

1 **TITLE III—SUPPLEMENTAL**
2 **SECURITY INCOME**
3 **Subtitle A—Eligibility Restrictions**

4 **SEC. 301. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
5 **BENEFITS BY REASON OF DISABILITY TO**
6 **DRUG ADDICTS AND ALCOHOLICS.**

7 (a) **IN GENERAL.**—Section 1614(a)(3) (42 U.S.C.
8 1382c(a)(3)) is amended by adding at the end the follow-
9 ing new subparagraph:

10 “(I) Notwithstanding subparagraph (A), an individ-
11 ual shall not be considered to be disabled for purposes of
12 this title if alcoholism or drug addiction would (but for
13 this subparagraph) be a contributing factor material to
14 the Commissioner’s determination that the individual is
15 disabled.”.

16 (b) **CONFORMING AMENDMENTS.**—

17 (1) Section 1611(e) (42 U.S.C. 1382(e)) is
18 amended by striking paragraph (3).

19 (2) Section 1631(a)(2)(A)(ii) (42 U.S.C.
20 1383(a)(2)(A)(ii)) is amended—

21 (A) by striking “(I)”; and

22 (B) by striking subclause (II).

23 (3) Section 1631(a)(2)(B) (42 U.S.C.
24 1383(a)(2)(B)) is amended—

25 (A) by striking clause (vii);

1 (B) in clause (viii), by striking "(ix)" and
2 inserting "(viii)";

3 (C) in clause (ix)—

4 (i) by striking "(viii)" and inserting
5 "(vii)"; and

6 (ii) in subclause (II), by striking all
7 that follows "15 years" and inserting a pe-
8 riod;

9 (D) in clause (xiii)—

10 (i) by striking "(xii)" and inserting
11 "(xi)"; and

12 (ii) by striking "(xi)" and inserting
13 "(x)"; and

14 (E) by redesignating clauses (viii) through
15 (xiii) as clauses (vii) through (xii), respectively.

16 (4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C.
17 1383(a)(2)(D)(i)(II)) is amended by striking all that
18 follows "\$25.00 per month" and inserting a period.

19 (5) Section 1634 (42 U.S.C. 1383c) is amended
20 by striking subsection (e).

21 (6) Section 201(c)(1) of the Social Security
22 Independence and Program Improvements Act of
23 1994 (42 U.S.C. 425 note) is amended—

24 (A) by striking "—" and all that follows
25 through "(A)" the 1st place it appears;

1 (B) by striking "and" the 3rd place it ap-
2 pears;

3 (C) by striking subparagraph (B);

4 (D) by striking "either subparagraph (A)
5 or subparagraph (B)" and inserting "the pre-
6 ceding sentence"; and

7 (E) by striking "subparagraph (A) or (B)"
8 and inserting "the preceding sentence".

9 **SEC. 302. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI**
10 **BENEFITS.**

11 Paragraph (1) of section 1614(a) (42 U.S.C.
12 1382e(a)) is amended—

13 (1) in subparagraph (B)(i), by striking "either"
14 and all that follows through ", or" and inserting
15 "(I) a citizen; (II) a noncitizen who is granted asy-
16 lum under section 208 of the Immigration and Na-
17 tionality Act or whose deportation has been withheld
18 under section 243(h) of such Act for a period of not
19 more than 5 years after the date of arrival into the
20 United States; (III) a noncitizen who is admitted to
21 the United States as a refugee under section 207 of
22 such Act for not more than such 5-year period; (IV)
23 a noncitizen, lawfully present in any State (or any
24 territory or possession of the United States), who is
25 a veteran (as defined in section 101 of title 38,

1 United States Code) with a discharge characterized
2 as an honorable discharge and not on account of
3 alienage or who is the spouse or unmarried depend-
4 ent child of such veteran; or (V) a noncitizen who
5 has worked sufficient calendar quarters of coverage
6 to be a fully insured individual for benefits under
7 title II, or"; and

8 (2) by adding at the end the following new
9 flush sentence:

10 "For purposes of subparagraph (B)(i)(IV), the determina-
11 tion of whether a noncitizen is lawfully present in the
12 United States shall be made in accordance with regula-
13 tions of the Attorney General. A noncitizen shall not be
14 considered to be lawfully present in the United States for
15 purposes of this title merely because the noncitizen may
16 be considered to be permanently residing in the United
17 States under color of law for purposes of any particular
18 program."

19 **SEC. 303. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDI-**
20 **VIDUALS FOUND TO HAVE FRAUDULENTLY**
21 **MISREPRESENTED RESIDENCE IN ORDER TO**
22 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
23 **MORE STATES.**

24 Section 1614(a) (42 U.S.C. 1382c(a)) is amended by
25 adding at the end the following new paragraph:

1 “(5) An individual shall not be considered an eligible
2 individual for purposes of this title during the 10-year pe-
3 riod beginning on the date the individual is convicted in
4 Federal or State court of having made a fraudulent state-
5 ment or representation with respect to the place of resi-
6 dence of the individual in order to receive benefits simulta-
7 neously from 2 or more States under programs that are
8 funded under part A of title IV, title XIX, or the Food
9 Stamp Act of 1977, or benefits in 2 or more States under
10 the supplemental security income program under title
11 XVI.”.

12 **SEC. 304. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**
13 **AND PROBATION AND PAROLE VIOLATORS.**

14 (a) **IN GENERAL.**—Section 1611(e) (42 U.S.C.
15 1382(e)), as amended by section 301(b)(1) of this Act,
16 is amended by inserting after paragraph (2) the following
17 new paragraph:

18 “(3) A person shall not be an eligible indi-
19 vidual or eligible spouse for purposes of this
20 title with respect to any month if, throughout
21 the month, the person is—

22 “(A) fleeing to avoid prosecution, or
23 custody or confinement after conviction,
24 under the laws of the place from which the
25 person flees, for a crime, or an attempt to

1 commit a crime, which is a felony under
2 the laws of the place from which the per-
3 son flees, or which, in the case of the State
4 of New Jersey, is a high misdemeanor
5 under the laws of such State; or

6 “(B) violating a condition of proba-
7 tion or parole imposed under Federal or
8 State law.”.

9 (b) EXCHANGE OF INFORMATION WITH LAW EN-
10 FORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C.
11 1383(e)) is amended by inserting after paragraph (3) the
12 following new paragraph:

13 “(4) Notwithstanding any other provision of law, the
14 Commissioner shall furnish any Federal, State, or local
15 law enforcement officer, upon the request of the officer,
16 with the current address of any recipient of benefits under
17 this title, if the officer furnishes the agency with the name
18 of the recipient and notifies the agency that—

19 “(A) the recipient—

20 “(i) is fleeing to avoid prosecution, or cus-
21 tody or confinement after conviction, under the
22 laws of the place from which the person flees,
23 for a crime, or an attempt to commit a crime,
24 which is a felony under the laws of the place
25 from which the person flees, or which, in the

1 case of the State of New Jersey, is a high mis-
2 demeanor under the laws of such State;

3 "(ii) is violating a condition of probation or
4 parole imposed under Federal or State law; or

5 "(iii) has information that is necessary for
6 the officer to conduct the officer's official du-
7 ties; and

8 "(B) the location or apprehension of the recipi-
9 ent is within the officer's official duties."

10 **SEC. 305. EFFECTIVE DATES; APPLICATION TO CURRENT**
11 **RECIPIENTS.**

12 (a) **SECTIONS 301 AND 302.—**

13 (1) **IN GENERAL.—**Except as provided in para-
14 graph (2), the amendments made by sections 301
15 and 302 shall apply to applicants for benefits for
16 months beginning on or after the date of the enact-
17 ment of this Act, without regard to whether regula-
18 tions have been issued to implement such amend-
19 ments.

20 (2) **APPLICATION TO CURRENT RECIPIENTS.—**

21 (A) **APPLICATION AND NOTICE.—**Notwith-
22 standing any other provision of law, in the case
23 of an individual who is receiving supplemental
24 security income benefits under title XVI of the
25 Social Security Act as of the date of the enact-

1 ment of this Act and whose eligibility for such
2 benefits would terminate by reason of the
3 amendments made by section 301 or 302, such
4 amendments shall apply with respect to the
5 benefits of such individual for months beginning
6 on or after January 1, 1997, and the Commis-
7 sioner of Social Security shall so notify the indi-
8 vidual within 1 month after the date of the en-
9 actment of this Act.

10 (B) REAPPLICATION.—

11 (i) IN GENERAL.—Within 4 months
12 after the date of the enactment of this Act,
13 each individual notified pursuant to sub-
14 paragraph (A) who desires to reapply for
15 benefits under title XVI of the Social Secu-
16 rity Act, as amended by this title, shall re-
17 apply to the Commissioner of Social Secu-
18 rity.

19 (ii) DETERMINATION OF ELIGI-
20 BILITY.—Within 1 year after the date of
21 the enactment of this Act, the Commis-
22 sioner of Social Security shall determine
23 the eligibility of each individual who
24 reapplies for benefits under clause (i) pur-
25 suant to the procedures of such title.

1 (b) OTHER AMENDMENTS.—The amendments made
2 by sections 303 and 304 shall take effect on the date of
3 the enactment of this Act.

4 **Subtitle B—Benefits for Disabled**
5 **Children**

6 **SEC. 311. RESTRICTIONS ON ELIGIBILITY FOR BENEFITS.**

7 (a) DEFINITION OF CHILDHOOD DISABILITY.—Sec-
8 tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by
9 section 301(a), is amended—

10 (1) in subparagraph (A), by striking “An indi-
11 vidual” and inserting “Except as provided in sub-
12 paragraph (C), an individual;

13 (2) in subparagraph (A), by striking “(or, in
14 the case of an individual under the age of 18, if he
15 suffers from any medically determinable physical or
16 mental impairment of comparable severity)”;

17 (3) by redesignating subparagraphs (C) through
18 (I) as subparagraphs (D) through (J), respectively;

19 (4) by inserting after subparagraph (B) the fol-
20 lowing new subparagraph:

21 “(C) A child under the age of 18 shall be considered
22 to be disabled for the purposes of this title for a month
23 if the child has any medically determinable physical or
24 mental impairment which results in a marked, pervasive,
25 and severe disability which has lasted or can be expected

1 to last for a continuous period of not less than 12 months
2 or which can be expected to result in death." ; and

3 (5) in subparagraph (F), as redesignated by
4 paragraph (3), by striking "(D)" and inserting
5 "(E)".

6 (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

7 (1) MODIFICATION TO MEDICAL CRITERIA FOR
8 EVALUATION OF MENTAL AND EMOTIONAL DIS-
9 ORDERS.—The Commissioner of Social Security
10 shall modify paragraph (2) of section 112.02B.2.e.
11 of appendix 1 to subpart P of part 404 of title 20,
12 Code of Federal Regulations, to eliminate references
13 to maladaptive behavior in the domain of personal/
14 behaviorial function.

15 (2) DISCONTINUANCE OF INDIVIDUALIZED
16 FUNCTIONAL ASSESSMENT.—The Commissioner of
17 Social Security shall discontinue the individual func-
18 tional assessment for children set forth in sections
19 416.924d and 416.924e of title 20, Code of Federal
20 Regulations.

21 (c) EFFECTIVE DATE; APPLICATION TO CURRENT
22 RECIPIENTS.—

23 (1) IN GENERAL.—The amendments made by
24 subsections (a) and (b) shall apply to applicants for
25 benefits for months beginning on or after the date

1 of the enactment of this Act, without regard to
2 whether regulations have been issued to implement
3 such amendments.

4 (2) APPLICATION TO CURRENT RECIPIENTS.—

5 (A) CONTINUING DISABILITY REVIEWS.—

6 Within 1 year after the date of the enactment
7 of this Act, the Commissioner of Social Security
8 shall redetermine pursuant to the procedures of
9 title XVI of the Social Security Act the eligi-
10 bility of any individual who is receiving supple-
11 mental security income benefits under title XVI
12 of the Social Security Act as of the date of the
13 enactment of this Act and whose eligibility for
14 such benefits would terminate by reason of the
15 amendments made by subsection (a) or (b). The
16 Commissioner of Social Security shall give rede-
17 termination reviews under this subparagraph
18 priority over other redetermination reviews.

19 (B) GRANDFATHER AND HOLD HARM-
20 LESS.—The amendments made by subsections
21 (a) and (b) shall only apply with respect to the
22 benefits of an individual described in subpara-
23 graph (A) for months beginning on or after the
24 January 1, 1997, and such individual shall be

1 held harmless for any payment of benefits made
2 until such date.

3 (C) NOTICE.—Within 2 months after the
4 date of the enactment of this Act, the Commis-
5 sioner of Social Security shall notify an individ-
6 ual described in subparagraph (A) of the provi-
7 sions of this paragraph.

8 **SEC. 312. CONTINUING DISABILITY REVIEWS.**

9 (a) CONTINUING DISABILITY REVIEWS RELATING
10 FOR CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42
11 U.S.C. 1382c(a)(3)(H)), as redesignated by section
12 301(a)(3), is amended—

13 (1) by inserting “(i)” after “(H)”; and

14 (2) by adding at the end the following new
15 clause:

16 “(ii)(I) Not less frequently than once every 3 years,
17 the Commissioner shall redetermine the eligibility for ben-
18 efits under this title of each individual who has not at-
19 tained 18 years of age and is eligible for such benefits
20 by reason of disability.

21 “(II) Subclause (I) shall not apply to an individual
22 if the individual has an impairment (or combination of im-
23 pairments) which is (or are) not expected to improve.”.

24 (b) DISABILITY REVIEW REQUIRED FOR SSI RECIPI-
25 ENTS WHO ARE 18 YEARS OF AGE.—

1 (1) IN GENERAL.—Section 1614(a)(3)(H) (42
2 U.S.C. 1382c(a)(3)(H)), as amended by subsection
3 (a), is amended by adding at the end the following
4 new clause:

5 “(iii) If an individual is eligible for benefits under this
6 title by reason of disability for the month preceding the
7 month in which the individual attains the age of 18 years,
8 the Commissioner shall redetermine such eligibility—

9 “(I) during the 1-year period beginning on the
10 individual's 18th birthday; and

11 “(2) by applying the criteria used in determin-
12 ing such eligibility for applicants who have attained
13 the age of 18 years.

14 A review under this clause shall be considered a substitute
15 for a review otherwise required under any other provision
16 of this subparagraph during that 1-year period.”.

17 (2) REPORT TO THE CONGRESS.—Not later
18 than October 1, 1998, the Commissioner of Social
19 Security shall submit to the Committee on Ways and
20 Means of the House of Representatives and the
21 Committee on Finance of the Senate a report on the
22 activities conducted under section 1614(a)(3)(H)(iii)
23 of the Social Security Act, as added by paragraph
24 (1).

1 (3) CONFORMING REPEAL.—Section 207 of the
2 Social Security Independence and Program Improve-
3 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.
4 1516) is hereby repealed.

5 (c) DISABILITY REVIEW REQUIRED FOR LOW BIRTH
6 WEIGHT BABIES WHO HAVE RECEIVED SSI BENEFITS
7 FOR 12 MONTHS.—Section 1614(a)(3)(H) (42 U.S.C.
8 1382c(a)(3)(H)), as amended by subsections (a) and (b),
9 is amended by adding at the end the following new clause:

10 “(iv)(I) The Commissioner shall redetermine the eli-
11 gibility for benefits under this title by reason of disability
12 of an individual whose low birth weight is a contributing
13 factor material to the Commissioner’s determination that
14 the individual is disabled.

15 “(II) The redetermination required by subclause (I)
16 shall be conducted once the individual has received such
17 benefits for 12 months.

18 “(III) A redetermination under subclause (I) shall be
19 considered a substitute for a review otherwise required
20 under any other provision of this subparagraph during
21 that 12-month period.”

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to benefits for months beginning
24 on or after the date of the enactment of this Act, without

1 regard to whether regulations have been issued to imple-
2 ment such amendments.

3 **Subtitle C—Study of Disability**
4 **Determination Process**

5 **SEC. 321. STUDY OF DISABILITY DETERMINATION PROC-**
6 **ESS.**

7 (a) **IN GENERAL.**—Not later than 180 days after the
8 date of the enactment of this Act, and from funds other-
9 wise appropriated, the Commissioner of Social Security
10 shall contract with the National Academy of Sciences, or
11 other independent entity, to conduct a comprehensive
12 study of the disability determination process under titles
13 II and XVI of the Social Security Act, including the valid-
14 ity, reliability, equity, and consistency with current sci-
15 entific knowledge and standards of the Listing of Impair-
16 ments set forth in appendix 1 of subpart P of part 404
17 of title 20, Code of Federal Regulations.

18 (b) **STUDY OF DEFINITIONS.**—The study described
19 in subsection (a) shall also include an examination of the
20 appropriateness of the definitions of disability in titles II
21 and XVI of the Social Security Act and the advantages
22 and disadvantages of alternative definitions.

23 (c) **REPORTS.**—The Commissioner of Social Security
24 shall, through the applicable entity, issue an interim re-
25 port and a final report of the findings and recommenda-

1 tions resulting from the study described in this section to
2 the President and the Congress not later than 12 months
3 and 24 months, respectively, from the date of the contract
4 for such study.

5 **Subtitle D—National Commission**
6 **on the Future of Disability**

7 **SEC. 331. ESTABLISHMENT.**

8 There is established a commission to be known as the
9 National Commission on the Future of Disability (referred
10 to in this subtitle as the "Commission"), the expenses of
11 which shall be paid from funds otherwise appropriated for
12 the Social Security Administration.

13 **SEC. 332. DUTIES OF THE COMMISSION.**

14 (a) **IN GENERAL.**—The Commission shall develop
15 and carry out a comprehensive study of all matters related
16 to the nature, purpose, and adequacy of all Federal pro-
17 grams serving individuals with disabilities. In particular,
18 the Commission shall study the disability insurance pro-
19 gram under title II of the Social Security Act and the sup-
20 plemental security income program under title XVI of
21 such Act.

22 (b) **MATTERS STUDIED.**—The Commission shall pre-
23 pare an inventory of Federal programs serving individuals
24 with disabilities, and shall examine—

1 (1) trends and projections regarding the size
2 and characteristics of the population of individuals
3 with disabilities, and the implications of such analy-
4 ses for program planning;

5 (2) the feasibility and design of performance
6 standards for the Nation's disability programs;

7 (3) the adequacy of Federal efforts in rehabili-
8 tation research and training, and opportunities to
9 improve the lives of individuals with disabilities
10 through all manners of scientific and engineering re-
11 search; and

12 (4) the adequacy of policy research available to
13 the Federal Government, and what actions might be
14 undertaken to improve the quality and scope of such
15 research.

16 (e) RECOMMENDATIONS.—The Commission shall
17 submit to the appropriate committees of the Congress and
18 to the President recommendations and, as appropriate,
19 proposals for legislation, regarding—

20 (1) which (if any) Federal disability programs
21 should be eliminated or augmented;

22 (2) what new Federal disability programs (if
23 any) should be established;

1 (3) the suitability of the organization and loca-
2 tion of disability programs within the Federal Gov-
3 ernment;

4 (4) other actions the Federal Government
5 should take to prevent disabilities and disadvantages
6 associated with disabilities; and

7 (5) such other matters as the Commission con-
8 siders appropriate.

