8 abuse or neglect can appeal such finding.

9           “(d) *STATE PROGRAM PLAN.*—To be eligible to receive  
10 a grant under this section, a State shall submit every 5  
11 years a plan to the Secretary that specifies the child protec-  
12 tive service system area or areas described in subsection (a)  
13 that the State intends to address with funds received under  
14 the grant. Such plan shall, to the maximum extent prac-  
15 ticable, be coordinated with the plan of the State for child  
16 welfare services and family preservation and family sup-  
17 port services under part B of title IV of the Social Security  
18 Act and shall contain an outline of the activities that the  
19 State intends to carry out using amounts provided under  
20 the grant to achieve the purposes of this Act, including the  
21 procedures to be used for—

22           “(1) receiving and assessing reports of child  
23           abuse or neglect;

24           “(2) investigating such reports;

1           “(3) protecting children by removing them from  
2 dangerous settings and ensuring their placement in a  
3 safe environment;

4           “(4) providing services or referral for services for  
5 families and children where the child is not in danger  
6 of harm;

7           “(5) providing services to individuals, families,  
8 or communities, either directly or through referral,  
9 aimed at preventing the occurrence of child abuse and  
10 neglect;

11           “(6) providing training to support direct line  
12 and supervisory personnel in report-taking, screening,  
13 assessment, decision-making, and referral for inves-  
14 tigation; a. d

15           “(7) providing training for individuals man-  
16 dated to report suspected cases of child abuse or ne-  
17 glect.

18           “(e) **RESTRICTIONS RELATING TO CHILD WELFARE**  
19 **SERVICES.**—Programs or projects relating to child abuse  
20 and neglect assisted under part B of title IV of the Social  
21 Security Act shall comply with the requirements set forth  
22 in paragraphs (1) (A) and (B), and (2) of subsection (b).

23           “(f) **ANNUAL STATE DATA REPORTS.**—Each State to  
24 which a grant is made under this part shall annually work

1 with the Secretary to provide, to the maximum extent prac-  
2 ticable, a report that includes the following:

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

5           “(2) Of the number of children described in  
6 paragraph (1), the number with respect to whom such  
7 reports were—

8                   “(A) substantiated;

9                   “(B) unsubstantiated; and

10                   “(C) determined to be false.

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

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

17                   “(B) the number that received services dur-  
18 ing the year under the State program funded  
19 under this part or an equivalent State program;  
20 and

21                   “(C) the number that were removed from  
22 their families during the year by disposition of  
23 the case.

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

1           “(5) The number of deaths in the State during  
2 the year resulting from child abuse or neglect.

3           “(6) Of the number of children described in  
4 paragraph (5), the number of such children who were  
5 in foster care.

6           “(7) The number of child protective service work-  
7 ers responsible for the intake and screening of reports  
8 filed in the previous year.

9           “(8) The agency response time with respect to  
10 each such report with respect to initial investigation  
11 of reports of child abuse or neglect.

12           “(9) The response time with respect to the provi-  
13 sion of services to families and children where an al-  
14 legation of abuse or neglect has been made.

15           “(10) The number of child protective service  
16 workers responsible for intake, assessment, and inves-  
17 tigation of child abuse and neglect reports relative to  
18 the number of reports investigated in the previous  
19 year.

20           “(g) ANNUAL REPORT BY THE SECRETARY.—Within  
21 6 months after receiving the State reports under subsection  
22 (f), the Secretary shall prepare a report based on informa-  
23 tion provided by the States for the fiscal year under such  
24 subsection and shall make the report and such information

1 available to the Congress and the national clearinghouse for  
2 information relating to child abuse.”

3 **SEC. 1120. REPEAL**

4 Section 108 (42 U.S.C. 5106b) is repealed.

5 **SEC. 1121. MISCELLANEOUS REQUIREMENTS.**

6 Section 110 (42 U.S.C. 5106d) is amended by striking  
7 subsection (c).

8 **SEC. 1122. DEFINITIONS.**

9 Section 113 (42 U.S.C. 5106h) is amended—

10 (1) by striking paragraphs (1) and (2);

11 (2) by redesignating paragraphs (3) through (10)  
12 as paragraphs (1) through (8), respectively; and

13 (3) in paragraph (2) (as so redesignated), to  
14 read as follows:

15 “(2) the term ‘child abuse and neglect’ means, at  
16 a minimum, any recent act or failure to act on the  
17 part of a parent or caretaker, which results in death,  
18 serious physical or emotional harm, sexual abuse or  
19 exploitation, or an act or failure to act which pre-  
20 sents an imminent risk of serious harm;”

21 **SEC. 1123. AUTHORIZATION OF APPROPRIATIONS.**

22 Section 114(a) (42 U.S.C. 5106h(a)) is amended to  
23 read as follows:

24 “(a) **IN GENERAL.**—

1           “(1) *GENERAL AUTHORIZATION.*—There are au-  
 2           thorized to be appropriated to carry out this title,  
 3           \$100,000,000 for fiscal year 1996, and such sums as  
 4           may be necessary for each of the fiscal years 1997  
 5           through 2000.

6           “(2) *DISCRETIONARY ACTIVITIES.*—

7                   “(A) *IN GENERAL.*—Of the amounts appro-  
 8                   priated for a fiscal year under paragraph (1),  
 9                   the Secretary shall make available 33 $\frac{1}{3}$  percent  
 10                  of such amounts to fund discretionary activities  
 11                  under this title.

12                   “(B) *DEMONSTRATION PROJECTS.*—Of the  
 13                   amounts made available for a fiscal year under  
 14                   subparagraph (A), the Secretary make available  
 15                  not more than 40 percent of such amounts to  
 16                  carry out section 106.”.

17 **SEC. 1124. RULE OF CONSTRUCTION.**

18           Title I (42 U.S.C. 5101 et seq.) is amended by adding  
 19 at the end thereof the following new section:

20 **“SEC. 115. RULE OF CONSTRUCTION.**

21           “(a) *IN GENERAL.*—Nothing in this Act shall be con-  
 22           strued—

23                   “(1) as establishing a Federal requirement that  
 24                  a parent or legal guardian provide a child any medi-

1 cal service or treatment against the religious beliefs of  
2 the parent or legal guardian; and

3 "(2) to require that a State find, or to prohibit  
4 a State from finding, abuse or neglect in cases in  
5 which a parent or legal guardian relies solely or par-  
6 tially upon spiritual means rather than medical  
7 treatment, in accordance with the religious beliefs of  
8 the parent or legal guardian.

9 "(b) STATE REQUIREMENT.—Notwithstanding sub-  
10 section (a), a State shall, at a minimum, have in place  
11 authority under State law to permit the child protective  
12 service system of the State to pursue any legal remedies,  
13 including the authority to initiate legal proceedings in a  
14 court of competent jurisdiction, to provide medical care or  
15 treatment for a child when such care or treatment is nec-  
16 essary to prevent or remedy serious harm to the child, or  
17 to prevent the withholding of medically indicated treatment  
18 from children with life threatening conditions. Case by case  
19 determinations concerning the exercise of the authority of  
20 this subsection shall be within the sole discretion of the  
21 State."

22 **SEC. 1125. TECHNICAL AMENDMENT.**

23 Section 1404A of the Victims of Crime Act of 1984 (42  
24 U.S.C. 10603a) is amended—

1 (1) by striking "1402(d)(2)(D) and (d)(3)" and  
 2 inserting "1402(d)(2)"; and

3 (2) by striking "section 4(d)" and inserting "sec-  
 4 tion 109".

