



*WPA
17A*

February 21, 1997

*CC Bruce
Elena
FYI! Thought
you might be interested
Diana*

MEMORANDUM

TO : Interested Persons
FROM : Mary Bourdette and Patricia Savage, ASL
SUBJECT: Congressional Draft - Technical Corrections to PRWORA

*ps -
Package
is still
changing*

Attached for your review are materials concerning the technical corrections to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The draft bill was developed by the staff of the House Ways and Means Committee and the Senate Finance Committee in consultation with the Administration and many others. The Ways and Means Subcommittee on Human Resources is holding a hearing on the technical corrections on Wednesday, February 26 at 2 PM -- Olivia Golden will be testifying for the Administration. Congressional staff intend to have the technical corrections bill introduced on the 27th.

The cover piece to the bill was developed by ASL and lists (1) those technical corrections proposed by the Administration but NOT included in this draft; and (2) technical corrections NOT proposed by the Administration but included in this draft.

Please review these materials and let us know if you have questions, comments or suggestions. We can be reached by e-mail or at 690-6311.

Provisions from Administration welfare technicals package that are not, as of yet, included in the W&M draft bill. Page numbers refer to our final technicals package.

Title I

1. Advance state plan requirement, p.2
2. Penalties Against Individuals: Inconsistent Provisions, p.7 (Note this is in their bill, p.9 but worded differently. Need to check to make sure it accomplishes purpose)
3. Reduction for failure to meet MOE requirement -- part 1 of our amendment, p.11
4. Penalties for noncompliance with CSE requirements, p.14 (they have made a verbal agreement to include this, but it's not in yet)
5. Exclusions from reasonable cause penalty exceptions, p.17
6. Penalties not avoidable through corrective compliance plans, p. 18 (they have this amendment but they chose different exceptions)
7. Definition of Indian Tribes in Alaska, p.22-23
8. Clarifications concerning religiously affiliated providers, p.25
9. Conforming Amendments to Title IV-D

Performance standards for state paternity establishment programs: deletion of obsolete language, p.28

Distribution formula: amendment concerning Medicaid cases to conform to change made concerning title IV-A cases. p.29

Assignment of support rights to states: correction of references. p.30

Amendments that they think are unnecessary:

10. Amendment of Inconsistent Terminology, p. 4

Title III Child Support Enforcement

11. FPLS access to certain IRS records -- extended only to taxpayer identification numbers where names and addresses of payors are already authorized, p.50

12. Exemption of certain VA benefits, p. 57-58

Title IV Restricting Welfare and Public Benefits for Aliens

13. Exceptions for certain Amerasian immigrants, p.63

14. Clarification of Medicare entitlement, p.67

15. Clarification of qualified aliens' eligibility for emergency benefits, p.68

16. Correction of reference concerning Cuban and Haitian entrants, p.69

17. Notification and information reporting, correction of terminology, p.70

18. Aliens eligibility for State and local benefits: correction of list of aliens lawfully present, p.70

19. Definition of terms used in Title IV, p.74

20. Treatment of lawfully present aliens as "qualified aliens," p.74

21. Clarification of scope of Title IV application to benefits paid to aliens present in U.S., p.81

Title V Child Protection

N/A

Title VI Child Care

22. Funding for Territories, p.87

Provisions in the House Ways and Means draft technicals bill that did not originate from the technicals package submitted by the Administration.

Page numbers refer to the February 20 draft of H.R. _____. [Note: (m) denotes a very minor amendment]

1. Clarification of Scope of Work Requirements -- Amdt to Section 402(a)(1)(A)(ii) to ensure that State Plan provisions are consistent with section that says states cannot sanction families for not meeting the two-year work requirement if they do not have child care for children under age 6. p.2

2. (m) Correction of Cross Reference -- Amdt to Section 402(a)(1)(A)(v) to change cross reference to reflect new definition of illegitimacy. p.2

3. Modification of Amount of Bonus for Decrease in Illegitimacy -- Amdt to Section 403(a)(2)(B) which does not allow the territories to receive a full \$20-25 million illegitimacy bonus. pp.3-4 [Note: worded differently from 1/21 draft]