9 **SEC. 333. MEMBERSHIP.**

10 (a) **NUMBER AND APPOINTMENT.—**

11 (1) **IN GENERAL.—**The Commission shall be
12 composed of 15 members, of whom—

13 (A) five shall be appointed by the Presi-
14 dent, of whom not more than 2 shall be of the
15 same major political party;

16 (B) three shall be appointed by the Major-
17 ity Leader of the Senate;

18 (C) two shall be appointed by the Minority
19 Leader of the Senate;

20 (D) three shall be appointed by the Speak-
21 er of the House of Representatives; and

22 (E) two shall be appointed by the Minority
23 Leader of the House of Representatives.

24 (2) **REPRESENTATION.—**The Commission mem-
25 bers shall be chosen based on their education, train-

1 ing, or experience. In appointing individuals as
2 members of the Commission, the President and the
3 Majority and Minority Leaders of the Senate and
4 the Speaker and Minority Leader of the House of
5 Representatives shall seek to ensure that the mem-
6 bership of the Commission reflects the diversity of
7 individuals with disabilities in the United States.

8 (b) **COMPTROLLER GENERAL.**—The Comptroller
9 General shall serve on the Commission as an ex officio
10 member of the Commission to advise and oversee the
11 methodology and approach of the study of the Commis-
12 sion.

13 (c) **PROHIBITION AGAINST OFFICER OR EM-**
14 **PLOYEE.**—No officer or employee of any government shall
15 be appointed under subsection (a).

16 (d) **DEADLINE FOR APPOINTMENT; TERM OF AP-**
17 **POINTMENT.**—Members of the Commission shall be ap-
18 pointed not later than 60 days after the date of the enact-
19 ment of this Act. The members shall serve on the Commis-
20 sion for the life of the Commission.

21 (e) **MEETINGS.**—The Commission shall locate its
22 headquarters in the District of Columbia, and shall meet
23 at the call of the Chairperson, but not less than 4 times
24 each year during the life of the Commission.

1 (f) QUORUM.—Ten members of the Commission shall
2 constitute a quorum, but a lesser number may hold hear-
3 ings.

4 (g) CHAIRPERSON AND VICE CHAIRPERSON.—Not
5 later than 15 days after the members of the Commission
6 are appointed, such members shall designate a Chair-
7 person and Vice Chairperson from among the members of
8 the Commission.

9 (h) CONTINUATION OF MEMBERSHIP.—If a member
10 of the Commission becomes an officer or employee of any
11 government after appointment to the Commission, the in-
12 dividual may continue as a member until a successor mem-
13 ber is appointed.

14 (i) VACANCIES.—A vacancy on the Commission shall
15 be filled in the manner in which the original appointment
16 was made not later than 30 days after the Commission
17 is given notice of the vacancy.

18 (j) COMPENSATION.—Members of the Commission
19 shall receive no additional pay, allowances, or benefits by
20 reason of their service on the Commission.

21 (k) TRAVEL EXPENSES.—Each member of the Com-
22 mission shall receive travel expenses, including per diem
23 in lieu of subsistence, in accordance with sections 5702
24 and 5703 of title 5, United States Code.

1 **SEC. 334. STAFF AND SUPPORT SERVICES.**

2 (a) **DIRECTOR.—**

3 (1) **APPOINTMENT.—**Upon consultation with
4 the members of the Commission, the Chairperson
5 shall appoint a Director of the Commission.

6 (2) **COMPENSATION.—**The Director shall be
7 paid the rate of basic pay for level V of the Execu-
8 tive Schedule.

9 (b) **STAFF.—**With the approval of the Commission,
10 the Director may appoint such personnel as the Director
11 considers appropriate.

12 (c) **APPLICABILITY OF CIVIL SERVICE LAWS.—**The
13 staff of the Commission shall be appointed without regard
14 to the provisions of title 5, United States Code, governing
15 appointments in the competitive service, and shall be paid
16 without regard to the provisions of chapter 51 and sub-
17 chapter III of chapter 53 of such title relating to classi-
18 fication and General Schedule pay rates.

19 (d) **EXPERTS AND CONSULTANTS.—**With the ap-
20 proval of the Commission, the Director may procure tem-
21 porary and intermittent services under section 3109(b) of
22 title 5, United States Code.

23 (e) **STAFF OF FEDERAL AGENCIES.—**Upon the re-
24 quest of the Commission, the head of any Federal agency
25 may detail, on a reimbursable basis, any of the personnel

1 of such agency to the Commission to assist in carrying
2 out the duties of the Commission under this subtitle.

3 (f) OTHER RESOURCES.—The Commission shall have
4 reasonable access to materials, resources, statistical data,
5 and other information from the Library of Congress and
6 agencies and elected representatives of the executive and
7 legislative branches of the Federal Government. The
8 Chairperson of the Commission shall make requests for
9 such access in writing when necessary.

10 (g) PHYSICAL FACILITIES.—The Administrator of
11 the General Services Administration shall locate suitable
12 office space for the operation of the Commission. The fa-
13 cilities shall serve as the headquarters of the Commission
14 and shall include all necessary equipment and incidentals
15 required for proper functioning of the Commission.

16 **SEC. 335. POWERS OF COMMISSION.**

17 (a) HEARINGS.—The Commission may conduct pub-
18 lic hearings or forums at the discretion of the Commission,
19 at any time and place the Commission is able to secure
20 facilities and witnesses, for the purpose of carrying out
21 the duties of the Commission under this subtitle.

22 (b) DELEGATION OF AUTHORITY.—Any member or
23 agent of the Commission may, if authorized by the Com-
24 mission, take any action the Commission is authorized to
25 take by this section.

1 (c) **INFORMATION.**—The Commission may secure di-
2 rectly from any Federal agency information necessary to
3 enable the Commission to carry out its duties under this
4 subtitle. Upon request of the Chairperson or Vice Chair-
5 person of the Commission, the head of a Federal agency
6 shall furnish the information to the Commission to the ex-
7 tent permitted by law.

8 (d) **GIFTS, BEQUESTS, AND DEVICES.**—The Commis-
9 sion may accept, use, and dispose of gifts, bequests, or
10 devices of services or property, both real and personal, for
11 the purpose of aiding or facilitating the work of the Com-
12 mission. Gifts, bequests, or devises of money and proceeds
13 from sales of other property received as gifts, bequests,
14 or devices shall be deposited in the Treasury and shall be
15 available for disbursement upon order of the Commission.

16 (e) **MAILS.**—The Commission may use the United
17 States mails in the same manner and under the same con-
18 ditions as other Federal agencies.

19 **SEC. 336. REPORTS.**

20 (a) **INTERIM REPORT.**—Not later than 1 year prior
21 to the date on which the Commission terminates pursuant
22 to section 337, the Commission shall submit an interim
23 report to the President and to the Congress. The interim
24 report shall contain a detailed statement of the findings
25 and conclusions of the Commission, together with the

1 Commission's recommendations for legislative and admin-
2 istrative action, based on the activities of the Commission.

3 (b) FINAL REPORT.—Not later than the date on
4 which the Commission terminates, the Commission shall
5 submit to the Congress and to the President a final report
6 containing—

7 (1) a detailed statement of final findings, con-
8 clusions, and recommendations; and

9 (2) an assessment of the extent to which rec-
10 ommendations of the Commission included in the in-
11 terim report under subsection (a) have been imple-
12 mented.

13 (c) PRINTING AND PUBLIC DISTRIBUTION.—Upon
14 receipt of each report of the Commission under this sec-
15 tion, the President shall—

16 (1) order the report to be printed; and

17 (2) make the report available to the public upon
18 request.

19 **SEC. 337. TERMINATION.**

20 The Commission shall terminate on the date that is
21 2 years after the date on which the members of the Com-
22 mission have met and designated a Chairperson and Vice
23 Chairperson.

1 **TITLE IV—CHILD SUPPORT**
2 **Subtitle A—Eligibility for Services;**
3 **Distribution of Payments**

4 **SEC. 401. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**
5 **ENFORCEMENT SERVICES.**

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

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

10 “(4) provide that the State will—

11 “(A) provide services relating to the estab-
12 lishment of paternity or the establishment,
13 modification, or enforcement of child support
14 obligations, as appropriate, under the plan with
15 respect to—

16 “(i) each child for whom cash assist-
17 ance is provided under the State program
18 funded under part A of this title, benefits
19 or services are provided under the State
20 program funded under part B of this title,
21 or medical assistance is provided under the
22 State plan approved under title XIX, un-
23 less the State agency administering the
24 plan determines (in accordance with para-

1 graph (28)) that it is against the best in-
2 terests of the child to do so; and

3 “(ii) any other child, if an individual
4 applies for such services with respect to
5 the child; and

6 “(B) enforce any support obligation estab-
7 lished with respect to—

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

10 “(ii) the custodial parent of such a
11 child.”; and

12 (2) in paragraph (6)—

13 (A) by striking “provide that” and insert-
14 ing “provide that—”;

15 (B) by striking subparagraph (A) and in-
16 serting the following new subparagraph:

17 “(A) services under the plan shall be made
18 available to nonresidents on the same terms as
19 to residents;”;

20 (C) in subparagraph (B), by inserting “on
21 individuals not receiving assistance under any
22 State program funded under part A” after
23 “such services shall be imposed”;

24 (D) in each of subparagraphs (B), (C),
25 (D), and (E)—

1 (i) by indenting the subparagraph in
2 the same manner as, and aligning the left
3 margin of the subparagraph with the left
4 margin of, the matter inserted by subpara-
5 graph (B) of this paragraph; and

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

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

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 452(b) (42 U.S.C. 652(b)) is
12 amended by striking “454(6)” and inserting
13 “454(4)”.

14 (2) Section 452(g)(2)(A) (42 U.S.C.
15 652(g)(2)(A)) is amended by striking “454(6)” each
16 place it appears and inserting “454(4)(A)(ii)”.

17 (3) Section 466(a)(3)(B) (42 U.S.C.
18 666(a)(3)(B)) is amended by striking “in the case of
19 overdue support which a State has agreed to collect
20 under section 454(6)” and inserting “in any other
21 case”.

22 (4) Section 466(e) (42 U.S.C. 666(e)) is
23 amended by striking “paragraph (4) or (6) of sec-
24 tion 454” and inserting “section 454(4)”.

1 **SEC. 402. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
2 **TIONS.**

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

5 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

6 **“(a) IN GENERAL.**—An amount collected on behalf
7 of a family as support by a State pursuant to a plan ap-
8 proved under this part shall be distributed as follows:

9 **“(1) FAMILIES RECEIVING CASH ASSISTANCE.—**

10 In the case of a family receiving cash assistance
11 from the State, the State shall—

12 **“(A)** retain, or distribute to the family, the
13 State share of the amount so collected; and

14 **“(B)** pay to the Federal Government the
15 Federal share of the amount so collected.

16 **“(2) FAMILIES THAT FORMERLY RECEIVED**
17 **CASH ASSISTANCE.**—In the case of a family that for-
18 merly received cash assistance from the State:

19 **“(A) CURRENT SUPPORT PAYMENTS.—**To
20 the extent that the amount so collected does not
21 exceed the amount required to be paid to the
22 family for the month in which collected, the
23 State shall distribute the amount so collected to
24 the family.

25 **“(B) PAYMENTS OF ARREARAGES.—**To the
26 extent that the amount so collected exceeds the

1 amount required to be paid to the family for
2 the month in which collected, the State shall
3 distribute the amount so collected as follows:

4 “(i) DISTRIBUTION TO THE FAMILY
5 TO SATISFY ARREARAGES THAT ACCRUED
6 BEFORE OR AFTER THE FAMILY RECEIVED
7 CASH ASSISTANCE.—The State shall dis-
8 tribute the amount so collected to the fam-
9 ily to the extent necessary to satisfy any
10 support arrears with respect to the family
11 that accrued before or after the family re-
12 ceived cash assistance from the State.

13 “(ii) REIMBURSEMENT OF GOVERN-
14 MENTS FOR ASSISTANCE PROVIDED TO
15 THE FAMILY.—To the extent that clause
16 (i) does not apply to the amount, the State
17 shall retain the State share of the amount
18 so collected, and pay to the Federal Gov-
19 ernment the Federal share of the amount
20 so collected, to the extent necessary to re-
21 imburse amounts paid to the family as
22 cash assistance from the State.

23 “(iii) DISTRIBUTION OF THE REMAIN-
24 DER TO THE FAMILY.—To the extent that
25 neither clause (i) nor clause (ii) applies to

1 the amount so collected, the State shall
2 distribute the amount to the family.

3 “(3) FAMILIES THAT NEVER RECEIVED CASH
4 ASSISTANCE.—In the case of any other family, the
5 State shall distribute the amount so collected to the
6 family.

7 “(b) DEFINITIONS.—As used in subsection (a):

8 “(1) CASH ASSISTANCE.—The term ‘cash as-
9 sistance from the State’ means—

10 “(A) cash assistance under the State pro-
11 gram funded under part A or under the State
12 plan approved under part A of this title (as in
13 effect before October 1, 1995); or

14 “(B) cash benefits under the State pro-
15 gram funded under part B or under the State
16 plan approved under part B or E of this title
17 (as in effect before October 1, 1995).

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

22 “(A) the greatest Federal medical assist-
23 ance percentage in effect for the State for fiscal
24 year 1995 or any succeeding fiscal year; or

1 “(B) if support is not owed to the family
2 for any month for which the family received aid
3 to families with dependent children under the
4 State plan approved under part A of this title
5 (as in effect before October 1, 1995), the Fed-
6 eral reimbursement percentage for the fiscal
7 year in which the time period occurs.

8 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
9 AGE.—The term ‘Federal medical assistance per-
10 centage’ means—

11 “(A) the Federal medical assistance per-
12 centage (as defined in section 1118), in the case
13 of Puerto Rico, the Virgin Islands, Guam, and
14 American Samoa; or

15 “(B) the Federal medical assistance per-
16 centage (as defined in section 1905(b)) in the
17 case of any other State.

18 “(4) FEDERAL REIMBURSEMENT PERCENT-
19 AGE.—The term ‘Federal reimbursement percentage’
20 means, with respect to a fiscal year—

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

23 “(B) the total amount expended by the
24 State to carry out the State program under
25 part A during the fiscal year.

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

3 “(c) CONTINUATION OF SERVICES FOR FAMILIES
4 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
5 PROGRAM FUNDED UNDER PART A.—When a family with
6 respect to which services are provided under a State plan
7 approved under this part ceases to receive assistance
8 under the State program funded under part A, the State
9 shall provide appropriate notice to the family and continue
10 to provide such services, subject to the same conditions
11 and on the same basis as in the case of individuals to
12 whom services are furnished under section 454, except
13 that an application or other request to continue services
14 shall not be required of such a family and section
15 454(6)(B) shall not apply to the family.”.

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

18 (1) in paragraph (11)—

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

20 “(11)(A)”; and

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

22 and

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

25 (c) EFFECTIVE DATE.—

1 (1) **GENERAL RULE.**—Except as provided in
2 paragraphs (2) and (3), the amendment made by
3 subsection (a) shall become effective on October 1,
4 1999.

5 (2) **EARLIER EFFECTIVE DATE FOR RULES RE-**
6 **LATING TO DISTRIBUTION OF SUPPORT COLLECTED**
7 **FOR FAMILIES RECEIVING CASH ASSISTANCE.**—Sec-
8 tion 457(a)(1) of the Social Security Act, as added
9 by the amendment made by subsection (a), shall be-
10 come effective on October 1, 1995.

11 (3) **CLERICAL AMENDMENTS.**—The amend-
12 ments made by subsection (b) shall become effective
13 on October 1, 1995.

14 **SEC. 403. RIGHTS TO NOTIFICATION AND HEARINGS.**

15 (a) **IN GENERAL.**—Section 454 (42 U.S.C. 654), as
16 amended by section 402(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 of all proceedings in
24 which support obligations might be estab-
25 lished or modified; and

1 “(ii) 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
6 of 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
12 that meets standards established by the Sec-
13 retary and ensures prompt consideration and
14 resolution of complaints (but the resort to such
15 procedure shall not stay the enforcement of any
16 support order);”.

17 (b) **EFFECTIVE DATE.**—The amendment made by
18 subsection (a) shall become effective on October 1, 1997.

19 **SEC. 404. PRIVACY SAFEGUARDS.**

20 (a) **STATE PLAN REQUIREMENT.**—Section 454 (42
21 U.S.C. 654) is amended—

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

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

1 (3) by adding after paragraph (24) the follow-
2 ing new paragraph:

3 “(25) will have in effect safeguards, applicable
4 to all confidential information handled by the State
5 agency, that are designed to protect the privacy
6 rights of the parties, including—

7 “(A) safeguards against unauthorized use
8 or disclosure of information relating to proceed-
9 ings or actions to establish paternity, or to es-
10 tablish or enforce support;

11 “(B) prohibitions against the release of in-
12 formation on the whereabouts of one party to
13 another 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 one party to
18 another party if the State has reason to believe
19 that the release of the information may result
20 in physical or emotional harm to the former
21 party.”.

22 (b) **EFFECTIVE DATE.**—The amendment made by
23 subsection (a) shall become effective on October 1, 1997.

1 **Subtitle B—Locate and Case**
2 **Tracking**

3 **SEC. 411. STATE CASE REGISTRY.**

4 Section 454A, as added by section 445(a)(2) of this
5 Act, is amended by adding at the end the following new
6 subsections:

7 “(e) STATE CASE REGISTRY.—

8 “(1) CONTENTS.—The automated system re-
9 quired by this section shall include a registry (which
10 shall be known as the ‘State case registry’) that con-
11 tains records with respect to—

12 “(A) each case in which services are being
13 provided by the State agency under the State
14 plan approved under this part; and

15 “(B) each support order established or
16 modified in the State on or after October 1,
17 1998.

18 “(2) LINKING OF LOCAL REGISTRIES.—The
19 State case registry may be established by linking
20 local case registries of support orders through an
21 automated information network, subject to this sec-
22 tion.

23 “(3) USE OF STANDARDIZED DATA ELE-
24 MENTS.—Such records shall use standardized data
25 elements for both parents (such as names, social se-

1 curity numbers and other uniform identification
2 numbers, dates of birth, and case identification
3 numbers), and contain such other information (such
4 as on case status) as the Secretary may require.

5 “(4) PAYMENT RECORDS.—Each case record in
6 the State case registry with respect to which services
7 are being provided under the State plan approved
8 under this part and with respect to which a support
9 order has been established shall include a record
10 of—

11 “(A) the amount of monthly (or other peri-
12 odic) support owed under the order, and other
13 amounts (including arrears, interest or late
14 payment penalties, and fees) due or overdue
15 under the order;

16 “(B) any amount described in subpara-
17 graph (A) that has been collected;

18 “(C) the distribution of such collected
19 amounts;

20 “(D) the birth date of any child for whom
21 the order requires the provision of support; and

22 “(E) the amount of any lien imposed with
23 respect to the order pursuant to section
24 466(a)(4).

1 “(5) UPDATING AND MONITORING.—The State
2 agency operating the automated system required by
3 this section shall promptly establish and maintain,
4 and regularly monitor, case records in the State case
5 registry with respect to which services are being pro-
6 vided under the State plan approved under this part,
7 on the basis of—

8 “(A) information on administrative actions
9 and administrative and judicial proceedings and
10 orders relating to paternity and support;

11 “(B) information obtained from compari-
12 son with Federal, State, or local sources of in-
13 formation;

14 “(C) information on support collections
15 and distributions; and

16 “(D) any other relevant information.