5 **Subtitle B—Community-Based**  
 6 **Child Abuse and Neglect Preven-**  
 7 **tion Grants**

8 **SEC. 119L. ESTABLISHMENT OF PROGRAM.**

9 *Title II of the Child Abuse Prevention and Treatment*  
 10 *Act (42 U.S.C. 5116 et seq) is amended to read as follows:*

11 **"TITLE II—COMMUNITY-BASED**  
 12 **FAMILY RESOURCE AND SUP-**  
 13 **PORT GRANTS**

14 **"SEC. 201. PURPOSE AND AUTHORITY.**

15 *"(a) PURPOSE.—It is the purpose of this Act to sup-*  
 16 *port State efforts to develop, operate, expand and enhance*  
 17 *a network of community-based, prevention-focused, family*  
 18 *resource and support programs that are culturally com-*  
 19 *petent and that coordinate resources among existing edu-*  
 20 *cation, vocational rehabilitation, disability, respite, health,*  
 21 *mental health, job readiness, self-sufficiency, child and fam-*  
 22 *ily development, community action, Head Start, child care,*  
 23 *child abuse and neglect prevention, juvenile justice, domes-*  
 24 *tic violence prevention and intervention, housing, and other*  
 25 *human service organizations within the State.*

1       “(b) *AUTHORITY.*—The Secretary shall make grants  
2 under this title on a formula basis to the entity designated  
3 by the State as the lead entity (hereafter referred to in this  
4 title as the ‘lead entity’) for the purpose of—

5               “(1) *developing, operating, expanding and en-*  
6 *hancing Statewide networks of community-based, pre-*  
7 *vention-focused, family resource and support pro-*  
8 *grams that—*

9                       “(A) *offer sustained assistance to families;*

10                      “(B) *provide early, comprehensive, and ho-*  
11 *listic support for all parents;*

12                      “(C) *promote the development of parental*  
13 *competencies and capacities, especially in young*  
14 *parents and parents with very young children;*

15                      “(D) *increase family stability;*

16                      “(E) *improve family access to other formal*  
17 *and informal resources and opportunities for as-*  
18 *sistance available within communities;*

19                      “(F) *support the additional needs of fami-*  
20 *lies with children with disabilities; and*

21                      “(G) *decrease the risk of homelessness;*

22               “(2) *fostering the development of a continuum of*  
23 *preventive services for children and families through*  
24 *State and community-based collaborations and part-*  
25 *nerships both public and private;*

1           “(3) financing the start-up, maintenance, expansion,  
2           or redesign of specific family resource and support  
3           program services (such as respite services, child  
4           abuse and neglect prevention activities, disability  
5           services, mental health services, housing services,  
6           transportation, adult education, home visiting and  
7           other similar services) identified by the inventory and  
8           description of current services required under section  
9           205(a)(3) as an unmet need, and integrated with the  
10          network of community-based family resource and support  
11          program to the extent practicable given funding  
12          levels and community priorities;

13          “(4) maximizing funding for the financing,  
14          planning, community mobilization, collaboration, assessment,  
15          information and referral, startup, training and technical assistance,  
16          information management,  
17          reporting and evaluation costs for establishing, operating,  
18          or expanding a Statewide network of community-based,  
19          prevention-focused, family resource and  
20          support program; and

21          “(5) financing public information activities that  
22          focus on the healthy and positive development of parents  
23          and children and the promotion of child abuse and neglect  
24          prevention activities.

## 1 "SEC. 202. ELIGIBILITY.

2 "A State shall be eligible for a grant under this title  
3 for a fiscal year if—

4 "(1)(A) the chief executive officer of the State has  
5 designated an entity to administer funds under this  
6 title for the purposes identified under the authority of  
7 this title, including to develop, implement, operate,  
8 enhance or expand a Statewide network of commu-  
9 nity-based, prevention-focused, family resource and  
10 support programs, child abuse and neglect prevention  
11 activities and access to respite services integrated  
12 with the Statewide network;

13 "(B) in determining which entity to designate  
14 under subparagraph (A), the chief executive officer  
15 should give priority consideration to the trust fund  
16 advisory board of the State or an existing entity that  
17 leverages Federal, State, and private funds for a  
18 broad range of child abuse and neglect prevention ac-  
19 tivities and family resource programs, and that is di-  
20 rected by an interdisciplinary, public-private struc-  
21 ture, including participants from communities; and

22 "(C) such lead entity is an existing public,  
23 quasi-public, or nonprofit private entity with a dem-  
24 onstrated ability to work with other State and com-  
25 munity-based agencies to provide training and tech-  
26 nical assistance, and that has the capacity and com-

1        *mitment to ensure the meaningful involvement of par-*  
2        *ents who are consumers and who can provide leader-*  
3        *ship in the planning, implementation, and evaluation*  
4        *of programs and policy decisions of the applicant*  
5        *agency in accomplishing the desired outcomes for such*  
6        *efforts;*

7                *“(2) the chief executive officer of the State pro-*  
8        *vides assurances that the lead entity will provide or*  
9        *will be responsible for providing—*

10                *“(A) a network of community-based family*  
11        *resource and support programs composed of*  
12        *local, collaborative, public-private partnerships*  
13        *directed by interdisciplinary structures with bal-*  
14        *anced representation from private and public*  
15        *sector members, parents, and public and private*  
16        *nonprofit service providers and individuals and*  
17        *organizations experienced in working in partner-*  
18        *ship with families with children with disabil-*  
19        *ities;*

20                *“(B) direction to the network through an*  
21        *interdisciplinary, collaborative, public-private*  
22        *structure with balanced representation from pri-*  
23        *ate and public sector members, parents, and*  
24        *public sector and private nonprofit sector service*  
25        *providers; and*

1           “(C) direction and oversight to the network  
2 through identified goals and objectives, clear  
3 lines of communication and accountability, the  
4 provision of leveraged or combined funding from  
5 Federal, State and private sources, centralized  
6 assessment and planning activities, the provision  
7 of training and technical assistance, and report-  
8 ing and evaluation functions; and

9           “(3) the chief executive officer of the State pro-  
10 vides assurances that the lead entity—

11           “(A) has a demonstrated commitment to pa-  
12 rental participation in the development, oper-  
13 ation, and oversight of the Statewide network of  
14 community-based, prevention-focused, family re-  
15 source and support programs;

16           “(B) has a demonstrated ability to work  
17 with State and community-based public and pri-  
18 vate nonprofit organizations to develop a contin-  
19 uum of preventive, family centered, holistic serv-  
20 ices for children and families through the State-  
21 wide network of community-based, prevention-fo-  
22 cused, family resource and support programs;

23           “(C) has the capacity to provide operational  
24 support (both financial and programmatic) and  
25 training and technical assistance, to the State-

1 wide network of community-based, prevention-fo-  
2 cused, family resource and support programs,  
3 through innovative, interagency funding and  
4 interdisciplinary service delivery mechanisms;  
5 and

6 "(D) will integrate its efforts with individ-  
7 uals and organizations experienced in working  
8 in partnership with families with children with  
9 disabilities and with the child abuse and neglect  
10 prevention activities of the State, and dem-  
11 onstrate a financial commitment to those activi-  
12 ties.

13 **"SEC. 203. AMOUNT OF GRANT.**

14 "(a) **RESERVATION.**—The Secretary shall reserve 1  
15 percent of the amount appropriated under section 210 for  
16 a fiscal year to make allotments to Indian tribes and tribal  
17 organizations and migrant programs.

18 "(b) **ALLOTMENT.**—

19 "(1) **IN GENERAL.**—Of the amounts appro-  
20 priated for a fiscal year under section 210 and re-  
21 maining after the reservation under subsection (a),  
22 the Secretary shall allot to each State lead entity an  
23 amount equal to—

24 "(A) the State minor child amount for such  
25 State as determined under paragraph (2); and

1           “(B) the State matchable amount for such  
2           State as determined under paragraph (3).

3           “(2) STATE MINOR CHILD AMOUNT.—The  
4           amount determined under this paragraph for a fiscal  
5           year for a State shall be equal to an amount that  
6           bears the same relationship to 50 percent of the  
7           amounts appropriated and remaining under para-  
8           graph (1) for such fiscal year as the number of chil-  
9           dren under 18 residing in the State bears to the total  
10          number of children under 18 residing in all States,  
11          except that no State shall receive less than \$250,000.

12          “(3) STATE MATCHABLE AMOUNT.—The amount  
13          determined under this paragraph for a fiscal year for  
14          a State shall be equal to—

15                 “(A)(i) 50 percent of the amounts appro-  
16                 priated and remaining under paragraph (1) for  
17                 such fiscal year; divided by

18                 “(ii) 50 percent of the total amount that all  
19                 States have directed through the respective lead  
20                 agencies to the purposes identified under the au-  
21                 thority of this title for the fiscal year, including  
22                 foundation, corporate, and other private funding,  
23                 State revenues, and Federal funds, as determined  
24                 by the Secretary; multiplied by

1           “(B) 50 percent of the total amount that the  
2           State has directed through the lead agency to the  
3           purposes identified under the authority of this  
4           title for such fiscal year, including foundation,  
5           corporate, and other private funding, State reve-  
6           nues, and Federal funds.

7           “(c) *ALLOCATION.*—Funds allotted to a State under  
8           this section shall be awarded on a formula basis for a 3-  
9           year period. Payment under such allotments shall be made  
10          by the Secretary annually on the basis described in sub-  
11          section (a).