4. Examination of Ratios of Out-of-Wedlock Births to All Births instead of Numbers of Out-of-Wedlock Births -- Amdt to Section 403(a)(2)(C)(i) which changes the calculation for the illegitimacy bonus from a number to a ratio. p.5 [Note: worded differently from 1/21 draft]

5. (m) Correction of Heading -- Amdt to 403(a)(3)(C)(ii) to change the heading to conform with the text. p.7

6. Use of Grants: State Option to Choose Alternative Date -- Amdt to 404(a)(2) to change September 30, 1995 to August 21, 1996. p.7

7. Modification of Rules Governing Transfers to Title XX Programs -- Amdt to Section 404(d)(2) which simply states: A State may not use more than 10 percent of the amount of any grant made to the State under section 403(A) for a fiscal year to carry out State programs pursuant to title XX. (Eliminates need to transfer money to CCDBG in order to transfer money to title XX) pp. 7-8

8. Family with a Disabled Parent not Treated as a 2-Parent Family -- Amdt to Section 407(b)(2) so that a family with a disabled parent is not treated as a 2-parent family for work rate calculation. p.8

9. (m) Correction of Heading -- Amdt to Section (407)(b)(3) to add to the heading: AND NOT RESULTING FROM CHANGES IN STATE ELIGIBILITY CRITERIA. p.8

10. Sharing of 35-Hour Work Requirement between Parents in 2-Parent Families -- Amdt to Section 407(c)(1)(B)(i) to share the 35 hour work requirement between parents in a 2 parent family. p.9

11. Change in Condition under Which 12 Weeks of Job Search May Count as Work -- Amdt to Section 407(c)(2)(A)(i) to change the unemployment trigger by dropping the criterion of twice the national rate of unemployment to the food stamp and unemployment triggers of the contingency fund (solves problem of unemployment trigger increasing during a national recession) p.9

12. Extension to Married Teens of Rule that Receipt of Sufficient Education is Enough to Meet Work Participation Requirements -- Amdt to Section 407(c)(2)(C) to extend the receipt of education as enough to meet work requirements to married teens as well as single teens. p.9-10

13. Clarification of Number of Hours of Participation in Education Directly Related to Employment that are Required in Order for Married Teen or Single Teen Head of Household to be Deemed to be Engaged in Work -- Amdt to Section 407(c)(2)(C)(ii) to reduce number of hours required to participate for teens to 20 hours per week. (Without this amendment the number of hours per week would increase in the years 1999 and 2000, as it does for adults) p.10

14. Elimination of Redundant Language; Clarification of Home Residence Requirement -- Amdt to Section 408(a)(1) which drops the provision about a minor child having to reside with a custodial parent or other adult caretaker relative of the child in order for the family to receive assistance. p.10-11

15. Clarification of Limitation on Hardship Exemption -- Amdt to Section 408(a)(7)(C)(ii) to clarify that the calculation of the 20% hardship exemption is based on the monthly average caseload from the previous fiscal year. p.11

16. States Given More Time to File Quarterly Reports -- Amdt to Section 409(a)(2)(A) to give states 45 days instead of 1 month to file quarterly data reports. p.17

17. Treatment of Support Payments Passed Through to Families as Qualified State Expenditures -- Amdt to Section 409(a)(7)(B)(i)(I)(aa) to treat support payments passed through to families as qualified state expenditures. p.17