17 “(f) INFORMATION COMPARISONS AND OTHER DIS-
18 CLOSURES OF INFORMATION.—The State shall use the
19 automated system required by this section to extract infor-
20 mation from (at such times, and in such standardized for-
21 mat or formats, as may be required by the Secretary), to
22 share and compare information with, and to receive infor-
23 mation from, other data bases and information compari-
24 son services, in order to obtain (or provide) information
25 necessary to enable the State agency (or the Secretary or

1 other State or Federal agencies) to carry out this part,
2 subject to section 6103 of the Internal Revenue Code of
3 1986. Such information comparison activities shall include
4 the following:

5 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
6 PORT ORDERS.—Furnishing to the Federal Case
7 Registry of Child Support Orders established under
8 section 453(h) (and update as necessary, with infor-
9 mation including notice of expiration of orders) the
10 minimum amount of information on child support
11 cases recorded in the State case registry that is nec-
12 essary to operate the registry (as specified by the
13 Secretary in regulations).

14 “(2) FEDERAL PARENT LOCATOR SERVICE.—
15 Exchanging information with the Federal Parent
16 Locator Service for the purposes specified in section
17 453.

18 “(3) TEMPORARY FAMILY ASSISTANCE AND
19 MEDICAID AGENCIES.—Exchanging information with
20 State agencies (of the State and of other States) ad-
21 ministering programs funded under part A, pro-
22 grams operated under State plans under title XIX,
23 and other programs designated by the Secretary, as
24 necessary to perform State agency responsibilities
25 under this part and under such programs.

1 “(4) INTRA- AND INTERSTATE INFORMATION
2 COMPARISONS.—Exchanging information with other
3 agencies of the State, agencies of other States, and
4 interstate information networks, as necessary and
5 appropriate to carry out (or assist other States to
6 carry out) the purposes of this part.”.

7 **SEC. 412. COLLECTION AND DISBURSEMENT OF SUPPORT**
8 **PAYMENTS.**

9 (a) STATE PLAN REQUIREMENT.—Section 454 (42
10 U.S.C. 654), as amended by section 404(a) of this Act,
11 is amended—

12 (1) by striking “and” at the end of paragraph
13 (24);

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

16 (3) by adding after paragraph (25) the follow-
17 ing new paragraph:

18 “(26) provide that, on and after October 1,
19 1998, the State agency will—

20 “(A) operate a State disbursement unit in
21 accordance with section 454B; and

22 “(B) have sufficient State staff (consisting
23 of State employees) and (at State option) con-
24 tractors reporting directly to the State agency
25 to—

1 tive agreement), or (to the extent appropriate)
2 by a contractor responsible directly to the State
3 agency; and

4 “(B) in coordination with the automated
5 system established by the State pursuant to
6 section 454A.

7 “(3) LINKING OF LOCAL DISBURSEMENT
8 UNITS.—The State disbursement unit may be estab-
9 lished by linking local disbursement units through
10 an automated information network, subject to this
11 section. The Secretary must agree that the system
12 will not cost more nor take more time to establish
13 or operate than a centralized system. In addition,
14 employers shall be given 1 location to which income
15 withholding is sent.

16 “(b) REQUIRED PROCEDURES.—The State disburse-
17 ment unit shall use automated procedures, electronic proc-
18 esses, and computer-driven technology to the maximum
19 extent feasible, efficient, and economical, for the collection
20 and disbursement of support payments, including
21 procedures—

22 “(1) for receipt of payments from parents, em-
23 ployers, and other States, and for disbursements to
24 custodial parents and other obligees, the State agen-
25 cy, and the agencies of other States;

1 “(2) for accurate identification of payments;

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

4 “(4) to furnish to any parent, upon request,
5 timely information on the current status of support
6 payments under an order requiring payments to be
7 made by or to the parent.

8 “(c) TIMING OF DISBURSEMENTS.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (2), the State disbursement unit shall distrib-
11 ute all amounts payable under section 457(a) within
12 2 business days after receipt from the employer or
13 other source of periodic income, if sufficient infor-
14 mation identifying the payee is provided.

15 “(2) PERMISSIVE RETENTION OF ARREAR-
16 AGES.—The State disbursement unit may delay the
17 distribution of collections toward arrearages until
18 the resolution of any timely appeal with respect to
19 such arrearages.

20 “(d) BUSINESS DAY DEFINED.—As used in this sec-
21 tion, the term ‘business day’ means a day on which State
22 offices are open for regular business.”.

23 “(e) USE OF AUTOMATED SYSTEM.—Section 454A, as
24 added by section 445(a)(2) of this Act and as amended

1 by section 411 of this Act, is amended by adding at the
2 end the following new subsection:

3 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
4 PAYMENTS.—

5 “(1) IN GENERAL.—The State shall use the
6 automated system required by this section, to the
7 maximum extent feasible, to assist and facilitate the
8 collection and disbursement of support payments
9 through the State disbursement unit operated under
10 section 454B, through the performance of functions,
11 including, at a minimum—

12 “(A) transmission of orders and notices to
13 employers (and other debtors) for the withhold-
14 ing of wages (and other income)—

15 “(i) within 2 business days after re-
16 ceipt (from a court, another State, an em-
17 ployer, the Federal Parent Locator Service,
18 or another source recognized by the State)
19 of notice of, and the income source subject
20 to, such withholding; and

21 “(ii) using uniform formats prescribed
22 by the Secretary;

23 “(B) ongoing monitoring to promptly iden-
24 tify failures to make timely payment of support;
25 and

1 “(C) automatic use of enforcement proce-
2 dures (including procedures authorized pursu-
3 ant to section 466(c)) where payments are not
4 timely made.

5 “(2) BUSINESS DAY DEFINED.—As used in
6 paragraph (1), the term ‘business day’ means a day
7 on which State offices are open for regular busi-
8 ness.”.

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

11 **SEC. 413. STATE DIRECTORY OF NEW HIRES.**

12 (a) STATE PLAN REQUIREMENT.—Section 454 (42
13 U.S.C. 654), as amended by sections 404(a) and 412(a)
14 of this Act, is amended—

15 (1) by striking “and” at the end of paragraph
16 (25);

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

19 (3) by adding after paragraph (26) the follow-
20 ing new paragraph:

21 “(27) provide that, on and after October 1,
22 1997, the State will operate a State Directory of
23 New Hires in accordance with section 453A.”.

1 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
2 title IV (42 U.S.C. 651–669) is amended by inserting
3 after section 453 the following new section:

4 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

5 “(a) ESTABLISHMENT.—

6 “(1) IN GENERAL.—Not later than October 1,
7 1997, each State shall establish an automated direc-
8 tory (to be known as the ‘State Directory of New
9 Hires’) which shall contain information supplied in
10 accordance with subsection (b) by employers on each
11 newly hired employee.

12 “(2) DEFINITIONS.—As used in this section:

13 “(A) EMPLOYEE.—The term ‘employee’—

14 “(i) means an individual who is an
15 employee within the meaning of chapter 24
16 of the Internal Revenue Code of 1986; and

17 “(ii) does not include an employee of
18 a Federal or State agency performing in-
19 telligence or counterintelligence functions,
20 if the head of such agency has determined
21 that reporting pursuant to paragraph (1)
22 with respect to the employee could endan-
23 ger the safety of the employee or com-
24 promise an ongoing investigation or intel-
25 ligence mission.

1 “(B) EMPLOYERS.—The term ‘employer’
2 includes—

3 “(i) any governmental entity, and

4 “(ii) any labor organization.

5 “(C) LABOR ORGANIZATION.—The term
6 ‘labor organization’ shall have the meaning
7 given such term in section 2(5) of the National
8 Labor Relations Act, and includes any entity
9 (also known as a ‘hiring hall’) which is used by
10 the organization and an employer to carry out
11 requirements described in section 8(f)(3) of
12 such Act of an agreement between the organiza-
13 tion and the employer.

14 “(b) EMPLOYER INFORMATION.—

15 “(1) REPORTING REQUIREMENT.—Each em-
16 ployer shall furnish to the Directory of New Hires
17 of the State in which a newly hired employee works
18 a report that contains the name, address, and social
19 security number of the employee, and the name of,
20 and identifying number assigned under section 6109
21 of the Internal Revenue Code of 1986 to, the em-
22 ployer.

23 “(2) TIMING OF REPORT.—The report required
24 by paragraph (1) with respect to an employee shall
25 be made not later than the later of—

1 “(A) 15 days after the date the employer
2 hires the employee; or

3 “(B) in the case of an employer that re-
4 ports by magnetic or electronic means, the 1st
5 business day of the week following the date on
6 which the employee 1st receives wages or other
7 compensation from the employer.

8 “(c) REPORTING FORMAT AND METHOD.—Each re-
9 port required by subsection (b) shall be made on a W-
10 4 form or the equivalent, and may be transmitted by 1st
11 class mail, magnetically, or electronically.

12 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
13 EMPLOYERS.—

14 “(1) IN GENERAL.—An employer that fails to
15 comply with subsection (b) with respect to an em-
16 ployee shall be subject to a civil money penalty of—

17 “(A) \$25; or

18 “(B) \$500 if, under State law, the failure
19 is the result of a conspiracy between the em-
20 ployer and the employee to not supply the re-
21 quired report or to supply a false or incomplete
22 report.

23 “(2) APPLICABILITY OF SECTION 1128.—Section
24 1128 (other than subsections (a) and (b) of such
25 section) shall apply to a civil money penalty under

1 paragraph (1) of this subsection in the same manner
2 as such section applies to a civil money penalty or
3 proceeding under section 1128A(a).

4 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-
5 mation shall be entered into the data base maintained by
6 the State Directory of New Hires within 5 business days
7 of receipt from an employer pursuant to subsection (b).

8 “(f) INFORMATION COMPARISONS.—

9 “(1) IN GENERAL.—Not later than October 1,
10 1998, an agency designated by the State shall, di-
11 rectly or by contract, conduct automated compari-
12 sons of the social security numbers reported by em-
13 ployers pursuant to subsection (b) and the social se-
14 curity numbers appearing in the records of the State
15 case registry for cases being enforced under the
16 State plan.

17 “(2) NOTICE OF MATCH.—When an information
18 comparison conducted under paragraph (1) reveals a
19 match with respect to the social security number of
20 an individual required to provide support under a
21 support order, the State Directory of New Hires
22 shall provide the agency administering the State
23 plan approved under this part of the appropriate
24 State with the name, address, and social security
25 number of the employee to whom the social security

1 number is assigned, and the name of, and identify-
2 ing number assigned under section 6109 of the In-
3 ternal Revenue Code of 1986 to, the employer.

4 “(g) TRANSMISSION OF INFORMATION.—

5 “(1) TRANSMISSION OF WAGE WITHHOLDING
6 NOTICES TO EMPLOYERS.—Within 2 business days
7 after the date information regarding a newly hired
8 employee is entered into the State Directory of New
9 Hires, the State agency enforcing the employee’s
10 child support obligation shall transmit a notice to
11 the employer of the employee directing the employer
12 to withhold from the wages of the employee an
13 amount equal to the monthly (or other periodic)
14 child support obligation of the employee, unless the
15 employee’s wages are not subject to withholding pur-
16 suant to section 466(b)(3).

17 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
18 TORY OF NEW HIRES.—

19 “(A) NEW HIRE INFORMATION.—Within 2
20 business days after the date information re-
21 garding a newly hired employee is entered into
22 the State Directory of New Hires, the State Di-
23 rectory of New Hires shall furnish the informa-
24 tion to the National Directory of New Hires.

1 “(B) WAGE AND UNEMPLOYMENT COM-
2 PENSATION INFORMATION.—The State Direc-
3 tory of New Hires shall, on a quarterly basis,
4 furnish to the National Directory of New Hires
5 extracts of the reports required under section
6 303(a)(6) to be made to the Secretary of Labor
7 concerning the wages and unemployment com-
8 pensation paid to individuals, by such dates, in
9 such format, and containing such information
10 as the Secretary of Health and Human Services
11 shall specify in regulations.

12 “(3) BUSINESS DAY DEFINED.—As used in this
13 subsection, the term ‘business day’ means a day on
14 which State offices are open for regular business.

15 “(h) OTHER USES OF NEW HIRE INFORMATION.—

16 “(1) LOCATION OF CHILD SUPPORT OBLI-
17 GORS.—The agency administering the State plan ap-
18 proved under this part shall use information received
19 pursuant to subsection (f)(2) to locate individuals
20 for purposes of establishing paternity and establish-
21 ing, modifying, and enforcing child support obliga-
22 tions.

23 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
24 TAIN PROGRAMS.—A State agency responsible for
25 administering a program specified in section 1137(b)

1 shall have access to information reported by employ-
2 ers pursuant to subsection (b) of this section for
3 purposes of verifying eligibility for the program.

4 “(3) ADMINISTRATION OF EMPLOYMENT SECUR-
5 RITY AND WORKERS COMPENSATION.—State agen-
6 cies operating employment security and workers’
7 compensation programs shall have access to informa-
8 tion reported by employers pursuant to subsection
9 (b) for the purposes of administering such pro-
10 grams.”.

11 **SEC. 414. AMENDMENTS CONCERNING INCOME WITHHOLD-**
12 **ING.**

13 (a) MANDATORY INCOME WITHHOLDING.—

14 (1) IN GENERAL.—Section 466(a)(1) (42
15 U.S.C. 666(a)(1)) is amended to read as follows:

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

20 “(B) Procedures under which the wages of a
21 person with a support obligation imposed by a sup-
22 port order issued (or modified) in the State before
23 October 1, 1996, if not otherwise subject to with-
24 holding under subsection (b), shall become subject to
25 withholding as provided in subsection (b) if arrear-

1 ages occur, without the need for a judicial or admin-
2 istrative hearing.”

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 466(a)(8)(B)(iii) (42 U.S.C.
5 666(a)(8)(B)(iii)) is amended—

6 (i) by striking “(5),”; and

7 (ii) by inserting “, and, at the option
8 of the State, the requirements of sub-
9 section (b)(5)” before the period.

10 (B) Section 466(b) (42 U.S.C. 666(b)) is
11 amended in the matter preceding paragraph
12 (1), by striking “subsection (a)(1)” and insert-
13 ing “subsection (a)(1)(A)”.

14 (C) Section 466(b)(4) (42 U.S.C.
15 666(b)(4)) is amended to read as follows:

16 “(4)(A) Such withholding must be carried out
17 in full compliance with all procedural due process re-
18 quirements of the State, and the State must send
19 notice to each absent parent to whom paragraph (1)
20 applies—

21 “(i) that the withholding has commenced;

22 and

23 “(ii) of the procedures to follow if the ab-
24 sent parent desires to contest such withholding
25 on the grounds that the withholding or the

1 amount withheld is improper due to a mistake
2 of fact.

3 “(B) The notice under subparagraph (A) shall
4 include the information provided to the employer
5 under paragraph (6)(A).”.

6 (D) Section 466(b)(5) (42 U.S.C.
7 666(b)(5)) is amended by striking all that fol-
8 lows “administered by” and inserting “the
9 State through the State disbursement unit es-
10 tablished pursuant to section 454B, in accord-
11 ance with the requirements of section 454B.”.

12 (E) Section 466(b)(6)(A) (42 U.S.C.
13 666(b)(6)(A)) is amended—

14 (i) in clause (i), by striking “to the
15 appropriate agency” and all that follows
16 and inserting “to the State disbursement
17 unit within 2 business days after the date
18 the amount would (but for this subsection)
19 have been paid or credited to the employee,
20 for distribution in accordance with this
21 part.”;

22 (ii) in clause (ii), by inserting “be in
23 a standard format prescribed by the Sec-
24 retary, and” after “shall”; and

1 (iii) by adding at the end the follow-
2 ing new clause:

3 “(iii) As used in this subparagraph, the term
4 ‘business day’ means a day on which State offices
5 are open for regular business.”

6 (F) Section 466(b)(6)(D) (42 U.S.C.
7 666(b)(6)(D)) is amended by striking “any em-
8 ployer” and all that follows and inserting the
9 following:

10 “any employer who—

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

18 “(ii) fails to withhold support from wages,
19 or to pay such amounts to the State disburse-
20 ment unit in accordance with this subsection.”

21 (G) Section 466(b) (42 U.S.C. 666(b)) is
22 amended by adding at the end the following
23 new paragraph:

24 “(11) Procedures under which the agency ad-
25 ministering the State plan approved under this part

1 “(A) who is under an obligation to pay
2 child support or provide child visitation rights;

3 “(B) against whom such an obligation is
4 sought;

5 “(C) to whom such an obligation is owed,
6 including the individual’s social security number (or
7 numbers), most recent address, and the name, ad-
8 dress, and employer identification number of the in-
9 dividual’s employer;

10 “(2) information on the individual’s wages (or
11 other income) from, and benefits of, employment (in-
12 cluding rights to or enrollment in group health care
13 coverage); and

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

17 (2) in subsection (b), in the matter preceding
18 paragraph (1), by striking “social security” and all
19 that follows through “absent parent” and inserting
20 “information described in subsection (a)”.

21 (b) AUTHORIZED PERSON FOR INFORMATION RE-
22 GARDING VISITATION RIGHTS.—Section 453(c) (42
23 U.S.C. 653(e)) is amended—

1 (1) in paragraph (1), by striking "support" and
2 inserting "support or to seek to enforce orders pro-
3 viding child visitation rights";

4 (2) in paragraph (2), by striking ", or any
5 agent of such court; and" and inserting "or to issue
6 an order against a resident parent for visitation
7 rights, or any agent of such court;";

8 (3) by striking the period at the end of para-
9 graph (3) and inserting "; and"; and

10 (4) by adding at the end the following new
11 paragraph:

12 "(4) the absent parent, only with regard to a
13 court order against a resident parent for child visita-
14 tion rights."

15 (c) REIMBURSEMENT FOR INFORMATION FROM FED-
16 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
17 653(e)(2)) is amended in the 4th sentence by inserting
18 "in an amount which the Secretary determines to be rea-
19 sonable payment for the information exchange (which
20 amount shall not include payment for the costs of obtain-
21 ing, compiling, or maintaining the information)" before
22 the period.

23 (d) REIMBURSEMENT FOR REPORTS BY STATE
24 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
25 adding at the end the following new subsection:

1 “(g) The Secretary may reimburse Federal and State
2 agencies for the costs incurred by such entities in furnish-
3 ing information requested by the Secretary under this sec-
4 tion in an amount which the Secretary determines to be
5 reasonable payment for the information exchange (which
6 amount shall not include payment for the costs of obtain-
7 ing, compiling, or maintaining the information).”.

8 (e) TECHNICAL AMENDMENTS.—

9 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
10 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),
11 653(b), 663(a), 663(e), and 663(f)) are each amend-
12 ed by inserting “Federal” before “Parent” each
13 place such term appears.

14 (2) Section 453 (42 U.S.C. 653) is amended in
15 the heading by adding “FEDERAL” before “PAR-
16 ENT”.