12          “SEC. 204. *EXISTING AND CONTINUATION GRANTS.*

13          “(a) *EXISTING GRANTS.*—Notwithstanding the enact-  
14          ment of this title, a State or entity that has a grant, con-  
15          tract, or cooperative agreement in effect, on the date of en-  
16          actment of this title, under the Family Resource and Sup-  
17          port Program, the Community-Based Family Resource Pro-  
18          gram, the Family Support Center Program, the Emergency  
19          Child Abuse Prevention Grant Program, or the Temporary  
20          Child Care for Children with Disabilities and Crisis Nurs-  
21          eries Programs shall continue to receive funds under such  
22          programs, subject to the original terms under which such  
23          funds were granted, through the end of the applicable grant  
24          cycle.

1       “(b) CONTINUATION GRANTS.—The Secretary may  
2 continue grants for Family Resource and Support Program  
3 grantees, and those programs otherwise funded under this  
4 Act, on a noncompetitive basis, subject to the availability  
5 of appropriations, satisfactory performance by the grantee,  
6 and receipt of reports required under this Act, until such  
7 time as the grantee no longer meets the original purposes  
8 of this Act.

9 “SEC. 205. APPLICATION.

10       “(a) IN GENERAL.—A grant may not be made to a  
11 State under this title unless an application therefore is sub-  
12 mitted by the State to the Secretary and such application  
13 contains the types of information specified by the Secretary  
14 as essential in carrying out the provisions of section 202,  
15 including—

16               “(1) a description of the lead entity that will be  
17 responsible for the administration of funds provided  
18 under this title and the oversight of programs funded  
19 through the Statewide network of community-based,  
20 prevention-focused, family resource and support pro-  
21 grams which meets the requirements of section 202;

22               “(2) a description of how the network of commu-  
23 nity-based, prevention-focused, family resource and  
24 support programs will operate and how family re-  
25 source and support services provided by public and

1 private, nonprofit organizations, including those  
2 funded by programs consolidated under this Act, will  
3 be integrated into a developing continuum of family  
4 centered, holistic, preventive services for children and  
5 families;

6 “(3) an assurance that an inventory of current  
7 family resource programs, respite, child abuse and ne-  
8 glect prevention activities, and other family resource  
9 services operating in the State, and a description of  
10 current unmet needs, will be provided;

11 “(4) a budget for the development, operation and  
12 expansion of the State’s network of community-based,  
13 prevention-focused, family resource and support pro-  
14 grams that verifies that the State will expend an  
15 amount equal to not less than 20 percent of the  
16 amount received under this title (in cash, not in-  
17 kind) for activities under this title;

18 “(5) an assurance that funds received under this  
19 title will supplement, not supplant, other State and  
20 local public funds designated for the Statewide net-  
21 work of community-based, prevention-focused, family  
22 resource and support programs;

23 “(6) an assurance that the State network of com-  
24 munity-based, prevention-focused, family resource and  
25 support programs will maintain cultural diversity,

1 and be culturally competent and socially sensitive  
2 and responsive to the needs of families with children  
3 with disabilities;

4       “(7) an assurance that the State has the capac-  
5 ity to ensure the meaningful involvement of parents  
6 who are consumers and who can provide leadership in  
7 the planning, implementation, and evaluation of the  
8 programs and policy decisions of the applicant agen-  
9 cy in accomplishing the desired outcomes for such ef-  
10 forts;

11       “(8) a description of the criteria that the entity  
12 will use to develop, or select and fund, individual  
13 community-based, prevention-focused, family resource  
14 and support programs a part of network develop-  
15 ment, expansion or enhancement;

16       “(9) a description of outreach activities that the  
17 entity and the community-based, prevention-focused,  
18 family resource and support programs will undertake  
19 to maximize the participation of racial and ethnic  
20 minorities, new immigrant populations, children and  
21 adults with disabilities, homeless families and those  
22 at risk of homelessness, and members of other under-  
23 served or underrepresented groups;

24       “(10) a plan for providing operational support,  
25 training and technical assistance to community-

1 based, prevention-focused, family resource and sup-  
2 port programs for development, operation, expansion  
3 and enhancement activities;

4 “(11) a description of how the applicant entity's  
5 activities and those of the network and its members  
6 will be evaluated;

7 “(12) a description of that actions that the ap-  
8 plicant entity will take to advocate changes in State  
9 policies, practices, procedures and regulations to im-  
10 prove the delivery of prevention-focused, family re-  
11 source and support program services to all children  
12 and families; and

13 “(13) an assurance that the applicant entity will  
14 provide the Secretary with reports at such time and  
15 containing such information as the Secretary may re-  
16 quire.

17 **“SEC. 206. LOCAL PROGRAM REQUIREMENTS.**

18 “(a) *IN GENERAL.*—Grants made under this title shall  
19 be used to develop, implement, operate, expand and enhance  
20 community-based, prevention-focused, family resource and  
21 support programs that—

22 “(1) assess community assets and needs through  
23 a planning process that involves parents and local  
24 public agencies, local nonprofit organizations, and  
25 private sector representatives;

1           “(2) develop a strategy to provide, over time, a  
2 continuum of preventive, holistic, family centered  
3 services to children and families, especially to young  
4 parents and parents with young children, through  
5 public-private partnerships;

6           “(3) provide—

7           “(A) core family resource and support serv-  
8 ices such as—

9           “(i) parent education, mutual support  
10 and self help, and leadership services;

11           “(ii) early developmental screening of  
12 children;

13           “(iii) outreach services;

14           “(iv) community and social service re-  
15 ferrals; and

16           “(v) follow-up services;

17           “(B) other core services, which must be pro-  
18 vided or arranged for through contracts or agree-  
19 ments with other local agencies, including all  
20 forms of respite services to the extent practicable;  
21 and

22           “(C) access to optional services, including—

23           “(i) child care, early childhood develop-  
24 ment and intervention services;

1                   “(ii) services and supports to meet the  
2                   additional needs of families with children  
3                   with disabilities;

4                   “(iii) job readiness services;

5                   “(iv) educational services, such as scho-  
6                   lastic tutoring, literacy training, and Gen-  
7                   eral Educational Degree services;

8                   “(v) self-sufficiency and life manage-  
9                   ment skills training;

10                  “(vi) community referral services; and

11                  “(vii) peer counseling;

12                  “(4) develop leadership roles for the meaningful  
13                  involvement of parents in the development, operation,  
14                  evaluation, and oversight of the programs and ser-  
15                  vices;

16                  “(5) provide leadership in mobilizing local pub-  
17                  lic and private resources to support the provision of  
18                  needed family resource and support program services;  
19                  and

20                  “(6) participate with other community-based,  
21                  prevention-focused, family resource and support pro-  
22                  gram grantees in the development, operation and ex-  
23                  pansion of the Statewide network.

24                  “(b) *PRIORITY*.—In awarding local grants under this  
25                  title, a lead entity shall give priority to community-based

1 programs serving low income communities and those serv-  
2 ing young parents or parents with young children, and to  
3 community-based family resource and support programs  
4 previously funded under the programs consolidated under  
5 the Child Abuse Prevention and Treatment Act Amend-  
6 ments of 1995, so long as such programs meet local program  
7 requirements.

8 **"SEC. 207. PERFORMANCE MEASURES.**

9 "A State receiving a grant under this title, through  
10 reports provided to the Secretary, shall—

11 "(1) demonstrate the effective development, oper-  
12 ation and expansion of a Statewide network of com-  
13 munity-based, prevention-focused, family resource and  
14 support programs that meets the requirements of this  
15 title;

16 "(2) supply an inventory and description of the  
17 services provided to families by local programs that  
18 meet identified community needs, including core and  
19 optional services as described in section 202;

20 "(3) demonstrate the establishment of new respite  
21 and other specific new family resources services, and  
22 the expansion of existing services, to address unmet  
23 needs identified by the inventory and description of  
24 current services required under section 205(a)(3);

1           “(4) describe the number of families served, in-  
2           cluding families with children with disabilities, and  
3           the involvement of a diverse representation of families  
4           in the design, operation, and evaluation of the State-  
5           wide network of community-based, prevention-focused,  
6           family resource and support programs, and in the de-  
7           sign, operation and evaluation of the individual com-  
8           munity-based family resource and support programs  
9           that are part of the Statewide network funded under  
10          this title;

11          “(5) demonstrate a high level of satisfaction  
12          among families who have used the services of the com-  
13          munity-based, prevention-focused, family resource and  
14          support programs;

15          “(6) demonstrate the establishment or mainte-  
16          nance of innovative funding mechanisms, at the State  
17          or community level, that blend Federal, State, local  
18          and private funds, and innovative, interdisciplinary  
19          service delivery mechanisms, for the development, op-  
20          eration, expansion and enhancement of the Statewide  
21          network of community-based, prevention-focused, fam-  
22          ily resource and support programs;

23          “(7) describe the results of a peer review process  
24          conducted under the State program; and

1           “(8) demonstrate an implementation plan to en-  
2           sure the continued leadership of parents in the on-  
3           going planning, implementation, and evaluation of  
4           such community based, prevention-focused, family re-  
5           source and support programs.