- 18. Disregard of Expenditures Made to Replace Penalty Grant Reductions --** Amdt to Section 409(a)(7)(B)(i) to exclude amount expended to replace penalty grant reductions from definition of qualified state expenditures. p.18
- 19. Correction of Cross Reference --** Amdt to Section 409(a)(7)(B)(i)(I)(ee) to change 404(a)(1) to 404(a), thus clarifying that both spending under the block grant purposes section as well as spending under either the former IV-A or IV-F programs count toward the state maintenance of effort requirement. p.17
- 20. Clarification of Title IV-D Compliance Requirement --** Amdt to Section 409(a)(8). p.20
- 21. (m) Correction of Reference to 5 Year Limit on Assistance --** Amdt to Section 409(a)(9) to correct reference. p.20
- 22. Clarification of What it Means to Correct a Violation --** Amdt to Section 409(c) to change the wording from "correct" a violation to "discontinue" a violation. p.20-21
- 23. Certain Penalties not Avoidable Through Corrective Compliance Plans --** Amdt to Section 409(c)(4) to make corrective compliance plans unavailable for penalties imposed for failure of state to maintain historic level of effort, and for noncompliance of state child support enforcement program with requirements of part D (NOTE: they did not include our suggestion of making the penalty not avoidable for intentional violations, and for penalties imposed to enforce other penalties) p.21
- 24. Data Collection and Reporting --** Amdt to Section 411(a)(1)(A)(iv) to change youngest child to head of household, p.21
- 25. Certain Child Care Expenditures by Territories Treated as IV-A Expenditures for Purposes of Matching Grant --** Amdt to Section 1108(b)(1)(A) p. 26
- 26. (m) Conforming Amendments to the Social Security Act --** Correction of Obsolete Cross-References -- amdt to Section 452(d)(3)(A) and 452(g)(1) to strike 403(h) and insert 409(a)(8). p.26-27; Correction of Inadvertent Omission of IV-E Cases from Paternity Establishment Formula -- Amdt to Section 452(g)(2)(A) to insert "or E" after "part A" in each place it occurs, p.27; Amdts to Part E of Title IV to change date, p.27.
- 27. Eligibility for AFDC due to waiver sufficient to establish eligibility for foster care maintenance payments --** Amdt to Section 472(a). p.27.
- 28. State Option to Increase Income and Resource Standards Under State IV-A Plans --** allow states to apply an inflation factor to look-back eligibility for IV-A services. [Note: I think this is supposed to be for IV-E services, not IV-A]. p.28
- 29. (m) Other Conforming Amendments --** see pp.28-29

Title III Child Support

30. State Option for Applicability -- Amdt to Section 457(a) of the Social Security Act. p.57

31. Correction of References -- Amdt to Section 457(a)(2)(B) of the Social Security Act to correct references p.58

32. Recording of Social Security Numbers -- Amdt to Section 466(a)(13)(A) of the Social Security Act to strike "commercial" before driver's license so that requirement applies to all licenses. p.60

33. Recording of Social Security Numbers -- Amdt to Section 466(a)(13)(C) of the Social Security Act to make it clear that even if states choose to use some other number on the face of license, they must still collect the social security numbers and have them available. p.60

34. (m)Conforming Amendments -- for the most part these are from our document (p.51). However, Sections (1) and (4) appear to be new. p.61

35. State Laws Providing Expedited Procedures -- Amdt to Section 466(c) of the Social Security Act to replace "arrearage" with "obligation" p.62-63.

36. Voluntary Paternity Acknowledgement -- Amdt to Section 466(a)(5)(C)(i) to add "or video or audio" to the oral instruction requirement, p.63

37. Review and Adjustment of Child Support Orders Upon Request -- Amdt to Section 466(a)(10)(B) which shifts the burden of proof of substantial change in circumstances warranting a review and adjustment to the requester, before a review has been conducted. p. 65

38. Moneys Subject to Process -- Amdt to Section 459(h)(1)(A) to add "railroad retirement" to the list of moneys subject to process. p. 65-66

39. State Law Authorizing Suspension of Licenses -- Amdt to 466(a)(16) of the Social Security Act to insert "and sporting" after "recreational." p.66

40. Continuation of Rules for Distribution of Support in the Case of a Title IV-E Child -- Amdt to Section 457 of the Social Security Act. p.68-70

41. (m)Additional Technical Amendments -- See pp. 70-71

Title IV Immigrant Provisions

N/A

Title V Child Protection

Several very minor amendments

Title VI Child Care

Several very minor amendments, which add in repeals that were dropped from the last version of the bill because of Byrd rule.

42. Redistribution of Child Care funds, Amdt to Section 418(a)(2)(D)(i) to allow HHS to redistribute child care funds allocated if not used in a given fiscal year. p. 81

12/16/96

INTERNAL TALKING POINTS ON TECHNICALS PACKAGE
to accompany the Executive Summary

Today, the Secretary of Health and Human Services and the Commissioner of Social Security submitted a report to the appropriate committees of Congress containing proposals for technical and conforming amendments to the welfare reform bill enacted August 22, 1996.