17 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
18 653), as amended by subsection (d) of this section, is
19 amended by adding at the end the following new sub-
20 section:

21 “(h)(1) Not later than October 1, 1998, in order to
22 assist States in administering programs under State plans
23 approved under this part and programs funded under part
24 A, and for the other purposes specified in this section, the
25 Secretary shall establish and maintain in the Federal Par-

1 ent Locator Service an automated registry (which shall be
2 known as the 'Federal Case Registry of Child Support Or-
3 ders'), which shall contain abstracts of support orders and
4 other information described in paragraph (2) with respect
5 to each case in each State case registry maintained pursu-
6 ant to section 454A(e), as furnished (and regularly up-
7 dated), pursuant to section 454A(f), by State agencies ad-
8 ministering programs under this part.

9 “(2) The information referred to in paragraph (1)
10 with respect to a case shall be such information as the
11 Secretary may specify in regulations (including the names,
12 social security numbers or other uniform identification
13 numbers, and State case identification numbers) to iden-
14 tify the individuals who owe or are owed support (or with
15 respect to or on behalf of whom support obligations are
16 sought to be established), and the State or States which
17 have the case.

18 “(i)(1) In order to assist States in administering pro-
19 grams under State plans approved under this part and
20 programs funded under part A, and for the other purposes
21 specified in this section, the Secretary shall, not later than
22 October 1, 1996, establish and maintain in the Federal
23 Parent Locator Service an automated directory to be
24 known as the National Directory of New Hires, which

1 shall contain the information supplied pursuant to section
2 453A(g)(2).

3 “(2) Information shall be entered into the data base
4 maintained by the National Directory of New Hires within
5 2 business days of receipt pursuant to section 453A(g)(2).

6 “(3) The Secretary of the Treasury shall have access
7 to the information in the National Directory of New Hires
8 for purposes of administering section 32 of the Internal
9 Revenue Code of 1986, or the advance payment of the
10 earned income tax credit under section 3507 of such Code,
11 and verifying a claim with respect to employment in a tax
12 return.

13 “(j)(1)(A) The Secretary shall transmit information
14 on individuals and employers maintained under this sec-
15 tion to the Social Security Administration to the extent
16 necessary for verification in accordance with subparagraph
17 (B).

18 “(B) The Social Security Administration shall verify
19 the accuracy of, correct, or supply to the extent possible,
20 and report to the Secretary, the following information sup-
21 plied by the Secretary pursuant to subparagraph (A):

22 “(i) The name, social security number, and
23 birth date of each such individual.

24 “(ii) The employer identification number of
25 each such employer.

1 “(2) For the purpose of locating individuals in a pa-
2 ternity establishment case or a case involving the estab-
3 lishment, modification, or enforcement of a support order,
4 the Secretary shall—

5 “(A) compare information in the National Di-
6 rectory of New Hires against information in the sup-
7 port case abstracts in the Federal Case Registry of
8 Child Support Orders not less often than every 2
9 business days; and

10 “(B) within 2 such days after such a compari-
11 son reveals a match with respect to an individual, re-
12 port the information to the State agency responsible
13 for the case.

14 “(3) To the extent and with the frequency that the
15 Secretary determines to be effective in assisting States to
16 carry out their responsibilities under programs operated
17 under this part and programs funded under part A, the
18 Secretary shall—

19 “(A) compare the information in each compo-
20 nent of the Federal Parent Locator Service main-
21 tained under this section against the information in
22 each other such component (other than the compari-
23 son required by paragraph (2)), and report instances
24 in which such a comparison reveals a match with re-

1 spect to an individual to State agencies operating
2 such programs; and

3 “(B) disclose information in such registries to
4 such State agencies.

5 “(4) The National Directory of New Hires shall pro-
6 vide the Commissioner of Social Security with all informa-
7 tion in the National Directory, which shall be used to de-
8 termine the accuracy of payments under the supplemental
9 security income program under title XVI and in connec-
10 tion with benefits under title II.

11 “(5) The Secretary may provide access to information
12 reported by employers pursuant to section 453A(b) for re-
13 search purposes found by the Secretary to be likely to con-
14 tribute to achieving the purposes of part A or this part,
15 but without personal identifiers.

16 “(k)(1) The Secretary shall reimburse the Commis-
17 sioner of Social Security, at a rate negotiated between the
18 Secretary and the Commissioner, for the costs incurred
19 by the Commissioner in performing the verification serv-
20 ices described in subsection (j).

21 “(2) The Secretary shall reimburse costs incurred by
22 State directories of new hires in furnishing information
23 as required by subsection (j)(3), at rates which the Sec-
24 retary determines to be reasonable (which rates shall not

1 include payment for the costs of obtaining, compiling, or
2 maintaining such information).

3 “(3) A State or Federal agency that receives informa-
4 tion from the Secretary pursuant to this section shall re-
5 imburse the Secretary for costs incurred by the Secretary
6 in furnishing the information, at rates which the Secretary
7 determines to be reasonable (which rates shall include pay-
8 ment for the costs of obtaining, verifying, maintaining,
9 and comparing the information).

10 “(1) Information in the Federal Parent Locator Serv-
11 ice, and information resulting from comparisons using
12 such information, shall not be used or disclosed except as
13 expressly provided in this section, subject to section 6103
14 of the Internal Revenue Code of 1986.

15 “(m) The Secretary shall establish and implement
16 safeguards with respect to the entities established under
17 this section designed to—

18 “(1) ensure the accuracy and completeness of
19 information in the Federal Parent Locator Service;
20 and

21 “(2) restrict access to confidential information
22 in the Federal Parent Locator Service to authorized
23 persons, and restrict use of such information to au-
24 thorized purposes.”.

1 (f) QUARTERLY WAGE REPORTING.—Section
2 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

3 (1) by inserting “(including governmental enti-
4 ties)” after “employers”; and

5 (2) by inserting “, and except that no report
6 shall be filed with respect to an employee of a Fed-
7 eral or State agency performing intelligence or coun-
8 terintelligence functions, if the head of such agency
9 has determined that filing such a report could en-
10 danger the safety of the employee or compromise an
11 ongoing investigation or intelligence mission” after
12 “paragraph (2)”.

13 (g) CONFORMING AMENDMENTS.—

14 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
15 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
16 654(8)(B)) is amended to read as follows:

17 “(B) the Federal Parent Locator Service
18 established under section 453;”.

19 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
20 Section 3304(a)(16) of the Internal Revenue Code of
21 1986 is amended—

22 (A) by striking “Secretary of Health, Edu-
23 cation, and Welfare” each place such term ap-
24 pears and inserting “Secretary of Health and
25 Human Services”;

1 (B) in subparagraph (B), by striking
2 "such information" and all that follows and in-
3 serting "information furnished under subpara-
4 graph (A) or (B) is used only for the purposes
5 authorized 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)
11 the following new subparagraph:

12 "(B) wage and unemployment compensa-
13 tion information contained in the records of
14 such agency shall be furnished to the Secretary
15 of Health and Human Services (in accordance
16 with regulations promulgated by such Sec-
17 retary) as necessary for the purposes of the Na-
18 tional Directory of New Hires established under
19 section 453(i) of the Social Security Act, and".

20 (3) TO STATE GRANT PROGRAM UNDER TITLE
21 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
22 (42 U.S.C. 503(a)) is amended—

23 (A) by striking "and" at the end of para-
24 graph (8);

1 (B) by striking "and" at the end of para-
2 graph (9);

3 (C) by striking the period at the end of
4 paragraph (10) and inserting "; and"; and

5 (D) by adding after paragraph (10) the
6 following new paragraph:

7 "(11) The making of quarterly electronic re-
8 ports, at such dates, in such format, and containing
9 such information, as required by the Secretary of
10 Health and Human Services under section 453(i)(3),
11 and compliance with such provisions as such Sec-
12 retary may find necessary to ensure the correctness
13 and verification of such reports."

14 **SEC. 417. COLLECTION AND USE OF SOCIAL SECURITY**
15 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
16 **FORCEMENT.**

17 (a) **STATE LAW REQUIREMENT.**—Section 466(a) (42
18 U.S.C. 666(a)), as amended by section 415 of this Act,
19 is amended by adding at the end the following new para-
20 graph:

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 (b) CONFORMING AMENDMENTS.—Section
11 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
12 section 321(a)(9) of the Social Security Independence and
13 Program Improvements Act of 1994, is amended—

14 (1) in clause (i), by striking “may require” and
15 inserting “shall require”;

16 (2) in clause (ii), by inserting after the 1st sen-
17 tence the following: “In the administration of any
18 law involving the issuance of a marriage certificate
19 or license, each State shall require each party named
20 in the certificate or license to furnish to the State
21 (or political subdivision thereof) or any State agency
22 having administrative responsibility for the law in-
23 volved, the social security number of the party.”;

24 (3) in clause (vi), by striking “may” and insert-
25 ing “shall”; and

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

3 “(x) An agency of a State (or a politi-
4 cal subdivision thereof) charged with the
5 administration of any law concerning the
6 issuance or renewal of a license, certificate,
7 permit, or other authorization to engage in
8 a profession, an occupation, or a commer-
9 cial activity shall require all applicants for
10 issuance or renewal of the license, certifi-
11 cate, permit, or other authorization to pro-
12 vide the applicant’s social security number
13 to the agency for the purpose of admin-
14 istering such laws, and for the purpose of
15 responding to requests for information
16 from an agency operating pursuant to part
17 D of title IV.

18 “(xi) All divorce decrees, support or-
19 ders, and paternity determinations issued,
20 and all paternity acknowledgments made,
21 in each State shall include the social secu-
22 rity number of each party to the decree,
23 order, determination, or acknowledgement
24 in the records relating to the matter.”

1 **Subtitle C—Streamlining and**
2 **Uniformity of Procedures**

3 **SEC. 421. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466 (42 U.S.C. 666) is amended by adding
5 at the end the following new subsection:

6 “(f)(1) In order to satisfy section 454(20)(A) on or
7 after January 1, 1997, each State must have in effect the
8 Uniform Interstate Family Support Act, as approved by
9 the National Conference of Commissioners on Uniform
10 State Laws in August 1992 (with the modifications and
11 additions specified in this subsection), and the procedures
12 required to implement such Act.

13 “(2) The State law enacted pursuant to paragraph
14 (1) may be applied to any case involving an order which
15 is established or modified in a State and which is sought
16 to be modified or enforced in another State.

17 “(3) The State law enacted pursuant to paragraph
18 (1) of this subsection shall contain the following provision
19 in lieu of section 611(a)(1) of the Uniform Interstate
20 Family Support Act:

21 “(1) the following requirements are met:

22 “(j) the child, the individual obligee, and
23 the obligor—

24 “(I) do not reside in the issuing
25 State; and

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

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

9 “(4) The State law enacted pursuant to paragraph
10 (1) shall provide that, in any proceeding subject to the
11 law, process may be served (and proved) upon persons in
12 the State by any means acceptable in any State which is
13 the initiating or responding State in the proceeding.”.

14 **SEC. 422. IMPROVEMENTS TO FULL FAITH AND CREDIT**
15 **FOR CHILD SUPPORT ORDERS.**

16 Section 1738B of title 28, United States Code, is
17 amended—

18 (1) in subsection (a)(2), by striking “subsection
19 (e)” and inserting “subsections (e), (f), and (i)”;

20 (2) in subsection (b), by inserting after the 2nd
21 undesignated paragraph the following:

22 “‘child’s home State’ means the State in which
23 a child lived with a parent or a person acting as par-
24 ent for at least six consecutive months immediately
25 preceding the time of filing of a petition or com-

1 parable pleading for support and, if a child is less
2 than six months old, the State in which the child
3 lived from birth with any of them. A period of tem-
4 porary absence of any of them is counted as part of
5 the six-month period.”;

6 (3) in subsection (c), by inserting “by a court
7 of a State” before “is made”;

8 (4) in subsection (c)(1), by inserting “and sub-
9 sections (e), (f), and (g)” after “located”;

10 (5) in subsection (d)—

11 (A) by inserting “individual” before “con-
12 testant”; and

13 (B) by striking “subsection (e)” and in-
14 serting “subsections (e) and (f)”;

15 (6) in subsection (e), by striking “make a modi-
16 fication of a child support order with respect to a
17 child that is made” and inserting “modify a child
18 support order issued”;

19 (7) in subsection (e)(1), by inserting “pursuant
20 to subsection (i)” before the semicolon;

21 (8) in subsection (e)(2)—

22 (A) by inserting “individual” before “con-
23 testant” each place such term appears; and

24 (B) by striking “to that court’s making the
25 modification and assuming” and inserting “with

1 the State of continuing, exclusive jurisdiction
2 for a court of another State to modify the order
3 and assume”;

4 (9) by redesignating subsections (f) and (g) as
5 subsections (g) and (h), respectively;

6 (10) by inserting after subsection (e) the follow-
7 ing new subsection:

8 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

9 If one or more child support orders have been issued in
10 this or another State with regard to an obligor and a child,
11 a court shall apply the following rules in determining
12 which order to recognize for purposes of continuing, exclu-
13 sive jurisdiction and enforcement:

14 “(1) If only one court has issued a child sup-
15 port order, the order of that court must be recog-
16 nized.

17 “(2) If two or more courts have issued child
18 support orders for the same obligor and child, and
19 only one of the courts would have continuing, exclu-
20 sive jurisdiction under this section, the order of that
21 court must be recognized.

22 “(3) If two or more courts have issued child
23 support orders for the same obligor and child, and
24 only one of the courts would have continuing, exclu-
25 sive jurisdiction under this section, an order issued

1 by a court in the current home State of the child
2 must be recognized, but if an order has not been is-
3 sued in the current home State of the child, the
4 order most recently issued must be recognized.

5 “(4) If two or more courts have issued child
6 support orders for the same obligor and child, and
7 none of the courts would have continuing, exclusive
8 jurisdiction under this section, a court may issue a
9 child support order, which must be recognized.

10 “(5) The court that has issued an order recog-
11 nized under this subsection is the court having con-
12 tinuing, exclusive jurisdiction.”;

13 (11) in subsection (g) (as so redesignated)—

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

16 (B) by striking “subsection (e)” and in-
17 serting “subsections (e) and (f)”;

18 (12) in subsection (h) (as so redesignated)—

19 (A) in paragraph (2), by inserting “includ-
20 ing the duration of current payments and other
21 obligations of support” before the comma; and

22 (B) in paragraph (3), by inserting “arrear
23 under” after “enforce”; and

24 (13) by adding at the end the following new
25 subsection:

1 “(i) **REGISTRATION FOR MODIFICATION.**—If there is
2 no individual contestant or child residing in the issuing
3 State, the party or support enforcement agency seeking
4 to modify, or to modify and enforce, a child support order
5 issued in another State shall register that order in a State
6 with jurisdiction over the nonmovant for the purpose of
7 modification.”.

8 **SEC. 423. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
9 **CASES.**

10 Section 466(a) (42 U.S.C. 666(a)), as amended by
11 sections 415 and 417(a) of this Act, is amended by adding
12 at the end the following new paragraph:

13 “(14) Procedures under which—

14 “(A)(i) the State shall respond within 5
15 business days to a request made by another
16 State to enforce a support order; and

17 “(ii) the term ‘business day’ means a day
18 on which State offices are open for regular
19 business;

20 “(B) the State may, by electronic or other
21 means, transmit to another State a request for
22 assistance in a case involving the enforcement
23 of a support order, which request—

24 “(i) shall include such information as
25 will enable the State to which the request

1 is transmitted to compare the information
2 about the case to the information in the
3 data bases of the State; and

4 “(ii) shall constitute a certification by
5 the requesting State—

6 “(I) of the amount of support
7 under the order the payment of which
8 is in arrears; and

9 “(II) that the requesting State
10 has complied with all procedural due
11 process requirements applicable to the
12 case;

13 “(C) if the State provides assistance to an-
14 other State pursuant to this paragraph with re-
15 spect to a case, neither State shall consider the
16 case to be transferred to the caseload of such
17 other State; and

18 “(D) the State shall maintain records of—

19 “(i) the number of such requests for
20 assistance received by the State;

21 “(ii) the number of cases for which
22 the State collected support in response to
23 such a request; and

24 “(iii) the amount of such collected
25 support.”

1 **SEC. 424. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

2 (a) **PROMULGATION.**—Section 452(a) (42 U.S.C.
3 652(a)) is amended—

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

5 (9);

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

8 (3) by adding at the end the following new
9 paragraph:

10 “(11) not later than June 30, 1996, promulgate
11 forms to be used by States in interstate cases for—

12 “(A) collection of child support through in-
13 come withholding;

14 “(B) imposition of liens; and

15 “(C) administrative subpoenas.”

16 (b) **USE BY STATES.**—Section 454(9) (42 U.S.C.
17 654(9)) is amended—

18 (1) by striking “and” at the end of subpara-
19 graph (C);

20 (2) by inserting “and” at the end of subpara-
21 graph (D); and

22 (3) by adding at the end the following new sub-
23 paragraph:

24 “(E) no later than October 1, 1996, in
25 using the forms promulgated pursuant to sec-
26 tion 452(a)(11) for income withholding, imposi-

1 tion of liens, and issuance of administrative
2 subpoenas in interstate child support cases;”.

3 **SEC. 425. STATE LAWS PROVIDING EXPEDITED PROCE-**
4 **DURES.**

5 (a) **STATE LAW REQUIREMENTS.**—Section 466 (42
6 U.S.C. 666), as amended by section 414 of this Act, is
7 amended—

8 (1) in subsection (a)(2), by striking the 1st sen-
9 tence and inserting the following: “Expedited admin-
10 istrative and judicial procedures (including the pro-
11 cedures specified in subsection (c)) for establishing
12 paternity and for establishing, modifying, and en-
13 forcing support obligations.”; and

14 (2) by inserting after subsection (b) the follow-
15 ing new subsection:

16 “(c) The procedures specified in this subsection are
17 the following:

18 “(1) Procedures which give the State agency
19 the authority to take the following actions relating
20 to establishment or enforcement of support orders,
21 without the necessity of obtaining an order from any
22 other judicial or administrative tribunal (but subject
23 to due process safeguards, including (as appropriate)
24 requirements for notice, opportunity to contest the
25 action, and opportunity for an appeal on the record

1 to an independent administrative or judicial tribu-
2 nal), and to recognize and enforce the authority of
3 State agencies of other States) to take the following
4 actions:

5 “(A) To order genetic testing for the pur-
6 pose of paternity establishment as provided in
7 section 466(a)(5).

8 “(B) To enter a default order, upon a
9 showing of service of process and any additional
10 showing required by State law—

11 “(i) establishing paternity, in the case
12 of a putative father who refuses to submit
13 to genetic testing; and

14 “(ii) establishing or modifying a sup-
15 port obligation, in the case of a parent (or
16 other obligor or obligee) who fails to re-
17 spond to notice to appear at a proceeding
18 for such purpose.

19 “(C) 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 “(D) To require all entities in the State
24 (including for-profit, nonprofit, and govern-
25 mental employers) to provide promptly, in re-

1 sponse to a request by the State agency of that
2 or any other State administering a program
3 under this part, information on the employ-
4 ment, compensation, and benefits of any indi-
5 vidual employed by such entity as an employee
6 or contractor, and to sanction failure to respond
7 to any such request.