6   **“SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED**  
7           **FAMILY RESOURCE PROGRAMS.**

8           *“The Secretary may allocate such sums as may be nec-  
9           essary from the amount provided under the State allotment  
10          to support the activities of the lead entity in the State—*

11           “(1) to create, operate and maintain a peer re-  
12          view process;

13           “(2) to create, operate and maintain an infor-  
14          mation clearinghouse;

15           “(3) to fund a yearly symposium on State sys-  
16          tem change efforts that result from the operation of  
17          the Statewide networks of community-based, preven-  
18          tion-focused, family resource and support programs;

19           “(4) to create, operate and maintain a comput-  
20          erized communication system between lead entities;  
21          and

22           “(5) to fund State-to-State technical assistance  
23          through bi-annual conferences.

24   **“SEC. 209. DEFINITIONS.**

25           *“For purposes of this title:*

1           “(1) *CHILDREN WITH DISABILITIES*.—The term  
2           ‘children with disabilities’ has the same meaning  
3           given such term in section 602(a)(2) of the *Individ-*  
4           *uals with Disabilities Education Act*.

5           “(2) *COMMUNITY REFERRAL SERVICES*.—The  
6           term ‘community referral services’ means services pro-  
7           vided under contract or through interagency agree-  
8           ments to assist families in obtaining needed informa-  
9           tion, mutual support and community resources, in-  
10          cluding respite services, health and mental health  
11          services, employability development and job training,  
12          and other social services through help lines or other  
13          methods.

14          “(3) *CULTURALLY COMPETENT*.—The term ‘cul-  
15          turally competent’ means services, support, or other  
16          assistance that is conducted or provided in a manner  
17          that—

18                 “(A) is responsive to the beliefs, inter-  
19                 personal styles, attitudes, languages, and behav-  
20                 iors of those individuals and families receiving  
21                 services; and

22                 “(B) has the greatest likelihood of ensuring  
23                 maximum participation of such individuals and  
24                 families.

1           “(4) FAMILY RESOURCE AND SUPPORT PRO-  
2           GRAM.—The term ‘family resource and support pro-  
3           gram’ means a community-based, prevention-focused  
4           entity that—

5                   “(A) provides, through direct service, the  
6           core services required under this title, includ-  
7           ing—

8                           “(i) parent education, support and  
9                           leadership services, together with services  
10                          characterized by relationships between par-  
11                          ents and professionals that are based on  
12                          equality and respect, and designed to assist  
13                          parents in acquiring parenting skills, learn-  
14                          ing about child development, and respond-  
15                          ing appropriately to the behavior of their  
16                          children;

17                           “(ii) services to facilitate the ability of  
18                          parents to serve as resources to one another  
19                          (such as through mutual support and par-  
20                          ent self-help groups);

21                           “(iii) early developmental screening of  
22                          children to assess any needs of children, and  
23                          to identify types of support that may be  
24                          provided;

1           “(iv) outreach services provided  
2 through voluntary home visits and other  
3 methods to assist parents in becoming  
4 aware of and able to participate in family  
5 resources and support program activities;

6           “(v) community and social services to  
7 assist families in obtaining community re-  
8 sources; and

9           “(vi) follow-up services;

10          “(B) provides, or arranges for the provision  
11 of, other core services through contracts or agree-  
12 ments with other local agencies, including all  
13 forms of respite services; and

14          “(C) provides access to optional services, di-  
15 rectly or by contract, purchase of service, or  
16 interagency agreement, including—

17           “(i) child care, early childhood develop-  
18 ment and early intervention services;

19           “(ii) self-sufficiency and life manage-  
20 ment skills training;

21           “(iii) education services, such as scho-  
22 lastic tutoring, literacy training, and Gen-  
23 eral Educational Degree services;

24           “(iv) job readiness skills;

1                   “(v) child abuse and neglect prevention  
2                   activities;

3                   “(vi) services that families with chil-  
4                   dren with disabilities or special needs may  
5                   require;

6                   “(vii) community and social service re-  
7                   ferral;

8                   “(viii) peer counseling;

9                   “(ix) referral for substance abuse coun-  
10                  seling and treatment; and

11                  “(x) help line services.

12                  “(5) NATIONAL NETWORK FOR COMMUNITY-  
13                  BASED FAMILY RESOURCE PROGRAMS.—The term  
14                  ‘network for community-based family resource pro-  
15                  gram’ means the organization of State designated en-  
16                  tities who receive grants under this title, and includes  
17                  the entire membership of the Children’s Trust Fund  
18                  Alliance and the National Respite Network.

19                  “(6) OUTREACH SERVICES.—The term ‘outreach  
20                  services’ means services provided to assist consumers,  
21                  through voluntary home visits or other methods, in  
22                  accessing and participating in family resource and  
23                  support program activities.

24                  “(7) RESPITE SERVICES.—The term ‘respite  
25                  services’ means short term care services provided in

1       the temporary absence of the regular caregiver (par-  
2       ent, other relative, foster parent, adoptive parent, or  
3       guardian) to children who—

4               “(A) are in danger of abuse or neglect;

5               “(B) have experienced abuse or neglect; or

6               “(C) have disabilities, chronic, or terminal  
7       illnesses.

8       Such services shall be provided within or outside the  
9       home of the child, be short-term care (ranging from  
10      a few hours to a few weeks of time, per year), and  
11      be intended to enable the family to stay together and  
12      to keep the child living in the home and community  
13      of the child.

14   **“SEC. 210. AUTHORIZATION OF APPROPRIATIONS.**

15       “*There are authorized to be appropriated to carry out*  
16 *this title, \$108,000,000 for each of the fiscal years 1996*  
17 *through 2000.*”

18   **SEC. 1132. REPEALS.**

19       (a) **TEMPORARY CHILD CARE FOR CHILDREN WITH**  
20 **DISABILITIES AND CRISIS NURSERIES ACT.**—*The Tem-*  
21 *porary Child Care for Children with Disabilities and Crisis*  
22 *Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is repealed.*

23       (b) **FAMILY SUPPORT CENTERS.**—*Subtitle F of title*  
24 *VII of the Stewart B. McKinney Homeless Assistance Act*  
25 *(42 U.S.C. 11481 et seq.) is repealed.*

1           **Subtitle C—Family Violence**  
2           **Prevention and Services**

3 **SEC. 1141. REFERENCE.**

4       *Except as otherwise expressly provided, whenever in*  
5 *this subtitle an amendment or repeal is expressed in terms*  
6 *of an amendment to, or repeal of, a section or other provi-*  
7 *sion, the reference shall be considered to be made to a section*  
8 *or other provision of the Family Violence Prevention and*  
9 *Services Act (42 U.S.C. 10401 et seq.).*

10 **SEC. 1142. STATE DEMONSTRATION GRANTS.**

11       Section 303(e) (42 U.S.C. 10420(e)) is amended—

12           (1) by striking “following local share” and in-  
13           serting “following non-Federal matching local share”;  
14           and

15           (2) by striking “20 percent” and all that follows  
16           through “private sources.” and inserting “with re-  
17           spect to an entity operating an existing program  
18           under this title, not less than 20 percent, and with re-  
19           spect to an entity intending to operate a new pro-  
20           gram under this title, not less than 35 percent.”.

21 **SEC. 1143. ALLOTMENTS.**

22       Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended  
23 by striking “\$200,000” and inserting “\$400,000”.

24 **SEC. 1144. AUTHORIZATION OF APPROPRIATIONS.**

25       Section 310 (42 U.S.C. 10409) is amended—

1 (1) in subsection (b), by striking "80" and in-  
2 serting "70"; and

3 (2) by adding at the end thereof the following  
4 new subsections:

5 "(d) GRANTS FOR STATE COALITIONS.—Of the  
6 amounts appropriated under subsection (a) for each fiscal  
7 year, not less than 10 percent of such amounts shall be used  
8 by the Secretary for making grants under section 311.

9 "(e) NON-SUPPLANTING REQUIREMENT.—Federal  
10 funds made available to a State under this title shall be  
11 used to supplement and not supplant other Federal, State,  
12 and local public funds expended to provide services and ac-  
13 tivities that promote the purposes of this title."