- ▶ The report was developed pursuant to a requirement in section 113 of the new law. (It was due 90 days after enactment -- or November 22, 1996)
- ▶ It contains technical, corrective or clarifying amendments only (see Executive Summary for examples). All of the proposals maintain the spirit and intent of the newly enacted legislation. Most of the proposals have no costs, while a few have minor costs or savings.

This report does not contain any major policy changes to the new welfare law. Any policy changes that the Administration wishes to pursue will be submitted separately.

- ▶ For example, the President has discussed the importance of tax credits and job creation mechanisms to help move welfare recipients into the workforce. These proposals are not contained in this package.

The reform of welfare programs is proceeding smoothly, and these technical changes and corrections will further the implementation process. We hope to work closely with Republican and Democratic members of Congress to ensure speedy, bipartisan action on this package.



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

The Honorable William V. Roth, Jr.
Chairman, Committee on Finance
United States Senate
Washington, D.C. 20510

DEC 16 1996

Dear Mr. Chairman:

We are pleased to submit for your consideration the enclosed proposals for technical and conforming amendments to the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, as required by Section 113 of that Act.

We believe that these technical and conforming amendments are necessary to ensure that the statutory provisions conform to the welfare reform policies enacted under P.L. 104-193. These proposals were developed after a thorough review of the statute and broad consultation with other federal agencies. They are limited to technical or conforming changes that maintain the spirit and intent of the new law.

The Clinton Administration remains firmly committed to implementing this historic reform of our nation's welfare, Supplemental Security Income and Food Stamp programs. These technical and conforming proposals will assist in this process, and we hope to work with you to ensure their expeditious enactment.

We estimate that only two provisions of the draft bill would have significant effects on outlays. Amendments to sections 402 and 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 relating to Cuban and Haitian entrants and Amerasians would increase costs an estimated \$25 million during FYs 1998-2002. These estimates are based on the January 1996 PAYGO baseline (adjusted by the estimated effects of the PRWORA). Estimates may change after a new baseline is developed for the FY 98 Budget.

The Office of Management and Budget advises that there is no objection to the presentation of the proposed legislation from the standpoint of the Administration's program.

Sincerely,

Donna E. Shalala
Secretary of
Health and Human Services

Shirley S. Chater
Commissioner
Social Security Administration

Enclosure

**Summary of Technical and Conforming Amendments to Personal
Responsibility and Work Opportunity Reconciliation Act of 1996
(P.L. 104-193)**

Implementation of the Personal Responsibility and Work Opportunity Reconciliation Act is proceeding smoothly at both the federal and state levels. To date, 37 states have submitted Temporary Assistance for Needy Families (TANF) state plans, and many have already begun to reform their welfare programs. The changes in other programs are also proceeding smoothly.

Section 113 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) directs the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation with other federal agencies, to submit to the appropriate committees of Congress legislative proposals for technical and conforming amendments necessary to bring the statutory language into conformity with the policies enacted in this new legislation.

A thorough consultation process was conducted among affected agencies to identify provisions in the new law that require technical or conforming amendments to PRWORA. Each proposal includes an explanation of the specific problem that has been identified and a statutory amendment to address the problem in a manner that maintains the spirit and intent of the new law. Early enactment of these technical and conforming amendments will assist the Administration and the States to implement the new law successfully.

Amendments are proposed to the following Titles: Title I (Block Grants for Temporary Assistance for Needy Families (TANF)), Title II (Supplemental Security Income), Title III (Child Support), Title IV (Restricting Welfare and Public Benefits for Aliens), Title V (Child Protection), Title VI (Child Care), and Title VIII (Food Stamps and Commodity Distribution). With the exception of two amendments, which have some costs, we estimate all of the amendments have negligible costs.

The following summarizes the type and nature of the technical amendments contained in this report.