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

13 “(i) Records of other State and local
14 government agencies, including—

15 “(I) vital statistics (including
16 records of marriage, birth, and di-
17 vorce);

18 “(II) State and local tax and rev-
19 enue records (including information
20 on residence address, employer, in-
21 come and assets);

22 “(III) records concerning real
23 and titled personal property;

24 “(IV) records of occupational and
25 professional licenses, and records con-

1 cerning the ownership and control of
2 corporations, partnerships, and other
3 business entities;

4 “(V) employment security
5 records;

6 “(VI) records of agencies admin-
7 istering public assistance programs;

8 “(VII) records of the motor vehi-
9 cle department; and

10 “(VIII) corrections records.

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

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

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

1 “(F) In cases where support is subject to
2 an assignment in order to comply with a re-
3 quirement imposed pursuant to part A or sec-
4 tion 1912, or to a requirement to pay through
5 the State disbursement unit established pursu-
6 ant to section 454B, upon providing notice to
7 obligor and obligee, to direct the obligor or
8 other payor to change the payee to the appro-
9 priate government entity.

10 “(G) To order income withholding in ac-
11 cordance with subsections (a)(1) and (b) of sec-
12 tion 466.

13 “(H) In cases in which there is a support
14 arrearage, to secure assets to satisfy the arrear-
15 age by—

16 “(i) intercepting or seizing periodic or
17 lump sum payments from—

18 “(I) a State or local agency (in-
19 cluding unemployment compensation,
20 workers’ compensation, and other ben-
21 efits); and

22 “(II) judgments, settlements, and
23 lotteries;

24 “(ii) attaching and seizing assets of
25 the obligor held in financial institutions;

1 “(iii) attaching public and private re-
2 tirement funds; and

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

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

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

17 “(A) Procedures under which—

18 “(i) each party to any paternity or
19 child support proceeding is required (sub-
20 ject to privacy safeguards) to file with the
21 tribunal and the State case registry upon
22 entry of an order, and to update as appro-
23 priate, information on location and identity
24 of the party (including social security num-
25 ber, residential and mailing addresses, tele-

1 phone number, driver's license number,
2 and name, address, and name and tele-
3 phone number of employer); and

4 "(ii) in any subsequent child support
5 enforcement action between the parties,
6 upon sufficient showing that diligent effort
7 has been made to ascertain the location of
8 such a party, the tribunal may deem State
9 due process requirements for notice and
10 service of process to be met with respect to
11 the party, upon delivery of written notice
12 to the most recent residential or employer
13 address filed with the tribunal pursuant to
14 clause (i).

15 "(B) Procedures under which—

16 "(i) the State agency and any admin-
17 istrative or judicial tribunal with authority
18 to hear child support and paternity cases
19 exerts statewide jurisdiction over the par-
20 ties; and

21 "(ii) in a State in which orders are is-
22 sued by courts or administrative tribunals,
23 a case may be transferred between local ju-
24 risdictions in the State without need for
25 any additional filing by the petitioner, or

1 service of process upon the respondent, to
2 retain jurisdiction over the parties.”.

3 (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—
4 Section 454A, as added by section 445(a)(2) of this Act
5 and as amended by sections 411 and 412(c) of this Act,
6 is amended by adding at the end the following new sub-
7 section:

8 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
9 The automated system required by this section shall be
10 used, to the maximum extent feasible, to implement the
11 expedited administrative procedures required by section
12 466(c).”.

13 Subtitle D—Paternity 14 Establishment

15 SEC. 431. STATE LAWS CONCERNING PATERNITY ESTAB-
16 LISHMENT.

17 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
18 U.S.C. 666(a)(5)) is amended to read as follows:

19 “(5)(A)(i) Procedures which permit the estab-
20 lishment of the paternity of a child at any time be-
21 fore the child attains 21 years of age.

22 “(ii) As of August 16, 1984, clause (i) shall
23 also apply to a child for whom paternity has not
24 been established or for whom a paternity action was
25 brought but dismissed because a statute of limita-

1 tions of less than 21 years was then in effect in the
2 State.

3 “(B)(i) Procedures under which the State is re-
4 quired, in a contested paternity case, unless other-
5 wise barred by State law, to require the child and
6 all other parties (other than individuals found under
7 section 454(28) to have good cause for refusing to
8 cooperate) to submit to genetic tests upon the re-
9 quest of any such party if the request is supported
10 by a sworn statement 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 agen-
19 cy, in any case in which the agency orders genetic
20 testing—

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 pu-
6 tative father can sign an acknowledgment of pater-
7 nity, the mother and the putative father must be
8 given notice, orally and in writing, of the alter-
9 natives to, the legal consequences of, and the rights
10 (including, if 1 parent is a minor, any rights af-
11 forded due to minority status) and responsibilities
12 that arise from, signing 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.

17 “(iii)(I) Such procedures must require the State
18 agency responsible for maintaining birth records to
19 offer voluntary paternity establishment services.

20 “(II)(aa) The Secretary shall prescribe regula-
21 tions governing voluntary paternity establishment
22 services offered by hospitals and birth record agen-
23 cies.

24 “(bb) The Secretary shall prescribe regulations
25 specifying the types of other entities that may offer

1 voluntary paternity establishment services, and gov-
2 erning the provision of such services, which shall in-
3 clude a requirement that such an entity must use
4 the same notice provisions used by, use the same
5 materials used by, provide the personnel providing
6 such services with the same training provided by,
7 and evaluate the provision of such services in the
8 same manner as the provision of such services is
9 evaluated by, voluntary paternity establishment pro-
10 grams of hospitals and birth record agencies.

11 “(iv) Such procedures must require the State to
12 develop and use an affidavit for the voluntary ac-
13 knowledgment of paternity which includes the mini-
14 mum requirements of the affidavit developed by the
15 Secretary under section 452(a)(7) for the voluntary
16 acknowledgment of paternity, and to give full faith
17 and credit to such an affidavit signed in any other
18 State according to its procedures.

19 “(D)(i) Procedures under which the name of
20 the father shall be included on the record of birth
21 of the child only if the father and mother have
22 signed an acknowledgment of paternity and under
23 which a signed acknowledgment of paternity is con-
24 sidered a legal finding of paternity, subject to the

1 right of any signatory to rescind the acknowledg-
2 ment within 60 days.

3 “(ii) Procedures under which, after the 60-day
4 period referred to in clause (i), a signed acknowledg-
5 ment of paternity may be challenged in court only
6 on the basis of fraud, duress, or material mistake of
7 fact, with the burden of proof upon the challenger,
8 and under which the legal responsibilities (including
9 child support obligations) of any signatory arising
10 from the acknowledgment may not be suspended
11 during the challenge, except for good cause shown.

12 “(E) Procedures under which judicial or admin-
13 istrative proceedings are not required or permitted
14 to ratify an unchallenged acknowledgment of pater-
15 nity.

16 “(F) Procedures—

17 “(i) requiring the admission into evidence,
18 for purposes of establishing paternity, of the re-
19 sults of any genetic test that is—

20 “(I) of a type generally acknowledged
21 as reliable by accreditation bodies des-
22 ignated by the Secretary; and

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

1 “(ii) requiring an objection to genetic test-
2 ing results to be made in writing not later than
3 a specified number of days before any hearing
4 at which the results may be introduced into evi-
5 dence (or, at State option, not later than a
6 specified number of days after receipt of the re-
7 sults); and

8 “(iii) making the test results admissible as
9 evidence of paternity without the need for foun-
10 dation testimony or other proof of authenticity
11 or accuracy, unless objection is made.

12 “(G) Procedures which create a rebuttable or,
13 at the option of the State, conclusive presumption of
14 paternity upon genetic testing results indicating a
15 threshold probability that the alleged father is the
16 father of the child.

17 “(H) Procedures requiring a default order to be
18 entered in a paternity case upon a showing of service
19 of process on the defendant and any additional
20 showing required by State law.

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

24 “(J) Procedures which require that a temporary
25 order be issued, upon motion by a party, requiring

1 the provision of child support pending an adminis-
2 trative or judicial determination of parentage, where
3 there is clear and convincing evidence of paternity
4 (on the basis of genetic tests or other evidence).

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

11 “(L) Procedures ensuring that the putative fa-
12 ther has a reasonable opportunity to initiate a pater-
13 nity action.

14 “(M) Procedures under which voluntary ac-
15 knowledgments and adjudications of paternity by ju-
16 dicial or administrative processes are filed with the
17 State registry of birth records for comparison with
18 information in the State case registry.”

19 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
20 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
21 amended by inserting “, and develop an affidavit to be
22 used for the voluntary acknowledgment of paternity which
23 shall include the social security number of each parent”
24 before the semicolon.

1 (c) TECHNICAL AMENDMENT.—Section 468 (42
2 U.S.C. 668) is amended by striking “a simple civil process
3 for voluntarily acknowledging paternity and”.

4 **SEC. 432. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
5 **LISHMENT.**

6 Section 454(23) (42 U.S.C. 654(23)) is amended by
7 inserting “and will publicize the availability and encourage
8 the use of procedures for voluntary establishment of pater-
9 nity and child support by means the State deems appro-
10 priate” before the semicolon.

11 **SEC. 433. COOPERATION BY APPLICANTS FOR AND RECIPI-**
12 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

13 Section 454 (42 U.S.C. 654), as amended by sections
14 404(a), 412(a), and 413(a) of this Act, is amended—

15 (1) by striking “and” at the end of paragraph
16 (26);

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

19 (3) by inserting after paragraph (27) the fol-
20 lowing new paragraph:

21 “(28) provide that the State agency responsible
22 for administering the State plan—

23 “(A) shall make the determination (and re-
24 determination at appropriate intervals) as to
25 whether an individual who has applied for or is

1. receiving assistance under the State program
2 funded under part A is cooperating in good
3 faith with the State in establishing the pater-
4 nity of, or in establishing, modifying, or enforce-
5 ing a support order for, any child of the individ-
6 ual by providing the State agency with the
7 name of, and such other information as the
8 State agency may require with respect to, the
9 father of the child, subject to such good cause
10 and other exceptions as the State may establish
11 and taking into account the best interests of the
12 child;

13 “(B) shall require the individual to supply
14 additional necessary information and appear at
15 interviews, hearings, and legal proceedings;

16 “(C) shall require the individual and the
17 child to submit to genetic tests pursuant to ju-
18 dicial or administrative order; and

19 “(D) shall promptly notify the individual
20 and the State agency administering the State
21 program funded under part A of each such de-
22 termination, and if noncooperation is deter-
23 mined, the basis therefor.”.

1 **Subtitle E—Program**
2 **Administration and Funding**

3 **SEC. 441. FEDERAL MATCHING PAYMENTS.**

4 (a) **INCREASED BASE MATCHING RATE.**—Section
5 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
6 follows:

7 “(2) The percent specified in this paragraph for any
8 quarter is 66 percent.”.

9 (b) **MAINTENANCE OF EFFORT.**—Section 455 (42
10 U.S.C. 655) is amended—

11 (1) in subsection (a)(1), in the matter preced-
12 ing subparagraph (A), by striking “From” and in-
13 serting “Subject to subsection (c), from”; and

14 (2) by inserting after subsection (b) the follow-
15 ing new subsection:

16 “(c) Notwithstanding subsection (a), the total ex-
17 penditures under the State plan approved under this part
18 for fiscal year 1997 and each succeeding fiscal year, re-
19 duced by the percentage specified in paragraph (2) for the
20 fiscal year shall not be less than such total expenditures
21 for fiscal year 1996, reduced by 66 percent.”.

1 **SEC. 442. PERFORMANCE-BASED INCENTIVES AND PEN-**
2 **ALTIES.**

3 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
4 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
5 read as follows:

6 **“SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.**

7 **“(a) INCENTIVE ADJUSTMENTS.—**

8 **“(1) IN GENERAL.—**Beginning with fiscal year
9 1999, the Secretary shall increase the percent speci-
10 fied in section 455(a)(2) that applies to payments to
11 a State under section 455(a)(1)(A) for each quarter
12 in a fiscal year by a factor reflecting the sum of the
13 applicable incentive adjustments (if any) determined
14 in accordance with regulations under this section
15 with respect to the paternity establishment percent-
16 age of the State for the immediately preceding fiscal
17 year and with respect to overall performance of the
18 State in child support enforcement during such pre-
19 ceding fiscal year.

20 **“(2) STANDARDS.—**

21 **“(A) IN GENERAL.—**The Secretary shall
22 specify in regulations—

23 **“(i) the levels of accomplishment, and**
24 **rates of improvement as alternatives to**
25 **such levels, which a State must attain to**

1 qualify for an incentive adjustment under
2 this section; and

3 “(ii) the amounts of incentive adjust-
4 ment that shall be awarded to a State that
5 achieves specified accomplishment or im-
6 provement levels, which amounts shall be
7 graduated, ranging up to—

8 “(I) 12 percentage points, in con-
9 nection with paternity establishment;
10 and

11 “(II) 12 percentage points, in
12 connection with overall performance in
13 child support enforcement.

14 “(B) LIMITATION.—In setting performance
15 standards pursuant to subparagraph (A)(i) and
16 adjustment amounts pursuant to subparagraph
17 (A)(ii), the Secretary shall ensure that the ag-
18 gregate number of percentage point increases as
19 incentive adjustments to all States do not ex-
20 ceed such aggregate increases as assumed by
21 the Secretary in estimates of the cost of this
22 section as of June 1994, unless the aggregate
23 performance of all States exceeds the projected
24 aggregate performance of all States in such cost
25 estimates.

1 “(3) DETERMINATION OF INCENTIVE ADJUST-
2 MENT.—The Secretary shall determine the amount
3 (if any) of the incentive adjustment due each State
4 on the basis of the data submitted by the State pur-
5 suant to section 454(15)(B) concerning the levels of
6 accomplishment (and rates of improvement) with re-
7 spect to performance indicators specified by the Sec-
8 retary pursuant to this section.

9 “(4) RECYCLING OF INCENTIVE ADJUST-
10 MENT.—A State to which funds are paid by the
11 Federal Government as a result of an incentive ad-
12 justment under this section shall expend the funds
13 in the State program under this part within 2 years
14 after the date of the payment.

15 “(b) DEFINITIONS.—As used in this section:

16 “(1) PATERNITY ESTABLISHMENT PERCENT-
17 AGE.—The term ‘paternity establishment percent-
18 age’ means, with respect to a State and a fiscal
19 year—

20 “(A) the total number of children in the
21 State who were born out of wedlock, who have
22 not attained 1 year of age and for whom pater-
23 nity is established or acknowledged during the
24 fiscal year; divided by

1 “(B) the total number of children born out
2 of wedlock in the State during the fiscal year.

3 “(2) OVERALL PERFORMANCE IN CHILD SUP-
4 PORT ENFORCEMENT.—The term ‘overall perform-
5 ance in child support enforcement’ means a measure
6 or measures of the effectiveness of the State agency
7 in a fiscal year which takes into account factors
8 including—

9 “(A) the percentage of cases requiring a
10 support order in which such an order was es-
11 tablished;

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

14 “(C) the ratio of child support collected to
15 child support due; and

16 “(D) the cost-effectiveness of the State
17 program, as determined in accordance with
18 standards established by the Secretary in regu-
19 lations (after consultation with the States).

20 “(3) STATE DEFINED.—The term ‘State’ does
21 not include any area within the jurisdiction of an In-
22 dian tribal government.”.

23 (b) CONFORMING AMENDMENTS.—Section 454(22)
24 (42 U.S.C. 654(22)) is amended—

1 (1) by striking "incentive payments" the 1st
2 place such term appears and inserting "incentive ad-
3 justments"; and

4 (2) by striking "any such incentive payments
5 made to the State for such period" and inserting
6 "any increases in Federal payments to the State re-
7 sulting from such incentive adjustments".

8 (c) CALCULATION OF IV-D PATERNITY ESTABLISH-
9 MENT PERCENTAGE.—

10 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
11 amended—

12 (A) in the matter preceding subparagraph
13 (A) by inserting "its overall performance in
14 child support enforcement is satisfactory (as de-
15 fined in section 458(b) and regulations of the
16 Secretary), and" after "1994,"; and

17 (B) in each of subparagraphs (A) and (B),
18 by striking "75" and inserting "90".

19 (2) Section 452(g)(2)(A) (42 U.S.C.
20 652(g)(2)(A)) is amended in the matter preceding
21 clause (i)—

22 (A) by striking "paternity establishment
23 percentage" and inserting "IV-D paternity es-
24 tablishment percentage"; and

1 (B) by striking “(or all States, as the case
2 may be)”.

3 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
4 amended—

5 (A) by striking subparagraph (A) and re-
6 designating subparagraphs (B) and (C) as sub-
7 paragraphs (A) and (B), respectively;

8 (B) in subparagraph (A) (as so redesign-
9 ated), by striking “the percentage of children
10 born out-of-wedlock in a State” and inserting
11 “the percentage of children in a State who are
12 born out of wedlock or for whom support has
13 not been established”; and

14 (C) in subparagraph (B) (as so redesign-
15 ated)—

16 (i) by inserting “and overall perform-
17 ance in child support enforcement” after
18 “paternity establishment percentages”; and

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

21 (d) EFFECTIVE DATES.—

22 (1) INCENTIVE ADJUSTMENTS.—

23 (A) IN GENERAL.—The amendments made
24 by subsections (a) and (b) shall become effec-

1 tive on October 1, 1997, except to the extent
2 provided in subparagraph (B).

3 (B) EXCEPTION.—Section 458 of the So-
4 cial Security Act, as in effect before the date of
5 the enactment of this section, shall be effective
6 for purposes of incentive payments to States for
7 fiscal years before fiscal year 1999.

8 (2) PENALTY REDUCTIONS.—The amendments
9 made by subsection (c) shall become effective with
10 respect to calendar quarters beginning on and after
11 the date of the enactment of this Act.

12 **SEC. 443. FEDERAL AND STATE REVIEWS AND AUDITS.**

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

15 (1) in paragraph (14), by striking “(14)” and
16 inserting “(14)(A)”;

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

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

21 “(15) provide for—

22 “(A) a process for annual reviews of and
23 reports to the Secretary on the State program
24 operated under the State plan approved under
25 this part, which shall include such information

1 as may be necessary to measure State compli-
2 ance with Federal requirements for expedited
3 procedures, using such standards and proce-
4 dures as are required by the Secretary, under
5 which the State agency will determine the ex-
6 tent to which the program is operated in com-
7 pliance with this part; and

8 “(B) a process of extracting from the auto-
9 mated data processing system required by para-
10 graph (16) and transmitting to the Secretary
11 data and calculations concerning the levels of
12 accomplishment (and rates of improvement)
13 with respect to applicable performance indica-
14 tors (including IV-D paternity establishment
15 percentages and overall performance in child
16 support enforcement) to the extent necessary
17 for purposes of sections 452(g) and 458.”

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

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

1 “(B) review annual reports submitted pursuant
2 to section 454(15)(A) and, as appropriate, provide
3 to the State comments, recommendations for addi-
4 tional or alternative corrective actions, and technical
5 assistance; and

6 “(C) conduct audits, in accordance with the
7 government auditing standards of the Comptroller
8 General of the United States—

9 “(i) at least once every 3 years (or more
10 frequently, 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, reliabil-
14 ity, and security of the data, and the accuracy
15 of the reporting systems, used in calculating
16 performance indicators under subsection (g) of
17 this section 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
9 this section shall be effective with respect to calendar
10 quarters beginning 12 months or more after the date of
11 the enactment of this section.