## 14 **Subtitle D—Adoption Opportunities**

### 15 **SEC. 1151. REFERENCE.**

16 *Except as otherwise expressly provided, whenever in*  
17 *this subtitle an amendment or repeal is expressed in terms*  
18 *of an amendment to, or repeal of, a section or other provi-*  
19 *sion, the reference shall be considered to be made to a section*  
20 *or other provision of the Child Abuse Prevention and Treat-*  
21 *ment and Adoption Reform Act of 1978 (42 U.S.C. 5111*  
22 *et seq.).*

### 23 **SEC. 1152. FINDINGS AND PURPOSE.**

24 Section 201 (42 U.S.C. 5111) is amended—

25 (1) in subsection (a)—

1 (A) in paragraph (1)—

2 (i) by striking “50 percent between  
3 1985 and 1990” and inserting “61 percent  
4 between 1986 and 1994”; and

5 (ii) by striking “400,000 children at  
6 the end of June, 1990” and inserting  
7 “452,000 as of June, 1994”; and

8 (B) in paragraph (5), by striking “local”  
9 and inserting “legal”; and

10 (C) in paragraph (7), to read as follows:

11 “(7)(A) currently, 40,000 children are free for  
12 adoption and awaiting placement;

13 “(B) such children are typically school aged, in  
14 sibling groups, have experienced neglect or abuse, or  
15 have a physical, mental, or emotional disability; and

16 “(C) while the children are of all races, children  
17 of color and older children (over the age of 10) are  
18 over represented in such group;”; and

19 (2) in subsection (b)—

20 (A) by striking “conditions, by—” and all  
21 that follows through “providing a mechanism”  
22 and inserting “conditions, by providing a mech-  
23 anism”; and

24 (B) by redesignating subparagraphs (A)  
25 through (C), as paragraphs (1) through (3), re-

1           *spectively and by realigning the margins of such*  
2           *paragraphs accordingly.*

3 **SEC. 1153. INFORMATION AND SERVICES.**

4       *Section 203 (42 U.S.C. 5113) is amended—*

5           *(1) in subsection (a), by striking the last sen-*  
6       *tence;*

7           *(2) in subsection (b)—*

8               *(A) in paragraph (6), to read as follows:*

9               *“(6) study the nature, scope, and effects of the*  
10           *placement of children in kinship care arrangements,*  
11           *pre-adoptive, or adoptive homes;”;*

12               *(B) by redesignating paragraphs (7)*  
13           *through (9) as paragraphs (8) through (10), re-*  
14           *spectively; and*

15               *(C) by inserting after paragraph (6), the*  
16           *following new paragraph:*

17               *“(7) study the efficacy of States contracting with*  
18           *public or private nonprofit agencies (including com-*  
19           *munity-based and other organizations), or sectarian*  
20           *institutions for the recruitment of potential adoptive*  
21           *and foster families and to provide assistance in the*  
22           *placement of children for adoption;”;* and

23           *(3) in subsection (d)—*

24               *(A) in paragraph (2)—*

1                   (i) by striking "Each" and inserting  
2                   "(A) Each";

3                   (ii) by striking "for each fiscal year"  
4                   and inserting "that describes the manner in  
5                   which the State will use funds during the 3-  
6                   fiscal years subsequent to the date of the ap-  
7                   plication to accomplish the purposes of this  
8                   section. Such application shall be"; and

9                   (iii) by adding at the end thereof the  
10                   following new subparagraph:

11                   "(B) The Secretary shall provide, directly or by grant  
12                   to or contract with public or private nonprofit agencies or  
13                   organizations—

14                   "(i) technical assistance and resource and refer-  
15                   ral information to assist State or local governments  
16                   with termination of parental rights issues, in recruit-  
17                   ing and retaining adoptive families, in the successful  
18                   placement of children with special needs, and in the  
19                   provision of pre- and post-placement services, includ-  
20                   ing post-legal adoption services; and

21                   "(ii) other assistance to help State and local gov-  
22                   ernments replicate successful adoption-related projects  
23                   from other areas in the United States."

24                   **SEC. 1154. AUTHORIZATION OF APPROPRIATIONS.**

25                   Section 205 (42 U.S.C. 5115) is amended—

1           (1) in subsection (a), by striking "\$10,000,000,"  
 2           and all that follows through "203(c)(1)" and insert-  
 3           ing "\$20,000,000 for fiscal year 1996, and such sums  
 4           as may be necessary for each of the fiscal years 1997  
 5           through 2000 to carry out programs and activities  
 6           authorized";

7           (2) by striking subsection (b); and

8           (3) by redesignating subsection (c) as subsection  
 9           (b).

10           **Subtitle E—Abandoned Infants**  
 11           **Assistance Act of 1986**

12           **SEC. 1161. REAUTHORIZATION.**

13           Section 104(a)(1) of the Abandoned Infants Assistance  
 14           Act of 1988 (42 U.S.C. 670 note) is amended by striking  
 15           "\$20,000,000" and all that follows through the end thereof  
 16           and inserting "\$35,000,000 for each of the fiscal years 1995  
 17           and 1996, and such sums as may be necessary for each of  
 18           the fiscal years 1997 through 2000".

19           **Subtitle F—Reauthorization of**  
 20           **Various Programs**

21           **SEC. 1171. MISSING CHILDREN'S ASSISTANCE ACT.**

22           Section 408 of the Missing Children's Assistance Act  
 23           (42 U.S.C. 5777) is amended—

24           (1) by striking "To" and inserting "(a) IN GEN-  
 25           ERAL.—"

1           (2) by striking "and 1996" and inserting "1996,  
2           and 1997"; and

3           (3) by adding at the end thereof the following  
4           new subsection:

5           “(b) *EVALUATION.*—*The Administrator shall use not*  
6           *more than 5 percent of the amount appropriated for a fiscal*  
7           *year under subsection (a) to conduct an evaluation of the*  
8           *effectiveness of the programs and activities established and*  
9           *operated under this title.”.*

10   **SEC. 1172. VICTIMS OF CHILD ABUSE ACT OF 1990.**

11           Section 214B of the Victims of Child Abuse Act of 1990  
12   (42 U.S.C. 13004) is amended—

13           (1) in subsection (a)(2), by striking “and 1996”  
14           and inserting “1996, and 1997”; and

15           (2) in subsection (b)(2), by striking “and 1996”  
16           and inserting “1996 and 1997”.

17   **TITLE XII—REDUCTIONS IN FED-**  
18           **ERAL GOVERNMENT POSI-**  
19           **TIONS**

20   **SEC. 1201. REDUCTIONS.**

21           (a) *DEFINITIONS.*—*As used in this section:*

22           (1) *APPROPRIATE EFFECTIVE DATE.*—*The term*  
23           *“appropriate effective date”, used with respect to a*  
24           *Department referred to in this section, means the date*  
25           *on which all provisions of this Act that the Depart-*

1       ment is required to carry out, and amendments and  
2       repeals made by this Act to provisions of Federal law  
3       that the Department is required to carry out, are ef-  
4       fective.

5               (2) *COVERED ACTIVITY.*—The term “covered ac-  
6       tivity”, used with respect to a Department referred to  
7       in this section, means an activity that the Depart-  
8       ment is required to carry out under—

9                       (A) a provision of this Act; or

10                      (B) a provision of Federal law that is  
11                      amended or repealed by this Act.

12       (b) *REPORTS.*—

13               (1) *CONTENTS.*—Not later than December 31,  
14       1995, each Secretary referred to in paragraph (2)  
15       shall prepare and submit to the relevant committees  
16       described in paragraph (3) a report containing—

17                      (A) the determinations described in sub-  
18                      section (c);

19                      (B) appropriate documentation in support  
20                      of such determinations; and

21                      (C) a description of the methodology used in  
22                      making such determinations.

23               (2) *SECRETARY.*—The Secretaries referred to in  
24       this paragraph are—

25                      (A) the Secretary of Agriculture;

1           (B) the Secretary of Education;

2           (C) the Secretary of Labor;

3           (D) the Secretary of Housing and Urban  
4           Development; and

5           (E) the Secretary of Health and Human  
6           Services.

7           (3) *RELEVANT COMMITTEES.*—The relevant Com-  
8           mittees described in this paragraph are the following:

9           (A) With respect to each Secretary described  
10           in paragraph (2), the Committee on Government  
11           Reform and Oversight of the House of Represent-  
12           atives and the Committee on Governmental Af-  
13           fairs of the Senate.