Resolve Inconsistent Terminology: In several instances, the new law inadvertently uses incorrect or inconsistent terminology. For example, PRWORA establishes mandatory work requirements, but uses the phrase "participating in work activities" in some places and the phrase "making progress in work activities" in others. To resolve this inconsistency, an amendment is proposed to use the phrase "participating in work activities" throughout these provisions. (p.6)

Conform Dates: Amendments are proposed to conform or revise a number of dates utilized in the statute. For example, the new law requires states to "look back" to prior AFDC eligibility standards to determine eligibility for Medicaid and for Foster Care and Adoption Assistance. However, the statute utilizes two different look back dates (June 1, 1995 and July 16, 1996) -- creating administrative burdens on the states. An amendment is proposed to use the July 16, 1996 look-back date for both programs. (p.30)

Make Data Elements Uniform: Upon further review of the data and reporting requirements in PRWORA, several amendments are proposed to ensure reference to uniform, accurate and available data sources. The new law does not, for example, specify the data used to calculate historic state expenditures for maintenance of effort purposes. In order to establish a fixed and consistent maintenance of effort level, an amendment is proposed to specify that the same data elements used to calculate the TANF state family assistance grants be used to calculate historic state expenditures. (p.12)

Another data problem arises with the state bonus for reductions in rates of illegitimacy. While the statute explicitly requires the calculation of one data source on a fiscal-year basis, this data is currently available on a calendar-year basis only. Thus, an amendment is proposed to allow calculation of the bonus using the data available on a calendar-year basis in order to avoid the burden and expense of new data collection requirements. (p.3)

Clarify Congressional Intent: Several amendments are proposed to conform statutory language to congressional intent. For example, the new law establishes several penalties on states for failure to comply with various provisions. However, it also prohibits imposition of the penalties in certain reasonable cause instances and then makes specified exceptions to the reasonable cause prohibition. Because the conference report specifies additional exceptions to the reasonable cause prohibition (e.g. failure to repay the loan fund, and failure to replace grant reductions caused by penalties) beyond those included in the statute, an amendment is proposed to include those specified exceptions in statute. (p.18)

Another amendment is proposed to clarify congressional intent with respect to access to federal programs for qualified alien widow(er)s of persons who have served in the military. While the new law prohibits certain federal benefits for qualified aliens, it provides an exception for the spouse or unmarried dependent

child of veterans or active duty military personnel. In order to clarify that qualified alien widow(er)s do not lose eligibility for these benefits when the veteran or active duty personnel dies, an amendment is proposed to except widow(er)s of such personnel from the general prohibition. (p.66)

Close Gaps Between Previous Law and New Statute: In a few instances, the transition from the previous law to the new statute inadvertently left gaps in the application or coverage of various laws. For example, the Attorney General is required to develop a new legally enforceable affidavit of support for aliens entering the country after enactment of PRWORA. At the same time, the authority for states to deem sponsor income for aliens already in the country was repealed with respect to TANF. Because this leaves states with no authority to deem sponsor income for current aliens for TANF, an amendment is proposed to reinstate the previous deeming requirement, and make it applicable to all affidavits of support executed before the effective date of the new requirement. (p.71)

Conform Provisions and Correct Citations: A number of amendments are proposed to correct citations and references in the new law, and to add further conforming amendments.

PROPOSED CORRECTING AMENDMENTS TO
P.L. 104-193, THE PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT OF 1996 (PRWORA)

TABLE OF CONTENTS

Amendments with Explanatory Statements: p. 1

[NOTE: Section of PRWORA in bold; section of Social Security Act in parentheses)

TITLE I--BLOCK GRANTS FOR TEMPORARY ASSISTANCE
FOR NEEDY FAMILIES

Sec. 103(a): block grants to States (TANF):	p. 2
1. Advance State plan requirement (402(a)).	
2. Calculation of bonus for decrease in illegitimacy (403(a)(2)(C)).	p. 3
3. Contingency fund.	
A. Amendment of inconsistent terminology (403(b)(3)(A)).	p. 4
B. Responsibility for administering contingency fund (403(b)(7)).	
4. Availability of TANF loans to Indian tribes (406(a)).	p. 5
5. State option to exclude individuals subject to tribal work programs from State participation rates (407(b)(4)).	
6. Amendments to mandatory work requirements.	p. 6
A. Inconsistent standards for engagement in work (407(c)(1)(B)).	
B. Penalties against individuals: inconsistent provisions (407(e)).	p. 7
7. Assignment of support rights: clarification (408(a)(3)).	
8. Time limit on benefits: disregard of certain assistance to reservation residents (408(a)(7)(D)).	p. 8
9. Requirement to maintain level of historic effort.	p. 10
A. Definition of qualified State expenditures: benefits for aliens (409(a)(7)(B)(i)(III)).	
B. Reduction for failure to meet MOE requirement: applicable percentage (409(a)(7)(B)(iii)).	p. 11
C. Definition of historic State expenditures. (409(a)(7)(B)(iii)).	p. 12
D. Definition of expenditures by the State (409(a)(7)(B)(iv)).	