12 **SEC. 444. 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 404(a), 412(a),
24 413(a), and 433 of this Act, is amended—

1 (1) by striking "and" at the end of paragraph
2 (27);

3 (2) by striking the period at the end of para-
4 graph (28) and inserting "; and"; and

5 (3) by adding after paragraph (28) the follow-
6 ing new paragraph:

7 "(29) provide that the State shall use the defi-
8 nitions established under section 452(a)(5) in col-
9 lecting and reporting information as required under
10 this part."

11 **SEC. 445. AUTOMATED DATA PROCESSING REQUIREMENTS.**

12 (a) REVISED REQUIREMENTS.—

13 (1) Section 454(16) (42 U.S.C. 654(16)) is
14 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
21 system";

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) Part D of title IV (42 U.S.C. 651-669) is
4 amended by inserting after section 454 the following
5 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 administer-
9 ing the State program under this part shall have in oper-
10 ation a single statewide automated data processing and
11 information retrieval system which has the capability to
12 perform the tasks specified in this section with the fre-
13 quency and in the manner required by or under this part.

14 "(b) PROGRAM MANAGEMENT.—The automated sys-
15 tem required by this section shall perform such functions
16 as the Secretary may specify relating to management of
17 the State 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 INDICA-
25 TORS.—In order to enable the Secretary to determine the

1 incentive and penalty adjustments required by sections
2 452(g) and 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
7 the State; and

8 “(B) to calculate the IV-D paternity es-
9 tablishment percentage and overall performance
10 in child support enforcement for the State for
11 each fiscal year; and

12 “(2) have in place systems controls to ensure
13 the completeness, and reliability of, and ready access
14 to, the data described in paragraph (1)(A), and the
15 accuracy 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 integ-
19 rity, accuracy, and completeness of, access to, and use of
20 data in the automated system required by this section,
21 which shall include the following (in addition to such other
22 safeguards 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
7 for particular program purposes, and the per-
8 sonnel 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 para-
12 graph (1).

13 “(3) MONITORING OF ACCESS.—Routine mon-
14 itoring of access to and use of the automated sys-
15 tem, through methods such as audit trails and feed-
16 back mechanisms, to guard against and promptly
17 identify unauthorized access or use.

18 “(4) TRAINING AND INFORMATION.—Proce-
19 dures to ensure that all personnel (including State
20 and local agency staff and contractors) who may
21 have access to or be required to use confidential pro-
22 gram data are informed of applicable requirements
23 and penalties (including those in section 6103 of the
24 Internal Revenue Code of 1986), and are adequately
25 trained in security 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, con-
4 fidential data.”.

5 (3) REGULATIONS.—The Secretary of Health
6 and Human Services shall prescribe final regulations
7 for implementation of section 454A of the Social Se-
8 curity Act not later than 2 years after the date of
9 the enactment of this Act.

10 (4) IMPLEMENTATION TIMETABLE.—Section
11 454(24) (42 U.S.C. 654(24)), as amended by sec-
12 tions 404(a)(2) and 412(a)(1) of this Act, is amend-
13 ed to read as follows:

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
18 requirements of this part which were enacted on
19 or before the date of enactment of the Family
20 Support Act of 1988; and

21 “(B) by October 1, 1999, which meets all
22 requirements of this part enacted on or before
23 the date of the enactment of the Personal Re-
24 sponsibility Act of 1995, except that such dead-
25 line shall be extended by 1 day for each day (if

1 any) by which the Secretary fails to meet the
2 deadline imposed by section 445(a)(3) of the
3 Personal Responsibility Act of 1995.”

4 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
5 VELOPMENT 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 sserting “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
19 each quarter in fiscal years 1996 and 1997, 90 percent
20 of so much of the State expenditures described in para-
21 graph (1)(B) as the Secretary finds are for a system meet-
22 ing the requirements specified in section 454(16), but lim-
23 ited to the amount approved for States in the advance
24 planning documents of such States submitted before May
25 1, 1995.

1 “(B)(i) The Secretary shall pay to each State, for
2 each quarter in fiscal years 1998 through 2001, the per-
3 centage specified in clause (ii) of so much of the State
4 expenditures described in paragraph (1)(B) as the Sec-
5 retary finds are for a system meeting the requirements
6 of sections 454(16) and 454A.

7 “(ii) The percentage specified in this clause is the
8 greater of—

9 “(I) 80 percent; or

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

13 (2) TEMPORARY LIMITATION ON PAYMENTS
14 UNDER SPECIAL FEDERAL MATCHING RATE.—

15 (A) IN GENERAL.—The Secretary of
16 Health and Human Services may not pay more
17 than \$260,000,000 in the aggregate under sec-
18 tion 455(a)(3) of the Social Security Act for fis-
19 cal years 1996, 1997, 1998, 1999, and 2000.

20 (B) ALLOCATION OF LIMITATION AMONG
21 STATES.—The total amount payable to a State
22 under section 455(a)(3) of such Act for fiscal
23 years 1996, 1997, 1998, 1999, and 2000 shall
24 not exceed the limitation determined for the

1 State by the Secretary of Health and Human
2 Services in regulations.

3 (C) ALLOCATION FORMULA.—The regula-
4 tions referred to in subparagraph (B) shall pre-
5 scribe a formula for allocating the amount spec-
6 ified in subparagraph (A) among States with
7 plans approved under part D of title IV of the
8 Social Security Act, which shall take into
9 account—

10 (i) the relative size of State caseloads
11 under such part; and

12 (ii) the level of automation needed to
13 meet the automated data processing re-
14 quirements of such part.

15 (c) CONFORMING AMENDMENT.—Section 123(c) of
16 the Family Support Act of 1988 (102 Stat. 2352; Public
17 Law 100-485) is repealed.

18 **SEC. 446. TECHNICAL ASSISTANCE.**

19 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
20 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-
21 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
22 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
23 ing at the end the following new subsection:

24 “(j) 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 1 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
7 end of such preceding fiscal year), to cover costs incurred
8 by the Secretary for—

9 “(1) information dissemination and technical
10 assistance to States, training of State and Federal
11 staff, staffing studies, and related activities needed
12 to improve programs under this part (including tech-
13 nical assistance concerning State automated systems
14 required by this part); and

15 “(2) research, demonstration, and special
16 projects of regional or national significance relating
17 to the operation of State programs under this
18 part.”.

19 (b) OPERATION OF FEDERAL PARENT LOCATOR
20 SERVICE.—Section 453 (42 U.S.C. 653), as amended by
21 section 416(f) of this Act, is amended by adding at the
22 end the following new subsection:

23 “(n) Out of any money in the Treasury of the United
24 States not otherwise appropriated, there is hereby appro-
25 priated to the Secretary for each fiscal year an amount

1 equal to 2 percent of the total amount paid to the Federal
2 Government pursuant to section 457(a) during the imme-
3 diately preceding fiscal year (as determined on the basis
4 of the most recent reliable data available to the Secretary
5 as of the end of the 3rd calendar quarter following the
6 end of such preceding fiscal year), to cover costs incurred
7 by the Secretary for operation of the Federal Parent Loca-
8 tor Service under this section, to the extent such costs are
9 not recovered through user fees.”.

10 **SEC. 447. REPORTS AND DATA COLLECTION BY THE SEC-**
11 **RETARY.**

12 (a) ANNUAL REPORT TO CONGRESS.—

13 (1) Section 452(a)(10)(A) (42 U.S.C.
14 652(a)(10)(A)) is amended—

15 (A) by striking “this part;” and inserting
16 “this part, including—”; and

17 (B) by adding at the end the following new
18 clauses:

19 “(i) the total amount of child support
20 payments collected as a result of services
21 furnished during the fiscal year to individ-
22 uals receiving services under this part;

23 “(ii) the cost to the States and to the
24 Federal Government of so furnishing the
25 services; and

1 “(iii) the number of cases involving
2 families—

3 “(I) who became ineligible for as-
4 sistance under State programs funded
5 under part A during a month in the
6 fiscal year; and

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

10 (2) Section 452(a)(10)(C) (42 U.S.C.
11 652(a)(10)(C)) is amended—

12 (A) in the matter preceding clause (i)—

13 (i) by striking “with the data required
14 under each clause being separately stated
15 for cases” and inserting “separately stated
16 for (1) cases”;

17 (ii) by striking “cases where the child
18 was formerly receiving” and inserting “or
19 formerly received”;

20 (iii) by inserting “or 1912” after
21 “471(a)(17)”; and

22 (iv) by inserting “(2)” before “all
23 other”;

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

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

7 (D) by striking clause (iv);

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

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

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

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

19 (3) Section 452(a)(10)(G) (42 U.S.C.
20 652(a)(10)(G)) is amended by striking “on the use
21 of Federal courts and”.

22 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))
23 is amended—

24 (A) in subparagraph (H), by striking
25 “and”;

1 (B) in subparagraph (I), by striking the
2 period and inserting “; and”; and

3 (C) by inserting after subparagraph (I) the
4 following new subparagraph:

5 “(J) compliance, by State, with the stand-
6 ards established pursuant to subsections (h)
7 and (i).”.

8 (5) Section 452(a)(10) (42 U.S.C. 652(a)(10))
9 is amended by striking all that follows subparagraph
10 (J), as added by paragraph (4).

11 (b) EFFECTIVE DATE.—The amendments made by
12 subsection (a) shall be effective with respect to fiscal year
13 1996 and succeeding fiscal years.

14 **Subtitle F—Establishment and** 15 **Modification of Support Orders**

16 **SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-** 17 **SION.**

18 (a) ESTABLISHMENT.—There is hereby established a
19 commission to be known as the National Child Support
20 Guidelines Commission (in this section referred to as the
21 “Commission”).

22 (b) GENERAL DUTIES.—

23 (1) IN GENERAL.—The Commission shall
24 determine—

1 (A) whether it is appropriate to develop a
2 national child support guideline for consider-
3 ation by the Congress or for adoption by indi-
4 vidual States; or

5 (B) based on a study of various guideline
6 models, the benefits and deficiencies of such
7 models, and any needed improvements.

8 (2) DEVELOPMENT OF MODELS.—If the Com-
9 mission determines under paragraph (1)(A) that a
10 national child support guideline is needed or under
11 paragraph (1)(B) that improvements to guideline
12 models are needed, the Commission shall develop
13 such national guideline or improvements.

14 (c) MATTERS FOR CONSIDERATION BY THE COMMIS-
15 SION.—In making the recommendations concerning guide-
16 lines required under subsection (b), the Commission shall
17 consider—

18 (1) the adequacy of State child support guide-
19 lines established pursuant to section 467;

20 (2) matters generally applicable to all support
21 orders, including—

22 (A) the feasibility of adopting uniform
23 terms in all child support orders;

24 (B) how to define income and under what
25 circumstances income should be imputed; and

1 (C) tax treatment of child support pay-
2 ments;

3 (3) the appropriate treatment of cases in which
4 either or both parents have financial obligations to
5 more than 1 family, including the effect (if any) to
6 be given to—

7 (A) the income of either parent's spouse;
8 and

9 (B) the financial responsibilities of either
10 parent for other children or stepchildren;

11 (4) the appropriate treatment of expenses for
12 child care (including care of the children of either
13 parent, and work-related or job-training-related child
14 care);

15 (5) the appropriate treatment of expenses for
16 health care (including uninsured health care) and
17 other extraordinary expenses for children with spe-
18 cial needs;

19 (6) the appropriate duration of support by 1 or
20 both parents, including

21 (A) support (including shared support) for
22 post-secondary or vocational education; and

23 (B) support for disabled adult children;

24 (7) procedures to automatically adjust child
25 support orders periodically to address changed eco-

1 nomic circumstances, including changes in the
2 consumer price index or either parent's income and
3 expenses in particular cases;

4 (8) procedures to help non-custodial parents ad-
5 dress grievances regarding visitation and custody or-
6 ders to prevent such parents from withholding child
7 support payments until such grievances are resolved;
8 and

9 (9) whether, or to what extent, support levels
10 should be adjusted in cases in which custody is
11 shared or in which the noncustodial parent has ex-
12 tended visitation rights.

13 (d) MEMBERSHIP.—

14 (1) NUMBER; APPOINTMENT.—

15 (A) IN GENERAL.—The Commission shall
16 be composed of 12 individuals appointed jointly
17 by the Secretary of Health and Human Services
18 and the Congress, not later than January 15,
19 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 Commit-
24 tee;

1 (ii) 2 shall be appointed by the Chair-
2 man of the Committee on Ways and Means
3 of the House of Representatives, and 1
4 shall be appointed by the ranking minority
5 member of the Committee; and

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

8 (B) QUALIFICATIONS OF MEMBERS.—

9 Members of the Commission shall have exper-
10 tise and experience in the evaluation and devel-
11 opment of child support guidelines. At least 1
12 member shall represent advocacy groups for
13 custodial parents, at least 1 member shall rep-
14 resent advocacy groups for noncustodial par-
15 ents, and at least 1 member shall be the direc-
16 tor of a State program under part D of title IV
17 of the Social Security Act.

18 (2) TERMS OF OFFICE.—Each member shall be
19 appointed for a term of 2 years. A vacancy in the
20 Commission shall be filled in the manner in which
21 the original appointment was made.

22 (e) COMMISSION POWERS, COMPENSATION, ACCESS
23 TO INFORMATION, AND SUPERVISION.—The 1st sentence
24 of subparagraph (C), the 1st and 3rd sentences of sub-
25 paragraph (D), subparagraph (F) (except with respect to

1 the conduct of medical studies), clauses (ii) and (iii) of
2 subparagraph (G), and subparagraph (H) of section
3 1886(e)(6) of the Social Security Act shall apply to the
4 Commission in the same manner in which such provisions
5 apply to the Prospective Payment Assessment Commis-
6 sion.

7 (f) REPORT.—Not later than 2 years after the ap-
8 pointment of members, the Commission shall submit to
9 the President, the Committee on Ways and Means of the
10 House of Representatives, and the Committee on Finance
11 of the Senate, a recommended national child support
12 guideline and a final assessment of issues relating to such
13 a proposed national child support guideline.

14 (g) TERMINATION.—The Commission shall terminate
15 6 months after the submission of the report described in
16 subsection (e).

17 **SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
18 **MENT OF CHILD SUPPORT ORDERS.**

19 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
20 ed to read as follows:

21 “(10) Procedures under which the State shall
22 review and adjust each support order being enforced
23 under this part upon the request of either parent or
24 the State if there is an assignment. Such procedures
25 shall provide the following:

1 “(A) The State shall review and, as appro-
2 priate, adjust the support order every 3 years,
3 taking into account the best interests of the
4 child involved.

5 “(B)(i) The State may elect to review and,
6 if appropriate, adjust an order pursuant to sub-
7 paragraph (A) by—

8 “(I) reviewing and, if appropriate, ad-
9 justing the order in accordance with the
10 guidelines established pursuant to section
11 467(a) if the amount of the child support
12 award under the order differs from the
13 amount that would be awarded in accord-
14 ance with the guidelines; or

15 “(II) applying a cost-of-living adjust-
16 ment to the order in accordance with a for-
17 mula developed by the State and permit ei-
18 ther party to contest the adjustment, with-
19 in 30 days after the date of the notice of
20 the adjustment, by making a request for
21 review and, if appropriate, adjustment of
22 the order in accordance with the child sup-
23 port guidelines established pursuant to sec-
24 tion 467(a).

1 “(ii) Any adjustment under clause (i) shall
2 be made without a requirement for proof or
3 showing of a change in circumstances.

4 “(C) The State may use automated meth-
5 ods (including automated comparisons with
6 wage or State income tax data) to identify or-
7 ders eligible for review, conduct the review,
8 identify orders eligible for adjustment, apply
9 the appropriate adjustment to the orders eligi-
10 ble for adjustment under the threshold estab-
11 lished by the State.

12 “(D) The State shall, at the request of ei-
13 ther parent subject to such an order or of any
14 State child support enforcement agency, review
15 and, if appropriate, adjust the order in accord-
16 ance with the guidelines established pursuant to
17 section 467(a) based upon a substantial change
18 in the circumstances of either parent.

19 “(E) The State shall provide notice to the
20 parents subject to such an order informing
21 them of their right to request the State to re-
22 view and, if appropriate, adjust the order pur-
23 suant to subparagraph (D). The notice may be
24 included in the order.”

1 **SEC. 453. FURNISHING CONSUMER REPORTS FOR CERTAIN**
2 **PURPOSES RELATING TO CHILD SUPPORT.**

3 Section 604 of the Fair Credit Reporting Act (15
4 U.S.C. 1681b) is amended by adding at the end the follow-
5 ing new paragraphs:

6 “(4) In response to a request by the head of a
7 State or local child support enforcement agency (or
8 a State or local government official authorized by
9 the head of such an agency), if the person making
10 the request certifies to the consumer reporting agen-
11 cy that—

12 “(A) the consumer report is needed for the
13 purpose of establishing an individual’s capacity
14 to make child support payments or determining
15 the appropriate level of such payments;

16 “(B) the paternity of the consumer for the
17 child to which the obligation relates has been
18 established or acknowledged by the consumer in
19 accordance with State laws under which the ob-
20 ligation arises (if required by those laws);

21 “(C) the person has provided at least 10
22 days prior notice to the consumer whose report
23 is requested, by certified or registered mail to
24 the last known address of the consumer, that
25 the report will be requested, and

1 “(D) the consumer report will be kept con-
2 fidential, will be used solely for a purpose de-
3 scribed in subparagraph (A), and will not be
4 used in connection with any other civil, admin-
5 istrative, or criminal proceeding, or for any
6 other purpose.

7 “(5) To an agency administering a State plan
8 under section 454 of the Social Security Act (42
9 U.S.C. 654) for use to set an initial or modified
10 child support award.”.

11 **SEC. 454. NONLIABILITY FOR DEPOSITORY INSTITUTIONS**

12 **PROVIDING FINANCIAL RECORDS TO STATE**

13 **CHILD SUPPORT ENFORCEMENT AGENCIES**

14 **IN CHILD SUPPORT CASES.**

15 (a) **IN GENERAL.**—Notwithstanding any other provi-
16 sion of Federal or State law, a depository institution shall
17 not be liable under any Federal or State law to any person
18 for disclosing any financial record of an individual to a
19 State child support enforcement agency attempting to es-
20 tablish, modify, or enforce a child support obligation of
21 such individual.

22 (b) **PROHIBITION OF DISCLOSURE OF FINANCIAL**
23 **RECORD OBTAINED BY STATE CHILD SUPPORT EN-**
24 **FORCEMENT AGENCY.**—A State child support enforcement
25 agency which obtains a financial record of an individual

1 from a financial institution pursuant to subsection (a)
2 may disclose such financial record only for the purpose
3 of, and to the extent necessary in, establishing, modifying,
4 or enforcing a child support obligation of such individual.

5 (c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-
6 SURE.—

7 (1) DISCLOSURE BY STATE OFFICER OR EM-
8 PLOYEE.—If any person knowingly, or by reason of
9 negligence, discloses a financial record of an individ-
10 ual in violation of subsection (b), such individual
11 may bring a civil action for damages against such
12 person in a district court of the United States.

13 (2) NO LIABILITY FOR GOOD FAITH BUT ERRO-
14 NEOUS INTERPRETATION.—No liability shall arise
15 under this subsection with respect to any disclosure
16 which results from a good faith, but erroneous, in-
17 terpretation of subsection (b).