14           (B) With respect to the Secretary of Agri-  
15           culture, the Committee on Agriculture and the  
16           Committee on Economic and Educational Op-  
17           portunities of the House of Representatives and  
18           the Committee on Agriculture, Nutrition, and  
19           Forestry of the Senate.

20           (C) With respect to the Secretary of Edu-  
21           cation, the Committee on Economic and Edu-  
22           cational Opportunities of the House of Rep-  
23           resentatives and the Committee on Labor and  
24           Human Resources of the Senate.

1           (D) With respect to the Secretary of Labor,  
2           the Committee on Economic and Educational  
3           Opportunities of the House of Representatives  
4           and the Committee on Labor and Human Re-  
5           sources of the Senate.

6           (E) With respect to the Secretary of Hous-  
7           ing and Urban Development, the Committee on  
8           Banking and Financial Services of the House of  
9           Representatives and the Committee on Banking,  
10          Housing, and Urban Affairs of the Senate.

11          (F) With respect to the Secretary of Health  
12          and Human Services, the Committee on Eco-  
13          nomic and Educational Opportunities of the  
14          House of Representatives, the Committee on  
15          Labor and Human Resources of the Senate, the  
16          Committee on Ways and Means of the House of  
17          Representatives, and the Committee on Finance  
18          of the Senate.

19          (4) REPORT ON CHANGES.—Not later than De-  
20          cember 31, 1996, and each December 31 thereafter,  
21          each Secretary referred to in paragraph (2) shall pre-  
22          pare and submit to the relevant Committees described  
23          in paragraph (3), a report concerning any changes  
24          with respect to the determinations made under sub-

1 section (c) for the year in which the report is being  
2 submitted.

3 (c) DETERMINATIONS.—Not later than December 31,  
4 1995, each Secretary referred to in subsection (b)(2) shall  
5 determine—

6 (1) the number of full-time equivalent positions  
7 required by the Department (or the Federal Partner-  
8 ship established under section 771) headed by such  
9 Secretary to carry out the covered activities of the De-  
10 partment (or Federal Partnership), as of the day be-  
11 fore the date of enactment of this Act;

12 (2) the number of such positions required by the  
13 Department (or Federal Partnership) to carry out the  
14 activities, as of the appropriate effective date for the  
15 Department (or Federal Partnership); and

16 (3) the difference obtained by subtracting the  
17 number referred to in paragraph (2) from the number  
18 referred to in paragraph (1).

19 (d) ACTIONS.—Not later than 30 days after the appro-  
20 priate effective date for the Department involved, each Sec-  
21 retary referred to in subsection (b)(2) shall take such actions  
22 as may be necessary, including reduction in force actions,  
23 consistent with sections 3502 and 3595 of title 5, United  
24 States Code, to reduce the number of positions of personnel

1 of the Department by at least the difference referred to in  
2 subsection (c)(3).

3 (e) *CONSISTENCY.*—

4 (1) *EDUCATION.*—The Secretary of Education  
5 shall carry out this section in a manner that enables  
6 the Secretary to meet the requirements of this section  
7 and section 776(i)(2).

8 (2) *LABOR.*—The Secretary of Labor shall carry  
9 out this section in a manner that enables the Sec-  
10 retary to meet the requirements of this section and  
11 section 776(i)(2).

12 (3) *HEALTH AND HUMAN SERVICES.*—The Sec-  
13 retary of Health and Human Services shall carry out  
14 this section in a manner that enables the Secretary  
15 to meet the requirements of this section and section  
16 1202.

17 (f) *CALCULATION.*—In determining, under subsection  
18 (c), the number of full-time equivalent positions required  
19 by a Department to carry out a covered activity, a Sec-  
20 retary referred to in subsection (b)(2), shall include the  
21 number of such positions occupied by personnel carrying  
22 out program functions or other functions (including budg-  
23 etary, legislative, administrative, planning, evaluation, and  
24 legal functions) related to the activity.

1       (g) *GENERAL ACCOUNTING OFFICE REPORT.*—Not  
2 later than July 1, 1996, the Comptroller General of the  
3 United States shall prepare and submit to the committees  
4 described in subsection (b)(3), a report concerning the deter-  
5 minations made by each Secretary under subsection (c).  
6 Such report shall contain an analysis of the determinations  
7 made by each Secretary under subsection (c) and a deter-  
8 mination as to whether further reductions in full-time  
9 equivalent positions are appropriate.

10 **SEC. 1202. REDUCTIONS IN FEDERAL BUREAUCRACY.**

11       (a) *IN GENERAL.*—The Secretary of Health and  
12 Human Services shall reduce the Federal workforce within  
13 the Department of Health and Human Services by an  
14 amount equal to the sum of—

15           (1) 75 percent of the full-time equivalent posi-  
16 tions at each such Department that relate to any di-  
17 rect spending program, or any program funded  
18 through discretionary spending, that has been con-  
19 verted into a block grant program under this Act and  
20 the amendments made by this Act; and

21           (2) an amount equal to 75 percent of that por-  
22 tion of the total full-time equivalent departmental  
23 management positions at each such Department that  
24 bears the same relationship to the amount appro-  
25 priated for the programs referred to in paragraph (1)

1 as such amount relates to the total amount appro-  
2 priated for use by each such Department.

3 (b) *REDUCTIONS IN THE DEPARTMENT OF HEALTH*  
4 *AND HUMAN SERVICES.*—Notwithstanding any other provi-  
5 sion of this Act, the Secretary of Health and Human Serv-  
6 ices shall take such actions as may be necessary, including  
7 reductions in force actions, consistent with sections 3502  
8 and 3595 of title 5, United States Code, to reduce the full-  
9 time equivalent positions within the Department of Health  
10 and Human Services—

11 (1) by 245 full-time equivalent positions related  
12 to the program converted into a block grant under the  
13 amendment made by section 101(b); and

14 (2) by 60 full-time equivalent managerial posi-  
15 tions in the Department.

16 **SEC. 1203. REDUCING PERSONNEL IN WASHINGTON, DC,**  
17 **AREA.**

18 In making reductions in full-time equivalent positions,  
19 the Secretary is encouraged to reduce personnel in the  
20 Washington, DC, area office (agency headquarters) before  
21 reducing field personnel.

1       **TITLE XIII—MISCELLANEOUS**  
2                               **PROVISIONS**

3   **SEC. 1301. EXPENDITURE OF FEDERAL FUNDS IN ACCORD-**  
4                               **ANCE WITH LAWS AND PROCEDURES APPLI-**  
5                               **CABLE TO EXPENDITURE OF STATE FUNDS.**

6       *(a) IN GENERAL.—Notwithstanding any other provi-*  
7       *sion of law, any funds received by a State under the provi-*  
8       *sions of law specified in subsection (b) shall be expended*  
9       *only in accordance with the laws and procedures applicable*  
10       *to expenditures of the State's own revenues, including ap-*  
11       *propriation by the State legislature, consistent with the*  
12       *terms and conditions required under such provisions of law.*

13       *(b) PROVISIONS OF LAW.—The provisions of law speci-*  
14       *fied in this subsection are the following:*

15               *(1) Part A of title IV of the Social Security Act*  
16               *(relating to block grants for temporary assistance to*  
17               *needy families).*

18               *(2) Section 25 of the Food Stamp Act of 1977*  
19               *(relating to the optional State food assistance block*  
20               *grant).*

21               *(3) Subtitles B and C of title VII of this Act (re-*  
22               *lating to workforce development).*

23               *(4) The Child Care and Development Block*  
24               *Grant Act of 1990 (relating to block grants for child*  
25               *care).*

1 SEC. 1302. ELIMINATION OF HOUSING ASSISTANCE WITH  
2 RESPECT TO FUGITIVE FELONS AND PROBA-  
3 TION AND PAROLE VIOLATORS.