10.	Penalties for noncompliance with CSE requirements (409(a)(8)).	p. 14
11.	Exclusions from reasonable cause penalty exceptions (409(b)(2)).	p. 17
12.	Penalties not avoidable through corrective compliance plans (409(c)(4)).	p. 18
13.	Data collection and reporting (411(a)(1)(B)).	
14.	Grants to Indian tribes that received JOBS funds (412(a)(2)(A)).	p. 19
15.	Research, evaluations, and national studies.	p. 20
	A. Methods available for conduct of research (413(a)).	
	B. Funding of previously authorized demonstrations (413(h)(1)(D)).	p. 21
	C. State child poverty reports (413(i)(1)).	
16.	Definition of Indian tribes in Alaska (419[A](4)).	p. 22
Sec. 103(b): TANF grants to territories:		p. 23
1.	Federal payments for TANF programs in territories (1108(a)).	
2.	Multiple territorial maintenance of effort requirements (1108(e)).	p. 24
Sec. 104: services provided by charitable, religious, or private organizations:		p. 25
1.	Clarifications concerning religiously affiliated providers.	
Sec. 106: report on data processing:		p. 28
1.	Clarifying amendment.	
Sec. 108: conforming amendments to Social Security Act.		
1.	Amendments to title IV-D.	
	A. Performance standards for State paternity establishment programs: deletion of obsolete language (452(g)(2)).	
	B. Distribution formula: amendment concerning Medicaid cases to conform to change made concerning title IV-A cases (454(5)).	p. 29
	C. Assignment of support rights to States: correction of references (456(a)(1); 464(a)(1)).	p. 30
2.	Amendments to title IV-E: uniform methodology for determining Medicaid and foster care/adoption assistance entitlements (470; 472; 473).	

Sec. 115: denial of assistance and benefits for certain drug-related convictions: p. 31

1. Application of provision only to conduct occurring before enactment.

Sec. 116: effective dates; transition: p. 32

1. Reporting requirements applicable to transition period.

TITLE II--SUPPLEMENTAL SECURITY INCOME

Sec. 202: denial of SSI to fugitive felons, probation and parole violators: p. 34

1. Ability of SSA to charge for providing information (1611(e)).

Sec. 203: treatment of prisoners:

1. Inmates eligible for SSI payments (1611(e)).
 2. Refinement in exemption from Privacy Act requirements (1611(e)).
- p. 36

Sec. 211: definition and eligibility rules: p. 37

1. Criteria for medical redeterminations for child SSI recipients.

Sec. 212: eligibility determinations and continuing disability reviews: p. 38

1. Criteria for medical redeterminations for SSI recipients attaining age 18.
 2. Timetable for continuing disability reviews for low birth weight babies.
- p. 39

Sec. 213: additional accountability requirements: p. 40

1. Dedicated accounts for minors receiving SSI; penalties for misapplication of funds; clarification of terms (1631(a)(2)(F)).

Sec. 214: reduction in SSI payments to privately insured institutionalized individuals: p. 42

1. Changes to outdated terminology (1611(e)(1)).

TITLE III--CHILD SUPPORT

Sec. 301: State obligation to provide CSE services:	p. 44
1. State plan requirements: clarifying amendment (454(6)(B)).	
2. Correction of reference (454; 464).	
Sec. 302: distribution of CSE collections:	p. 45
1. Limits on collections retained by State and Federal governments (457(a)(1)).	
2. Collections for families receiving assistance from Indian tribes (457(a)).	
3. Study and report (457(a)(5)).	p. 46
4. Continuation of assignments (457(b)).	p. 47
5. Conforming amendment (457; 464; 466).	p. 48
Sec. 313: State directory of new hires:	
1. Civil money penalty amount (453A(d)).	
Sec. 316: expansion of FPLS:	p. 49
1. Child custody and visitation orders: deletion of incorrect insertion (453(c)(1)).	
2. FPLS access to certain IRS records.	p. 50
3. Availability of data in registries for research (453(j)(5)).	
Sec. 317: use of social security numbers in CSE:	p. 51
1. Collection and use of social security numbers in CSE: conforming amendments to title II of Social Security Act (205(c)(2)(C)).	
Sec. 321: adoption of uniform State laws:	p. 53
1. Deadline for State adoption of UIFSA (466(f)).	
Sec. 341: performance-based incentives and penalties:	p. 54
1. Correction of reference (452(g)(2)).	
Sec. 345: technical assistance:	
1. Means available for provision of technical assistance, operation of FPLS (452(j); 453(o)).	
2. Availability of certain FPLS funds until expended (453(o)).	p. 55
Sec. 362: support collection from Federal employees:	p. 56
1. Response to notice or process (459(c)(2)(C)).	