18 (3) DAMAGES.—In any action brought under
19 paragraph (1), upon a finding of liability on the part
20 of the defendant, the defendant shall be liable to the
21 plaintiff in an amount equal to the sum of—

22 (A) the greater of—

23 (i) \$1,000 for each act of unauthor-
24 ized disclosure of a financial record with

1 respect to which such defendant is found
2 liable; or

3 (ii) the sum of—

4 (I) the actual damages sustained
5 by the plaintiff as a result of such un-
6 authorized disclosure; plus

7 (II) in the case of a willful disclo-
8 sure or a disclosure which is the re-
9 sult of gross negligence, punitive dam-
10 ages; plus

11 (B) the costs (including attorney's fees) of
12 the action.

13 (d) DEFINITIONS.—For purposes of this section:

14 (1) The term “depository institution” means—

15 (A) a depository institution, as defined in
16 section 3(c) of the Federal Deposit Insurance
17 Act (12 U.S.C. 1813(c));

18 (B) an institution-affiliated party, as de-
19 fined in section 3(u) of such Act (12 U.S.C.
20 1813(v)); and

21 (C) any Federal credit union or State cred-
22 it union, as defined in section 101 of the Fed-
23 eral Credit Union Act (12 U.S.C. 1752), includ-
24 ing an institution-affiliated party of such a

1 credit union, as defined in section 206(r) of
2 such Act (12 U.S.C. 1786(r)).

3 (2) The term "financial record" has the mean-
4 ing given such term in section 1101 of the Right to
5 Financial Privacy Act of 1978 (12 U.S.C. 3401).

6 (3) The term "State child support enforcement
7 agency" means a State agency which administers a
8 State program for establishing and enforcing child
9 support obligations.

10 **Subtitle G—Enforcement of** 11 **Support Orders**

12 **SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.**

13 (a) CHANGED ORDER OF REFUND DISTRIBUTION
14 UNDER INTERNAL REVENUE CODE.—

15 (1) IN GENERAL.—Subsection (c) of section
16 6402 of the Internal Revenue Code of 1986 (relating
17 to authority to make credits or refunds) is amended
18 by striking the 3rd and 4th sentences and inserting
19 the following new sentences: "A reduction under this
20 subsection shall be applied 1st to satisfy past-due
21 support, before any other reductions allowed by law
22 (including a credit against future liability for an in-
23 ternal revenue tax) have been made. A reduction
24 under this subsection shall be assigned to the State
25 with respect to owed to individuals for periods such

1 individuals were receiving assistance under part A or
2 B of title IV of the Social Security Act only after
3 satisfying all other past-due support.”.

4 (2) CONFORMING AMENDMENT.—Paragraph (2)
5 of section 6402(d) of such Code is amended by strik-
6 ing “with respect to past-due support collected pur-
7 suant to an assignment under section 402(a)(26) of
8 the Social Security Act”.

9 (b) ELIMINATION OF DISPARITIES IN TREATMENT
10 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

11 (1) Section 464(a) (42 U.S.C. 664(a)) is
12 amended—

13 (A) by striking “(a)” and inserting “(a)
14 OFFSET AUTHORIZED.—”;

15 (B) in paragraph (1)—

16 (i) in the 1st sentence, by striking
17 “which has been assigned to such State
18 pursuant to section 402(a)(26) or section
19 471(a)(17)”; and

20 (ii) in the 2nd sentence, by striking
21 “in accordance with section 457(b)(4) or
22 (d)(3)” and inserting “as provided in para-
23 graph (2)”;

24 (C) by striking paragraph (2) and insert-
25 ing the following new paragraph:

1 “(2) The State agency shall distribute amounts paid
2 by the Secretary of the Treasury pursuant to paragraph
3 (1)—

4 “(A) in accordance with section 457(a), in the
5 case of past-due support assigned to a State pursu-
6 ant to requirements imposed pursuant to section
7 405(a)(8); and

8 “(B) to or on behalf of the child to whom the
9 support was owed, in the case of past-due support
10 not so assigned.”; and

11 (D) in paragraph (3)—

12 (i) by striking “or (2)” each place
13 such term appears; and

14 (ii) in subparagraph (B), by striking
15 “under paragraph (2)” and inserting “on
16 account of past-due support described in
17 paragraph (2)(B)”.

18 (2) Section 464(b) (42 U.S.C. 664(b)) is
19 amended—

20 (A) by striking “(b)(1)” and inserting the
21 following:

22 “(b) REGULATIONS.—”; and

23 (B) by striking paragraph (2).

24 (3) Section 464(c) (42 U.S.C. 664(c)) is
25 amended—

1 (A) by striking “(e)(1) Except as provided
2 in paragraph (2), as” and inserting the follow-
3 ing:

4 “(c) DEFINITION.—As”; and

5 (B) by striking paragraphs (2) and (3).

6 **SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF**
7 **ARREARAGES.**

8 (a) AMENDMENT TO INTERNAL REVENUE CODE.—
9 Section 6305(a) of the Internal Revenue Code of 1986 (re-
10 lating to collection of certain liability) is amended—

11 (1) in paragraph (1), by inserting “except as
12 provided in paragraph (5)” after “collected”;

13 (2) by striking “and” at the end of paragraph
14 (3);

15 (3) by striking the period at the end of para-
16 graph (4) and inserting “, and”;

17 (4) by adding at the end the following new
18 paragraph:

19 “(5) no additional fee may be assessed for ad-
20 justments to an amount previously certified pursu-
21 ant to such section 452(b) with respect to the same
22 obligor.”; and

23 (5) by striking “Secretary of Health, Edu-
24 cation, and Welfare” each place it appears and in-
25 serting “Secretary of Health and Human Services”.

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

3 **SEC. 463. AUTHORITY TO COLLECT SUPPORT FROM FED-**
4 **ERAL EMPLOYEES.**

5 (a) CONSOLIDATION AND STREAMLINING OF AU-
6 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
7 read as follows:

8 **"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
9 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
10 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
11 **SUPPORT AND ALIMONY OBLIGATIONS.**

12 "(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
13 withstanding any other provision of law (including section
14 207 of this Act and section 5301 of title 38, United States
15 Code), effective January 1, 1975, moneys (the entitlement
16 to which is based upon remuneration for employment) due
17 from, or payable by, the United States or the District of
18 Columbia (including any agency, subdivision, or instru-
19 mentality thereof) to any individual, including members
20 of the Armed Forces of the United States, shall be subject,
21 in like manner and to the same extent as if the United
22 States or the District of Columbia were a private person,
23 to withholding in accordance with State law enacted pur-
24 suant to subsections (a)(1) and (b) of section 466 and reg-
25 ulations of the Secretary under such subsections, and to

1 any other legal process brought, by a State agency admin-
2 istering a program under a State plan approved under this
3 part or by an individual obligee, to enforce the legal obliga-
4 tion of the individual to provide child support or alimony.

5 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
6 PRIVATE PERSON.—With respect to notice to withhold in-
7 come pursuant to subsection (a)(1) or (b) of section 466,
8 or any other order or process to enforce support obliga-
9 tions against an individual (if the order or process con-
10 tains or is accompanied by sufficient data to permit
11 prompt identification of the individual and the moneys in-
12 volved), each governmental entity specified in subsection
13 (a) shall be subject to the same requirements as would
14 apply if the entity were a private person, except as other-
15 wise provided in this section.

16 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
17 OR PROCESS—

18 “(1) DESIGNATION OF AGENT.—The head of
19 each agency subject to this section shall—

20 “(A) designate an agent or agents to re-
21 ceive orders and accept service of process in
22 matters relating to child support or alimony;
23 and

24 “(B) annually publish in the Federal Reg-
25 ister the designation of the agent or agents,

1 identified by title or position, mailing address,
2 and telephone number.

3 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
4 agent designated pursuant to paragraph (1) of this
5 subsection receives notice pursuant to State proce-
6 dures in effect pursuant to subsection (a)(1) or (b)
7 of section 466, or is effectively served with any
8 order, process, or interrogatory, with respect to an
9 individual’s child support or alimony payment obli-
10 gations, the agent shall—

11 “(A) as soon as possible (but not later
12 than 15 days) thereafter, send written notice of
13 the notice or service (together with a copy of
14 the notice or service) to the individual at the
15 duty station or last-known home address of the
16 individual;

17 “(B) within 30 days (or such longer period
18 as may be prescribed by applicable State law)
19 after receipt of a notice pursuant to such State
20 procedures, comply with all applicable provi-
21 sions of section 466; and

22 “(C) within 30 days (or such longer period
23 as may be prescribed by applicable State law)
24 after effective service of any other such order,

1 process, or interrogatory, respond to the order,
2 process, or interrogatory.

3 “(d) PRIORITY OF CLAIMS.—If a governmental entity
4 specified in subsection (a) receives notice or is served with
5 process, as provided in this section, concerning amounts
6 owed by an individual to more than 1 person—

7 “(1) support collection under section 466(b)
8 must be given priority over any other process, as
9 provided in section 466(b)(7);

10 “(2) allocation of moneys due or payable to an
11 individual among claimants under section 466(b)
12 shall be governed by section 466(b) and the regula-
13 tions prescribed under such section; and

14 “(3) such moneys as remain after compliance
15 with paragraphs (1) and (2) shall be available to
16 satisfy any other such processes on a 1st-come, 1st-
17 served basis, with any such process being satisfied
18 out of such moneys as remain after the satisfaction
19 of all such processes which have been previously
20 served.

21 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
22 governmental entity that is affected by legal process
23 served for the enforcement of an individual’s child support
24 or alimony payment obligations shall not be required to

1 vary its normal pay and disbursement cycle in order to
2 comply with the legal process.

3 “(f) RELIEF FROM LIABILITY.—

4 “(1) Neither the United States, nor the govern-
5 ment of the District of Columbia, nor any disbursing
6 officer shall be liable with respect to any payment
7 made from moneys due or payable from the United
8 States to any individual pursuant to legal process
9 regular on its face, if the payment is made in ac-
10 cordance with this section and the regulations issued
11 to carry out this section.

12 “(2) No Federal employee whose duties include
13 taking actions necessary to comply with the require-
14 ments of subsection (a) with regard to any individ-
15 ual shall be subject under any law to any discipli-
16 nary action or civil or criminal liability or penalty
17 for, or on account of, any disclosure of information
18 made by the employee in connection with the carry-
19 ing out of such actions.

20 “(g) REGULATIONS.—Authority to promulgate regu-
21 lations for the implementation of this section shall, insofar
22 as this section applies to moneys due from (or payable
23 by)—

24 “(1) the United States (other than the legisla-
25 tive or judicial branches of the Federal Government)

1 or the government of the District of Columbia, be
2 vested in the President (or the designee of the Presi-
3 dent);

4 “(2) the legislative branch of the Federal Gov-
5 ernment, be vested jointly in the President pro tem-
6 pore of the Senate and the Speaker of the House of
7 Representatives (or their designees), and

8 “(3) the judicial branch of the Federal Govern-
9 ment, be vested in the Chief Justice of the United
10 States (or the designee of the Chief Justice).

11 “(h) MONEYS SUBJECT TO PROCESS.—

12 “(1) IN GENERAL.—Subject to paragraph (2),
13 moneys paid or payable to an individual which are
14 considered to be based upon remuneration for em-
15 ployment, for purposes of this section—

16 “(A) consist of—

17 “(i) compensation paid or payable for
18 personal services of the individual, whether
19 the compensation is denominated as wages,
20 salary, commission, bonus, pay, allowances,
21 or otherwise (including severance pay, sick
22 pay, and incentive pay);

23 “(ii) periodic benefits (including a
24 periodic benefit as defined in section
25 228(h)(3)) or other payments—

1 “(I) under the insurance system
2 established by title II;

3 “(II) under any other system or
4 fund established by the United States
5 which provides for the payment of
6 pensions, retirement or retired pay,
7 annuities, dependents’ or survivors’
8 benefits, or similar amounts payable
9 on account of personal services per-
10 formed by the individual or any other
11 individual;

12 “(III) as compensation for death
13 under any Federal program;

14 “(IV) under any Federal pro-
15 gram established to provide ‘black
16 lung’ benefits; or

17 “(V) by the Secretary of Veter-
18 ans Affairs as pension, or as com-
19 pensation for a service-connected dis-
20 ability or death (except any compensa-
21 tion paid by the Secretary to a mem-
22 ber of the Armed Forces who is in re-
23 ceipt of retired or retainer pay if the
24 member has waived a portion of the

1 retired pay of the member in order to
2 receive the compensation); and

3 “(iii) worker’s compensation benefits
4 paid under Federal or State law but

5 “(B) do not include any payment—

6 “(i) by way of reimbursement or oth-
7 erwise, to defray expenses incurred by the
8 individual in carrying out duties associated
9 with the employment of the individual; or

10 “(ii) as allowances for members of the
11 uniformed services payable pursuant to
12 chapter 7 of title 37, United States Code,
13 as prescribed by the Secretaries concerned
14 (defined by section 101(5) of such title) as
15 necessary for the efficient performance of
16 duty.

17 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
18 mining the amount of any moneys due from, or pay-
19 able by, the United States to any individual, there
20 shall be excluded amounts which—

21 “(A) are owed by the individual to the
22 United States;

23 “(B) are required by law to be, and are,
24 deducted from the remuneration or other pay-
25 ment involved, including Federal employment

1 taxes, and fines and forfeitures ordered by
2 court-martial;

3 “(C) are properly withheld for Federal,
4 State, or local income tax purposes, if the with-
5 holding of the amounts is authorized or re-
6 quired by law and if amounts withheld are not
7 greater than would be the case if the individual
8 claimed all dependents to which he was entitled
9 (the withholding of additional amounts pursu-
10 ant to section 3402(i) of the Internal Revenue
11 Code of 1986 may be permitted only when the
12 individual presents evidence of a tax obligation
13 which supports the additional withholding);

14 “(D) are deducted as health insurance pre-
15 miums;

16 “(E) are deducted as normal retirement
17 contributions (not including amounts deducted
18 for supplementary coverage); or

19 “(F) are deducted as normal life insurance
20 premiums from salary or other remuneration
21 for employment (not including amounts de-
22 ducted for supplementary coverage).

23 “(i) DEFINITIONS.—As used in this section:

24 “(1) UNITED STATES.—The term ‘United
25 States’ includes any department, agency, or instru-

1 mentality of the legislative, judicial, or executive
2 branch of the Federal Government, the United
3 States Postal Service, the Postal Rate Commission,
4 any Federal corporation created by an Act of Con-
5 gress that is wholly owned by the Federal Govern-
6 ment, and the governments of the territories and
7 possessions of the United States.

8 “(2) CHILD SUPPORT.—The term ‘child sup-
9 port’, when used in reference to the legal obligations
10 of an individual to provide such support, means peri-
11 odic payments of funds for the support and mainte-
12 nance of a child or children with respect to which
13 the individual has such an obligation, and (subject
14 to and in accordance with State law) includes pay-
15 ments to provide for health care, education, recre-
16 ation, clothing, or to meet other specific needs of
17 such a child or children, and includes attorney’s
18 fees, interest, and court costs, when and to the ex-
19 tent that the same are expressly made recoverable as
20 such pursuant to a decree, order, or judgment issued
21 in accordance with applicable State law by a court
22 of competent jurisdiction.

23 “(3) ALIMONY.—The term ‘alimony’, when used
24 in reference to the legal obligations of an individual
25 to provide the same, means periodic payments of

1 funds for the support and maintenance of the spouse
2 (or former spouse) of the individual, and (subject to
3 and in accordance with State law) includes separate
4 maintenance, alimony pendente lite, maintenance,
5 and spousal support, and includes attorney's fees,
6 interest, and court costs when and to the extent that
7 the same are expressly made recoverable as such
8 pursuant to a decree, order, or judgment issued in
9 accordance with applicable State law by a court of
10 competent jurisdiction. Such term does not include
11 any payment or transfer of property or its value by
12 an individual to the spouse or a former spouse of the
13 individual in compliance with any community prop-
14 erty settlement, equitable distribution of property, or
15 other division of property between spouses or former
16 spouses.

17 “(4) PRIVATE PERSON.—The term ‘private per-
18 son’ means a person who does not have sovereign or
19 other special immunity or privilege which causes the
20 person not to be subject to legal process.

21 “(5) LEGAL PROCESS.—The term ‘legal proc-
22 ess’ means any writ, order, summons, or other simi-
23 lar process in the nature of garnishment—

24 “(A) which is issued by—

1 “(i) a court of competent jurisdiction
2 in any State, territory, or possession of the
3 United States;

4 “(ii) a court of competent jurisdiction
5 in any foreign country with which the
6 United States has entered into an agree-
7 ment which requires the United States to
8 honor the process; or

9 “(iii) an authorized official pursuant
10 to an order of such a court of competent
11 jurisdiction or pursuant to State or local
12 law; and

13 “(B) which is directed to, and the purpose
14 of which is to compel, a governmental entity
15 which holds moneys which are otherwise pay-
16 able to an individual to make a payment from
17 the moneys to another party in order to satisfy
18 a legal obligation of the individual to provide
19 child support or make alimony payments.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) TO PART D OF TITLE IV.—Sections 461 and
22 462 (42 U.S.C. 661 and 662) are repealed.

23 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
24 tion 5520a of title 5, United States Code, is amend-
25 ed, in subsections (h)(2) and (i), by striking “sec-

1 tions 459, 461, and 462 of the Social Security Act
 2 (42 U.S.C. 659, 661, and 662)" and inserting "sec-
 3 tion 459 of the Social Security Act (42 U.S.C.
 4 659)".

5 (c) MILITARY RETIRED AND RETAINER PAY.—

6 (1) DEFINITION OF COURT.—Section
 7 1408(a)(1) of title 10, United States Code, is
 8 amended—

9 (A) by striking "and" at the end of sub-
 10 paragraph (B);

11 (B) by striking the period at the end of
 12 subparagraph (C) and inserting "; and"; and

13 (C) by adding after subparagraph (C) the
 14 following new subparagraph:

15 "(D) any administrative or judicial tribu-
 16 nal of a State competent to enter orders for
 17 support or maintenance (including a State
 18 agency administering a program under a State
 19 plan approved under part D of title IV of the
 20 Social Security Act), and, for purposes of this
 21 subparagraph, the term 'State' includes the
 22 District of Columbia, the Commonwealth of
 23 Puerto Rico, the Virgin Islands, Guam, and
 24 American Samoa."

1 (2) DEFINITION OF COURT ORDER.—Section
2 1408(a)(2) of such title is amended by inserting “or
3 a court order for the payment of child support not
4 included in or accompanied by such a decree or set-
5 tlement,” before “which—”.

6 (3) PUBLIC PAYEE.—Section 1408(d) of such
7 title is amended—

8 (A) in the heading, by inserting “(OR FOR
9 BENEFIT OF)” before “SPOUSE OR”; and

10 (B) in paragraph (1), in the 1st sentence,
11 by inserting “(or for the benefit of such spouse
12 or former spouse to a State disbursement unit
13 established pursuant to section 454B of the So-
14 cial Security Act or other public payee des-
15 ignated by a State, in accordance with part D
16 of title IV of the Social Security Act, as di-
17 rected by court order, or as otherwise directed
18 in accordance with such part D)” before “in an
19 amount sufficient”.