4 (a) ELIGIBILITY FOR ASSISTANCE.—The United States  
5 Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

6 (1) in section 6(l)—

7 (A) in paragraph (5), by striking “and” at  
8 the end;

9 (B) in paragraph (6), by striking the period  
10 at the end and inserting “; and”; and

11 (C) by inserting immediately after para-  
12 graph (6) the following new paragraph:

13 “(7) provide that it shall be cause for immediate  
14 termination of the tenancy of a public housing tenant  
15 if such tenant—

16 “(A) is fleeing to avoid prosecution, or cus-  
17 tody or confinement after conviction, under the  
18 laws of the place from which the individual flees,  
19 for a crime, or attempt to commit a crime,  
20 which is a felony under the laws of the place  
21 from which the individual flees, or which, in the  
22 case of the State of New Jersey, is a high mis-  
23 demeanor under the laws of such State; or

24 “(2) is violating a condition of probation or pa-  
25 role imposed under Federal or State law.”; and

26 (2) in section 8(d)(1)(B)—

1 (A) in clause (iii), by striking "and" at the  
2 end;

3 (B) in clause (iv), by striking the period at  
4 the end and inserting "; and"; and

5 (C) by adding after clause (iv) the following  
6 new clause:

7 " (v) it shall be cause for termination of  
8 the tenancy of a tenant if such tenant—

9 " (I) is fleeing to avoid prosecu-  
10 tion, or custody or confinement after  
11 conviction, under the laws of the place  
12 from which the individual flees, for a  
13 crime, or attempt to commit a crime,  
14 which is a felony under the laws of the  
15 place from which the individual flees,  
16 or which, in the case of the State of  
17 New Jersey, is a high misdemeanor  
18 under the laws of such State; or

19 " (II) is violating a condition of  
20 probation or parole imposed under  
21 Federal or State law;".

22 (b) PROVISION OF INFORMATION TO LAW ENFORCE-  
23 MENT AGENCIES.—Section 28 of the United States Housing  
24 Act of 1937, as added by section 504(c) of this Act, is  
25 amended by adding at the end the following new subsection:

1       “(b) *EXCHANGE OF INFORMATION WITH LAW EN-*  
2 *FORCEMENT AGENCIES.*—Notwithstanding any other provi-  
3 sion of law, each public housing agency that enters into  
4 a contract for assistance under section 6 or 8 of this Act  
5 with the Secretary shall furnish any Federal, State, or local  
6 law enforcement officer, upon the request of the officer, with  
7 the current address, Social Security number, and photo-  
8 graph (if applicable) of any recipient of assistance under  
9 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  
15 custody or confinement after conviction,  
16 under the laws of the place from which the  
17 individual flees, for a crime, or attempt to  
18 commit a crime, which is a felony under the  
19 laws of the place from which the individual  
20 flees, or which, in the case of the State of  
21 New Jersey, is a high misdemeanor under  
22 the laws of such State; or

23                               “(ii) is violating a condition of proba-  
24 tion or parole imposed under Federal or  
25 State law; or

1                   “(iii) has information that is necessary  
2                   for the officer to conduct the officer’s official  
3                   duties;

4                   “(B) the location or apprehension of the re-  
5                   cipient is within such officer’s official duties;  
6                   and

7                   “(C) the request is made in the proper exer-  
8                   cise of the officer’s official duties.”.

9   **SEC. 1303. SENSE OF THE SENATE REGARDING ENTERPRISE**  
10                   **ZONES.**

11                   (a) *FINDINGS.*—*The Senate finds that:*

12                   (1) *Many of the Nation’s urban centers are*  
13                   *places with high levels of poverty, high rates of wel-*  
14                   *fare dependency, high crime rates, poor schools, and*  
15                   *joblessness;*

16                   (2) *Federal tax incentives and regulatory re-*  
17                   *forms can encourage economic growth, job creation*  
18                   *and small business formation in many urban centers;*

19                   (3) *Encouraging private sector investment in*  
20                   *America’s economically distressed urban and rural*  
21                   *areas is essential to breaking the cycle of poverty and*  
22                   *the related ills of crime, drug abuse, illiteracy, welfare*  
23                   *dependency, and unemployment;*

24                   (4) *The empowerment zones enacted in 1993*  
25                   *should be enhanced by providing incentives to in-*

1       crease entrepreneurial growth, capital formation, job  
2       creation, educational opportunities, and home owner-  
3       ship in the designated communities and zones.

4       (b) *SENSE OF THE SENATE.*—Therefore, it is the Sense  
5 of the Senate that the Congress should adopt enterprise zone  
6 legislation in the One Hundred Fourth Congress, and that  
7 such enterprise zone legislation provide the following incen-  
8 tives and provisions:

9           (1) *Federal tax incentives that expand access to*  
10       *capital, increase the formation and expansion of*  
11       *small businesses, and promote commercial revitaliza-*  
12       *tion;*

13       (2) *Regulatory reforms that allow localities to*  
14       *petition Federal agencies, subject to the relevant agen-*  
15       *cies' approval, for waivers or modifications of regula-*  
16       *tions to improve job creation, small business forma-*  
17       *tion and expansion, community development, or eco-*  
18       *nomical revitalization objectives of the enterprise zones;*

19       (3) *Home ownership incentives and grants to en-*  
20       *courage resident management of public housing and*  
21       *home ownership of public housing;*

22       (4) *School reform pilot projects in certain des-*  
23       *ignated enterprise zones to provide low-income par-*  
24       *ents with new and expanded educational options for*  
25       *their children's elementary and secondary schooling.*

1 **SEC. 1304. SENSE OF THE SENATE REGARDING THE INABIL-**  
2 **ITY OF THE NON-CUSTODIAL PARENT TO PAY**  
3 **CHILD SUPPORT.**

4 *It is the sense of the Senate that—*

5 *(a) States should diligently continue their efforts to en-*  
6 *force child support payments by the non-custodial parent*  
7 *to the custodial parent, regardless of the employment status*  
8 *or location of the non-custodial parent; and*

9 *(b) States are encouraged to pursue pilot programs in*  
10 *which the parents of a non-adult, non-custodial parent who*  
11 *refuses to or is unable to pay child support must—*

12 *(1) pay or contribute to the child support owed*  
13 *by the non-custodial parent; or*

14 *(2) otherwise fulfill all financial obligations and*  
15 *meet all conditions imposed on the non-custodial par-*  
16 *ent, such as participation in a work program or other*  
17 *related activity.*

18 **SEC. 1305. FOOD STAMP ELIGIBILITY.**

19 *Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C.*  
20 *2015(f)) is amended by striking the third sentence and in-*  
21 *serting the following:*

22 *“The State agency shall, at its option, consider either*  
23 *all income and financial resources of the individual ren-*  
24 *dered ineligible to participate in the food stamp program*  
25 *under this subsection, or such income, less a pro rata share,*  
26 *and the financial resources of the ineligible individual, to*

1 *determine the eligibility and the value of the allotment of*  
2 *the household of which such individual is a member.”.*

3 **SEC. 1306. SENSE OF THE SENATE ON LEGISLATIVE AC-**  
4 **COUNTABILITY FOR UNFUNDED MANDATES**  
5 **IN WELFARE REFORM LEGISLATION.**

6 *(a) FINDINGS.—The Senate finds that the purposes of*  
7 *the Unfunded Mandates Reform Act of 1995 are—*

8 *(1) to strengthen the partnership between the*  
9 *Federal Government and State, local and tribal gov-*  
10 *ernments;*

11 *(2) to end the imposition, in the absence of full*  
12 *consideration by Congress, of Federal mandates on*  
13 *State, local and tribal governments without adequate*  
14 *Federal funding, in a manner that may displace*  
15 *other essential State, local and tribal governmental*  
16 *priorities;*

17 *(3) to assist Congress in its consideration of pro-*  
18 *posed legislation establishing or revising Federal pro-*  
19 *grams containing Federal mandates affecting State,*  
20 *local and tribal governments, and the private sector*  
21 *by—*

22 *(A) providing for the development of infor-*  
23 *mation about the nature and size of mandates in*  
24 *proposed legislation; and*

1           (B) establishing a mechanism to bring such  
2 information to the attention of the Senate and  
3 the House of Representatives before the Senate  
4 and the House of Representatives vote on pro-  
5 posed legislation;

6           (4) to promote informed and deliberate decisions  
7 by Congress on the appropriateness of Federal man-  
8 dates in any particular instance; and

9           (5) to require that Congress consider whether to  
10 provide funding to assist State, local and tribal gov-  
11 ernments in complying with Federal mandates.

12       (b) SENSE OF THE SENATE.—It is the sense of the Sen-  
13 ate that prior to the Senate acting on the conference report  
14 on either H.R. 4 or any other legislation including welfare  
15 reform provisions, the Congressional Budget Office shall  
16 prepare an analysis of the conference report to include—

17           (1) estimates, over each of the next 7 fiscal years,  
18 by State and in total, of—

19           (A) the costs to States of meeting all work  
20 requirements in the conference report, including  
21 those for single-parent families, two-parent fami-  
22 lies, and those who have received cash assistance  
23 for 2 years;

24           (B) the resources available to the States to  
25 meet these work requirements, defined as Federal

1           appropriations authorized in the conference re-  
2           port for this purpose in addition to what States  
3           are projected to spend under current welfare law;

4           (C) the amount of any additional revenue  
5           needed by the States to meet the work require-  
6           ments in the conference report, beyond resources  
7           available as defined under subparagraph  
8           (b)(1)(B);

9           (2) an estimate, based on the analysis in para-  
10          graph (b)(1), of how many States would opt to pay  
11          any penalty provided for by the conference report  
12          rather than raise the additional revenue needed to  
13          meet the work requirements in the conference report;  
14          and

15          (3) estimates, over each of the next 7 fiscal years,  
16          of the costs to States of any other requirements im-  
17          posed on them by such legislation.