- 2. Moneys subject to process (459(h)(1)). p. 57
- 3. Exemption of certain VA benefits (459(h)(1)(B)).
- 4. Conforming amendment 454(19)(b)(ii); 459). p. 58

Sec. 366: definition of support order: p. 59

- 1. Definition of support order (453(p)).

Sec. 371: international support enforcement:

- 1. Correction of reference (454(32)(A); 459A(d)).

Sec. 375: CSE for Indian tribes:

- 1. Cooperative agreements with States (454(33)). p. 60
- 2. Direct Federal funding to Indian tribes and tribal organizations (455(b)). p. 61
 - A. Technical correction (455[(b)](f)).
 - B. Direct grants to tribes (455(f)).

TITLE IV--RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Secs. 402; 403; 412; 431: cross-cutting amendments concerning exceptions to benefit limitations: p. 63

- 1. Corrections to reference concerning aliens whose deportation is withheld.
- 2. Exceptions for certain Amerasian immigrants.
- 3. Clarifications of exceptions for veterans and active duty military. p. 66

Sec. 401: ineligibility of non-qualified aliens for Federal public benefits: p. 67

- 1. Clarification of Medicare entitlement.

Sec. 402: limited eligibility of qualified aliens for certain Federal programs: p. 68

- 1. Clarification of qualified aliens' eligibility for emergency benefits.

Sec. 403: 5-year limited eligibility for means-tested public benefits: p. 69

- 1. Correction of reference concerning Cuban and Haitian entrants.

Sec. 404: notification and information reporting. p. 70

1. Correction of terminology.

Sec. 411: limits on eligibility for State and local public benefit programs:

1. Aliens' eligibility for State and local benefits: correction of list of aliens lawfully present.

Sec. 421 (attribution of sponsor's income and resources to alien); sec. 423 (sponsor's affidavit of support): p. 71

1. Clarification for State deeming of sponsor's income and resources to alien.

Sec. 431: definitions: p. 73

1. Definitions of terms used in title IV.
2. Treatment of lawfully present aliens as "qualified aliens". p. 74
3. Treatment of battered alien as "qualified alien" for limited purposes. p. 75

Sec. 433: statutory construction: p. 81

1. Clarification of scope of title IV: application to benefits paid to aliens present in U.S.

Sec. 435: qualifying quarters:

1. Disclosure of quarters of coverage information. p. 82

TITLE V--CHILD PROTECTION

Sec. 503: national random sample study of child welfare: p. 83

1. Methods permitted for conduct of study.

TITLE VI--CHILD CARE

Sec. 603: authorization of appropriations and entitlement authority: p. 84

1. Funding for child care.
 - A. Perfecting and clarifying amendments.
 - B. Data used to calculate State expenditures in base period. p. 86
 - C. Funding for territories. p. 87

Sec. 612: report by the Secretary: p. 89

1. Report to Congress.

TITLE VIII--FOOD STAMPS AND COMMODITY DISTRIBUTION

TITLE IX--MISCELLANEOUS

Sec. 846: expanded forfeiture for food stamp violations: p. 90

1. Criminal forfeiture: corrections to conform to other criminal forfeiture statutes.

Secs. 891, 907: electronic benefits transfer: p. 91

1. Duplicative provisions.

Appendix A -- Self-Explanatory Corrections to Text. p. A-1

Appendix B -- Cost Table. p. B-1

PROPOSED CORRECTING AMENDMENTS TO
P.L. 104-193, THE PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT OF 1996 (PRWORA)

NOTE: In the following proposals, except as otherwise indicated--

- (1) references to a section or other provision of law are to the PRWORA; and
- (2) the proposed correcting amendments should take effect as if enacted on August 22, 1996, as part of PRWORA.