20 (4) RELATIONSHIP TO PART D OF TITLE IV.—
21 Section 1408 of such title is amended by adding at
22 the end the following new subsection:

23 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
24 involving an order providing for payment of child support
25 (as defined in section 459(i)(2) of the Social Security Act)

1 by a member who has never been married to the other
2 parent of the child, the provisions of this section shall not
3 apply, and the case shall be subject to the provisions of
4 section 459 of such Act.”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall become effective 6 months after the date
7 of the enactment of this Act.

8 **SEC. 464. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
9 **TIONS OF MEMBERS OF THE ARMED FORCES.**

10 (a) AVAILABILITY OF LOCATOR INFORMATION.—

11 (1) MAINTENANCE OF ADDRESS INFORMA-
12 TION.—The Secretary of Defense shall establish a
13 centralized personnel locator service that includes
14 the address of each member of the Armed Forces
15 under the jurisdiction of the Secretary. Upon re-
16 quest of the Secretary of Transportation, addresses
17 for members of the Coast Guard shall be included in
18 the centralized personnel locator service.

19 (2) TYPE OF ADDRESS.—

20 (A) RESIDENTIAL ADDRESS.—Except as
21 provided in subparagraph (B), the address for
22 a member of the Armed Forces shown in the lo-
23 cator service shall be the residential address of
24 that member.

1 (B) DUTY ADDRESS.—The address for a
2 member of the Armed Forces shown in the loca-
3 tor service shall be the duty address of that
4 member in the case of a member—

5 (i) who is permanently assigned over-
6 seas, to a vessel, or to a routinely
7 deployable unit; or

8 (ii) with respect to whom the Sec-
9 retary concerned makes a determination
10 that the member's residential address
11 should not be disclosed due to national se-
12 curity or safety concerns.

13 (3) UPDATING OF LOCATOR INFORMATION.—
14 Within 30 days after a member listed in the locator
15 service establishes a new residential address (or a
16 new duty address, in the case of a member covered
17 by paragraph (2)(B)), the Secretary concerned shall
18 update the locator service to indicate the new ad-
19 dress of the member.

20 (4) AVAILABILITY OF INFORMATION.—The Sec-
21 retary of Defense shall make information regarding
22 the address of a member of the Armed Forces listed
23 in the locator service available, on request, to the
24 Federal Parent Locator Service established under
25 section 453 of the Social Security Act.

1 (b) FACILITATING GRANTING OF LEAVE FOR AT-
2 TENDANCE AT HEARINGS.—

3 (1) REGULATIONS.—The Secretary of each
4 military department, and the Secretary of Transpor-
5 tation with respect to the Coast Guard when it is
6 not operating as a service in the Navy, shall pre-
7 scribe regulations to facilitate the granting of leave
8 to a member of the Armed Forces under the juris-
9 diction of that Secretary in a case in which—

10 (A) the leave is needed for the member to
11 attend a hearing described in paragraph (2);

12 (B) the member is not serving in or with
13 a unit deployed in a contingency operation (as
14 defined in section 101 of title 10, United States
15 Code); and

16 (C) the exigencies of military service (as
17 determined by the Secretary concerned) do not
18 otherwise require that such leave not be grant-
19 ed.

20 (2) COVERED HEARINGS.—Paragraph (1) ap-
21 plies to a hearing that is conducted by a court or
22 pursuant to an administrative process established
23 under State law, in connection with a civil action—

24 (A) to determine whether a member of the
25 Armed Forces is a natural parent of a child; or

1 (B) to determine an obligation of a mem-
2 ber of the Armed Forces to provide child sup-
3 port.

4 (3) DEFINITIONS.—For purposes of this sub-
5 section:

6 (A) The term “court” has the meaning
7 given that term in section 1408(a) of title 10,
8 United States Code.

9 (B) The term “child support” has the
10 meaning given such term in section 459(i) of
11 the Social Security Act (42 U.S.C. 659(i)).

12 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
13 PLIANCE WITH CHILD SUPPORT ORDERS.—

14 (1) DATE OF CERTIFICATION OF COURT
15 ORDER.—Section 1408 of title 10, United States
16 Code, as amended by section 463(c)(4) of this Act,
17 is amended—

18 (A) by redesignating subsections (i) and (j)
19 as subsections (j) and (k), respectively; and

20 (B) by inserting after subsection (h) the
21 following new subsection:

22 “(i) CERTIFICATION DATE.—It is not necessary that
23 the date of a certification of the authenticity or complete-
24 ness of a copy of a court order for child support received
25 by the Secretary concerned for the purposes of this section

1 be recent in relation to the date of receipt by the Sec-
2 retary.”.

3 (2) PAYMENTS CONSISTENT WITH ASSIGN-
4 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
5 of such title is amended by inserting after the 1st
6 sentence the following: “In the case of a spouse or
7 former spouse who assigns to a State the rights of
8 the spouse or former spouse to receive support, the
9 Secretary concerned may make the child support
10 payments referred to in the preceding sentence to
11 that State in amounts consistent with that assign-
12 ment of rights.”.

13 (3) ARREARAGES OWED BY MEMBERS OF THE
14 UNIFORMED SERVICES.—Section 1408(d) of such
15 title is amended by adding at the end the following
16 new paragraph:

17 “(6) In the case of a court order for which effective
18 service is made on the Secretary concerned on or after
19 the date of the enactment of this paragraph and which
20 provides for payments from the disposable retired pay of
21 a member to satisfy the amount of child support set forth
22 in the order, the authority provided in paragraph (1) to
23 make payments from the disposable retired pay of a mem-
24 ber to satisfy the amount of child support set forth in a
25 court order shall apply to payment of any amount of child

1 support arrearages set forth in that order as well as to
2 amounts of child support that currently become due.”.

3 (4) PAYROLL DEDUCTIONS.—The Secretary of
4 Defense shall begin payroll deductions within 30
5 days after receiving notice of withholding, or for the
6 1st pay period that begins after such 30-day period.

7 **SEC. 465. VOIDING OF FRAUDULENT TRANSFERS.**

8 Section 466 (42 U.S.C. 666), as amended by section
9 421 of this Act, is amended by adding at the end the fol-
10 lowing new subsection:

11 “(g) In order to satisfy section 454(20)(A), each
12 State must have in effect—

13 “(1)(A) the Uniform Fraudulent Conveyance
14 Act of 1981;

15 “(B) the Uniform Fraudulent Transfer Act of
16 1984; or

17 “(C) another law, specifying indicia of fraud
18 which create a prima facie case that a debtor trans-
19 ferred income or property to avoid payment to a
20 child support creditor, which the Secretary finds af-
21 fords comparable rights to child support creditors;
22 and

23 “(2) procedures under which, in any case in
24 which the State knows of a transfer by a child sup-

1 port debtor with respect to which such a prima facie
2 case is established, the State must—

3 “(A) seek to void such transfer; or

4 “(B) obtain a settlement in the best inter-
5 ests of the child support creditor.”.

6 **SEC. 466. WORK REQUIREMENT FOR PERSONS OWING**
7 **CHILD SUPPORT.**

8 Section 466(a) of the Social Security Act (42 U.S.C.
9 666(a)), as amended by sections 401(a), 415, 417(a), and
10 423 of this Act, is amended by adding at the end the fol-
11 lowing new paragraph:

12 “(16) Procedures requiring the State, in any
13 case in which an individual owes support with re-
14 spect to a child receiving services under this part, to
15 seek a court order or administrative order that re-
16 quires the individual to—

17 “(A) pay such support in accordance with
18 a plan approved by the court; or

19 “(B) if the individual is not working and
20 is not incapacitated, participate in work activi-
21 ties (including, at State option, work activities
22 as defined in section 404(b)(1)) as the court
23 deems appropriate.”.

1 SEC. 467. DEFINITION OF SUPPORT ORDER.

2 Section 453 (42 U.S.C. 653) as amended by sections
3 416 and 446(b) of this Act, is amended by adding at the
4 end the following new subsection:

5 "(o) As used in this part, the term 'support order'
6 means a judgment, decree, or order, whether temporary,
7 final, or subject to modification, issued by a court or an
8 administrative agency of competent jurisdiction, for the
9 support and maintenance of a child, including a child who
10 has attained the age of majority under the law of the issu-
11 ing State, or a child and the parent with whom the child
12 is living, which provides for monetary support, health care,
13 arrearages, or reimbursement, and which may include re-
14 lated costs and fees, interest and penalties, income with-
15 holding, attorneys' fees, and other relief."

16 SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.

17 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
18 to read as follows:

19 "(7)(A) Procedures (subject to safeguards pur-
20 suant to subparagraph (B)) requiring the State to
21 report periodically to consumer reporting agencies
22 (as defined in section 603(f) of the Fair Credit Re-
23 porting Act (15 U.S.C. 1681a(f)) the name of any
24 absent parent who is delinquent in the payment of
25 support, and the amount of overdue support owed by
26 such parent.

1 “(B) Procedures ensuring that, in carrying out
2 subparagraph (A), information with respect to an
3 absent parent is reported—

4 “(i) only after such parent has been af-
5 farded all due process required under State law,
6 including notice and a reasonable opportunity
7 to contest the accuracy of such information;
8 and

9 “(ii) only to an entity that has furnished
10 evidence satisfactory to the State that the en-
11 tity is a consumer reporting agency.”.

12 **SEC. 469. LIENS.**

13 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
14 to read as follows:

15 “(4) Procedures under which—

16 “(A) liens arise by operation of law against
17 real and personal property for amounts of over-
18 due support owed by an absent parent who re-
19 sides or owns property in the State; and

20 “(B) the State accords full faith and credit
21 to liens described in subparagraph (A) arising
22 in another State, without registration of the un-
23 derlying order.”.

1 **SEC. 470. STATE LAW AUTHORIZING SUSPENSION OF LI-**
2 **CENSES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 sections 415, 417(a), and 423 of this Act, is amended by
5 adding at the end the following new paragraph:

6 “(15) Procedures under which the State has
7 (and uses in appropriate cases) authority to withhold
8 or suspend, or to restrict the use of driver’s licenses,
9 professional and occupational licenses, and rec-
10 reational licenses of individuals owing overdue sup-
11 port or failing, after receiving appropriate notice, to
12 comply with subpoenas or warrants relating to pa-
13 ternity or child support proceedings.”

14 **SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
15 **CHILD SUPPORT.**

16 (a) HHS CERTIFICATION PROCEDURE.—

17 (1) SECRETARIAL RESPONSIBILITY.—Section
18 452 (42 U.S.C. 652), as amended by section 446, is
19 amended by adding at the end the following new
20 subsection:

21 “(k)(1) If the Secretary receives a certification by a
22 State agency in accordance with the requirements of sec-
23 tion 454(30) that an individual owes arrearages of child
24 support in an amount exceeding \$5,000 or in an amount
25 exceeding 24 months’ worth of child support, the Sec-
26 retary shall transmit such certification to the Secretary

1 of State for action (with respect to denial, revocation, or
2 limitation of passports) pursuant to section 471(b) of the
3 Personal Responsibility Act of 1995.

4 “(2) The Secretary shall not be liable to an individual
5 for any action with respect to a certification by a State
6 agency under this section.”.

7 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
8 tion 454 (42 U.S.C. 654), as amended by sections
9 404(a), 412(b), 413(a), 433, and 444(a), is
10 amended—

11 (A) by striking “and” at the end of para-
12 graph (28);

13 (B) by striking the period at the end of
14 paragraph (29) and inserting “; and”; and

15 (C) by adding after paragraph (29) the fol-
16 lowing new paragraph:

17 “(30) provide that the State agency will have in
18 effect a procedure (which may be combined with the
19 procedure for tax refund offset under section 464)
20 for certifying to the Secretary, for purposes of the
21 procedure under section 452(k) (concerning denial of
22 passports) determinations that individuals owe ar-
23 rearages of child support in an amount exceeding
24 \$5,000 or in an amount exceeding 24 months’ worth
25 of child support, under which procedure—

1 “(A) each individual concerned is afforded
2 notice of such determination and the con-
3 sequences thereof, and an opportunity to con-
4 test the determination; and

5 “(B) the certification by the State agency
6 is furnished to the Secretary in such format,
7 and accompanied by such supporting docu-
8 mentation, as the Secretary may require.”.

9 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
10 OF PASSPORTS.—

11 (1) IN GENERAL.—The Secretary of State,
12 upon certification by the Secretary of Health and
13 Human Services, in accordance with section 452(k)
14 of the Social Security Act, that an individual owes
15 arrearages of child support in excess of \$5,000 or in
16 an amount exceeding 24 months' worth of child sup-
17 port, shall refuse to issue a passport to such individ-
18 ual, and may revoke, restrict, or limit a passport is-
19 sued previously to such individual.

20 (2) LIMIT ON LIABILITY.—The Secretary of
21 State shall not be liable to an individual for any ac-
22 tion with respect to a certification by a State agency
23 under this section.

1 (c) EFFECTIVE DATE.—This section and the amend-
2 ments made by this section shall become effective October
3 1, 1996.

4 **Subtitle H—Medical Support**

5 **SEC. 475. TECHNICAL CORRECTION TO ERISA DEFINITION** 6 **OF MEDICAL CHILD SUPPORT ORDER.**

7 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
8 ployee Retirement Income Security Act of 1974 (29
9 U.S.C. 1169(a)(2)(B)) is amended—

10 (1) by striking “issued by a court of competent
11 jurisdiction”;

12 (2) by striking the period at the end of clause
13 (ii) and inserting a comma; and

14 (3) by adding, after and below clause (ii), the
15 following:

16 “if such judgment, decree, or order (I) is issued
17 by a court of competent jurisdiction or (II) is
18 issued through an administrative process estab-
19 lished under State law and has the force and ef-
20 fect of law under applicable State law.”.

21 (b) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendments made by
23 this section shall take effect on the date of the en-
24 actment of this Act.

1 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
2 JANUARY 1, 1996.—Any amendment to a plan re-
3 quired to be made by an amendment made by this
4 section shall not be required to be made before the
5 1st plan year beginning on or after January 1,
6 1996; if—

7 (A) during the period after the date before
8 the date of the enactment of this Act and be-
9 fore such 1st plan year, the plan is operated in
10 accordance with the requirements of the amend-
11 ments made by this section; and

12 (B) such plan amendment applies retro-
13 actively to the period after the date before the
14 date of the enactment of this Act and before
15 such 1st plan year.

16 A plan shall not be treated as failing to be operated
17 in accordance with the provisions of the plan merely
18 because it operates in accordance with this para-
19 graph.

20 **SEC. 476. ENFORCEMENT OF ORDERS FOR HEALTH CARE**
21 **COVERAGE.**

22 Section 466(a) (42 U.S.C. 666(a)), as amended by
23 sections 415, 417(a), 423, and 469 of this Act, is amended
24 by adding at the end the following new paragraph:

1 “(16) Procedures under which all child support
2 orders enforced under this part shall include a provi-
3 sion for the health care coverage of the child, and
4 in the case in which an absent parent provides such
5 coverage and changes employment, and the new em-
6 ployer provides health care coverage, the State agen-
7 cy shall transfer notice of the provision to the em-
8 ployer, which notice shall operate to enroll the child
9 in the absent parent’s health plan, unless the absent
10 parent contests the notice.”.

11 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**
12 **residential Parents**

14 **SEC. 481. GRANTS TO STATES FOR ACCESS AND VISITATION**
15 **PROGRAMS.**

16 Part D of title IV (42 U.S.C. 651–669) is amended
17 by adding at the end the following new section:

18 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
19 **TION PROGRAMS.**

20 “(a) IN GENERAL.—The Administration for Children
21 and Families shall make grants under this section to en-
22 able States to establish and administer programs to sup-
23 port and facilitate absent parents’ access to and visitation
24 of their children, by means of activities including medi-
25 ation (both voluntary and mandatory), counseling, edu-

1 cation, development of parenting plans, visitation enforce-
2 ment (including monitoring, supervision and neutral drop-
3 off and pickup), and development of guidelines for visita-
4 tion and alternative custody arrangements.

5 “(b) AMOUNT OF GRANT.—The amount of the grant
6 to be made to a State under this section for a fiscal year
7 shall be an amount equal to the lesser of—

8 “(1) 90 percent of State expenditures during
9 the fiscal year for activities described in subsection
10 (a); or

11 “(2) the allotment of the State under sub-
12 section (c) for the fiscal year.

13 “(c) ALLOTMENTS TO STATES.—

14 “(1) IN GENERAL.—The allotment of a State
15 for a fiscal year is the amount that bears the same
16 ratio to the amount appropriated for grants under
17 this section for the fiscal year as the number of chil-
18 dren in the State living with only 1 biological parent
19 bears to the total number of such children in all
20 States.

21 “(2) MINIMUM ALLOTMENT.—The Administra-
22 tion for Children and Families shall adjust allot-
23 ments to States under paragraph (1) as necessary to
24 ensure that no State is allotted less than—

1 “(A) \$50,000 for fiscal year 1996 or 1997;
2 or
3 “(B) \$100,000 for any succeeding fiscal
4 year.

5 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
6 FOR SIMILAR ACTIVITIES.—A State to which a grant is
7 made under this section may not use the grant to supplant
8 expenditures by the State for activities specified in sub-
9 section (a), but shall use the grant to supplement such
10 expenditures at a level at least equal to the level of such
11 expenditures for fiscal year 1995.

12 “(e) STATE ADMINISTRATION.—Each State to which
13 a grant is made under this section—

14 “(1) may administer State programs funded
15 with the grant, directly or through grants to or con-
16 tracts with courts, local public agencies, or non-prof-
17 it private entities;

18 “(2) shall not be required to operate such pro-
19 grams on a statewide basis; and

20 “(3) shall monitor, evaluate, and report on such
21 programs in accordance with regulations prescribed
22 by the Secretary.”

1 **Subtitle J—Effect of Enactment**

2 **SEC. 491. EFFECTIVE DATES.**

3 (a) **IN GENERAL.**—Except as otherwise specifically
4 provided (but subject to subsections (b) and (c))—

5 (1) the provisions of this title requiring the en-
6 actment or amendment of State laws under section
7 466 of the Social Security Act, or revision of State
8 plans under section 454 of such Act, shall be effec-
9 tive with respect to periods beginning on and after
10 October 1, 1996; and

11 (2) all other provisions of this title shall become
12 effective upon the date of the enactment of this Act.

13 (b) **GRACE PERIOD FOR STATE LAW CHANGES.**—The
14 provisions of this title shall become effective with respect
15 to a State on the later of—

16 (1) the date specified in this title, or

17 (2) the effective date of laws enacted by the leg-
18 islature of such State implementing such provisions,
19 but in no event later than the 1st day of the 1st calendar
20 quarter beginning after the close of the 1st regular session
21 of the State legislature that begins after the date of the
22 enactment of this Act. For purposes of the previous sen-
23 tence, in the case of a State that has a 2-year legislative
24 session, each year of such session shall be deemed to be
25 a separate regular session of the State legislature.

1 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
2 AMENDMENT.—A State shall not be found out of compli-
3 ance with any requirement enacted by this title if the State
4 is unable to so comply without amending the State con-
5 stitution until the earlier of—

6 (1) 1 year after the effective date of the nec-
7 essary State constitutional amendment; or

8 (2) 5 years after the date of the enactment of
9 this title.