18 **SEC. 1307. SENSE OF THE SENATE REGARDING COMPETI-**  
19 **TIVE BIDDING FOR INFANT FORMULA.**

20       (a) *IN GENERAL.*—The Senate finds that—

21           (1) the Federal Supplemental Nutrition Program  
22           for Women, Infants and Children (WIC) is a proven  
23           success story, providing special nutrition and health  
24           assistance to at-risk pregnant women, infants and  
25           children;

1           (2) WIC has been shown to reduce the incidence  
2 of fetal death, low birthweight, infant mortality and  
3 anemia, to increase the nutritional and health status  
4 of pregnant women, infants and children and to im-  
5 prove the cognitive development of infants and chil-  
6 dren;

7           (3) research has shown that each dollar spent on  
8 WIC for pregnant women results in savings of \$1.92  
9 to \$4.21 in medicaid expenditures;

10          (4) because of funding limitations not all indi-  
11 viduals eligible for WIC assistance are served by the  
12 program;

13          (5) infant formula is a significant item in the  
14 cost of WIC monthly food packages, amounting to ap-  
15 proximately 26 percent of WIC food costs after sub-  
16 tracting manufacturer's rebates, but approximately  
17 48 percent of food costs prior to applying rebates;

18          (6) rebates obtained through competitive bidding  
19 for infant formula have reduced the cost of infant for-  
20 mula for WIC participants by approximately  
21 \$4,100,000,000 through the end of fiscal year 1994,  
22 allowing millions of additional pregnant women, in-  
23 fants and children to be served by WIC with the lim-  
24 ited funds available;



1           (2) assuring that at least 25 percent of the com-  
2           munities in the United States have teenage pregnancy  
3           prevention programs in place.

4           (b) *REPORT*.—Not later than June 30, 1998, and an-  
5           nually thereafter, the Secretary shall report to the Congress  
6           with respect to the progress that has been made in meeting  
7           the goals described in paragraphs (1) and (2) of subsection  
8           (a).

9           (c) *OUT-OF-WEDLOCK AND TEENAGE PREGNANCY*  
10          *PREVENTION PROGRAMS*.—Section 2002 of the Social Secu-  
11          rity Act (42 U.S.C. 1397a) is amended by adding at the  
12          end the following new subsection:

13          “(2) The Secretary shall conduct a study with respect  
14          to the State programs implemented under paragraph (1)  
15          to determine the relative effectiveness of the different ap-  
16          proaches for preventing out-of-wedlock and teenage preg-  
17          nancy utilized in the programs conducted under this sub-  
18          section and the approaches that can be best replicated by  
19          other States.

20          “(3) Each State conducting a program under this sub-  
21          section shall provide to the Secretary, in such form and  
22          with such frequency as the Secretary requires, data from  
23          the programs conducted under this subsection. The Sec-  
24          retary shall report to the Congress annually on the progress  
25          of the programs and shall, not later than June 30, 1998,

1 submit to the Congress a report on the study required under  
2 paragraph (2)."

3 **SEC. 1309. SENSE OF THE SENATE REGARDING ENFORCE-**  
4 **MENT OF STATUTORY RAPE LAWS.**

5 *It is the sense of the Senate that States and local juris-*  
6 *dictions should aggressively enforce statutory rape laws.*

7 **SEC. 1310. SANCTIONING FOR TESTING POSITIVE FOR CON-**  
8 **TROLLED SUBSTANCES.**

9 *Notwithstanding any other provision of law, States*  
10 *shall not be prohibited by the Federal Government from*  
11 *sanctioning welfare recipients who test positive for use of*  
12 *controlled substances.*

13 **SEC. 1311. FRAUD UNDER MEANS-TESTED WELFARE AND**  
14 **PUBLIC ASSISTANCE PROGRAMS.**

15 (a) *IN GENERAL.—If an individual's benefits under a*  
16 *Federal, State, or local law relating to a means-tested wel-*  
17 *fare or a public assistance program are reduced because of*  
18 *an act of fraud by the individual under the law or program,*  
19 *the individual may not, for the duration of the reduction,*  
20 *receive an increased benefit under any other means-tested*  
21 *welfare or public assistance program for which Federal*  
22 *funds are appropriated as a result of a decrease in the in-*  
23 *come of the individual (determined under the applicable*  
24 *program) attributable to such reduction.*

1       (b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR  
2 WHICH FEDERAL FUNDS ARE APPROPRIATED.—For pur-  
3 poses of subsection (a), the term “means-tested welfare or  
4 public assistance program for which Federal funds are ap-  
5 propriated” shall include the food stamp program under the  
6 Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any pro-  
7 gram of public or assisted housing under title I of the Unit-  
8 ed States Housing Act of 1937 (42 U.S.C. 1437 et seq.),  
9 and State programs funded under part A of title IV of the  
10 Social Security Act (42 U.S.C. 601 et seq.).

11 SEC. 1312. ABSTINENCE EDUCATION.

12       (a) INCREASES IN FUNDING.—Section 501(a) of the  
13 Social Security Act (42 U.S.C. 701(a)) is amended in the  
14 matter preceding paragraph (1) by striking “Fiscal year  
15 1990 and each fiscal year thereafter” and inserting “Fiscal  
16 years 1990 through 1995 and \$761,000,000 for fiscal year  
17 1996 and each fiscal year thereafter”.

18       (b) ABSTINENCE EDUCATION.—Section 501(a)(1) of  
19 such Act (42 U.S.C. 701(a)(1)) is amended—

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

22           (2) in subparagraph (D), by adding “and” at  
23 the end; and

24           (3) by adding at the end the following new sub-  
25 paragraph:

1           “(E) to provide abstinence education, and  
2           at the option of the State, where appropriate,  
3           mentoring, counseling, and adult supervision to  
4           promote abstinence from sexual activity, with a  
5           focus on those groups which are most likely to  
6           bear children out-of-wedlock.”.

7           (c) *ABSTINENCE EDUCATION DEFINED.*—Section  
8 501(b) of such Act (42 U.S.C. 701(b)) is amended by adding  
9 at the end the following new paragraph:

10           “(5) *ABSTINENCE EDUCATION.*—For purposes of  
11 this subsection, the term ‘abstinence education’ shall  
12 mean an educational or motivational program  
13 which—

14           “(A) has as its exclusive purpose, teaching  
15 the social, psychological, and health gains to be  
16 realized by abstaining from sexual activity;

17           “(B) teaches abstinence from sexual activity  
18 outside marriage as the expected standard for all  
19 school age children;

20           “(C) teaches that abstinence from sexual ac-  
21 tivity is the only certain way to avoid out-of-  
22 wedlock pregnancy, sexually transmitted dis-  
23 eases, and other associated health problems;

24           “(D) teaches that a mutually faithful  
25 monogamous relationship in context of marriage

1 is the expected standard of human sexual activ-  
2 ity;

3 "(E) teaches that sexual activity outside of  
4 the context of marriage is likely to have harmful  
5 psychological and physical effects;

6 "(F) teaches that bearing children out-of-  
7 wedlock is likely to have harmful consequences  
8 for the child, the child's parents, and society;

9 "(G) teaches young people how to reject sex-  
10 ual advances and how alcohol and drug use in-  
11 creases vulnerability to sexual advances; and

12 "(H) teaches the importance of attaining  
13 self-sufficiency before engaging in sexual activ-  
14 ity."

15 (d) SET-ASIDE.—

16 (1) IN GENERAL.—Section 502(c) of such Act (42  
17 U.S.C. 702(c)) is amended in the matter preceding  
18 paragraph (1) by striking "From" and inserting  
19 "Except as provided in subsection (e), from".

20 (2) SET-ASIDE.—Section 502 of such Act (42  
21 U.S.C. 702) is amended by adding at the end the fol-  
22 lowing new subsection:

23 "(e) Of the amounts appropriated under section 501(a)  
24 for any fiscal year, the Secretary shall set aside \$75,000,000

1 *for abstinence education in accordance with section*  
2 *501(a)(1)(E).*

Amend the title so as to read: "An Act to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending."

Attest:

*Secretary.*