Abbreviations used have the following meanings:

"AFDC" means the Aid to Families with Dependent Children program under title IV-A of the Social Security Act, as in effect before enactment of PRWORA.

"CCDBG" means the Child Care Development Block Grant program.

"CSE" means the Child Support Enforcement program under title IV-D of the Social Security Act.

"FPLS" means the Federal Parent Locator Service operated under section 453 of the Social Security Act.

"HHS" means the Department of Health and Human Services.

"INA" means the Immigration and Nationality Act.

"JOBS" means the Job Opportunities and Basic Services program under title IV-F of the Social Security Act, as in effect before enactment of PRWORA.

"MOE" means maintenance of effort.

"PRWORA" means the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193.

"SSA" means the Social Security Administration.

"SSEB" and "title XX" mean the Social Services Block Grant program under title XX of the Social Security Act.

"TANF" means the program of Temporary Assistance for Needy Families under title IV-A of the Social Security Act, as amended by PRWORA.

"UIFSA" means the Uniform Interstate Family Support Act.

* * * * *

PROPOSED AMENDMENTS:

Sections of PRWORA are indicated in boldface below, followed by the amendments needed to such sections (or to provisions of other laws added or amended by such sections):

**TITLE I--BLOCK GRANTS FOR TEMPORARY ASSISTANCE
FOR NEEDY FAMILIES**

Sec. 103(a): block grants to States (TANF):

NOTE: For amendment to sec. 103(a)(1) needed to preserve provisions deeming sponsors' income and resources to aliens, see amendments to title IV of PRWORA.

1. ADVANCE STATE PLAN REQUIREMENT.

Problem: Language in sec. 402(a) of the Social Security Act was apparently intended to establish a two-year State planning cycle. However, this language, read literally, would bar title IV-A payments to a State for a fiscal year if the State failed to submit an acceptable plan before the beginning of that fiscal year.

Proposed amendment:

() **ADVANCE STATE PLAN REQUIREMENT.**--Section 402(a) of the Social Security Act is amended, in the matter preceding paragraph (1), by striking ", during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan" and inserting "has submitted to the Secretary a plan, for a period of up to two years including such fiscal year,".

2. CALCULATION OF BONUS FOR DECREASE IN ILLEGITIMACY.

Problem: State eligibility for the bonus under sec. 403(a)(2) of the Social Security Act is based on rates of reduction in induced pregnancy terminations (abortions) and in out-of-wedlock births. Data on both these rates are available only on a calendar year basis. The statutory language is sufficiently flexible to permit calculation of the out-of-wedlock birth rate on a calendar year basis, but explicitly requires calculation of the abortion rate on a fiscal year basis.

Amending this provision to substitute "calendar year" for "fiscal year" would permit calculation of the bonus using data currently available, avoiding the burden and expense of new data collection requirements. It would also enable the two calculations to cover the same annual period, permitting more meaningful comparisons of the data.

Proposed amendments:

() CALCULATION OF BONUS FOR DECREASE IN ILLEGITIMACY.--

Section 403(a)(2)(C) of the Social Security Act is amended--

(1) in clause (i)(I)(bb)--

(A) by striking "fiscal year" the first place it appears and inserting "calendar year in which the bonus year begins"; and

(B) by striking "fiscal year" the second place it appears and inserting "calendar year";

(2) in subclauses (aa) and (bb) of clause (i)(II), by striking "fiscal year" each place it appears and inserting "calendar year"; and

(3) in clause (ii), by striking "fiscal years" and inserting "calendar years".

3. CONTINGENCY FUND.

A. AMENDMENT OF INCONSISTENT TERMINOLOGY.

Problem: Sec. 403(b)(3)(A) of the Social Security Act speaks in terms of "an eligible State", while the corresponding eligibility formula speaks of "a needy State".

Proposed amendment:

() CONTINGENCY FUND: RECONCILIATION OF TERMINOLOGY.--

Section 403(b)(3)(A) of the Social Security Act is amended by striking "an eligible State" and inserting "a needy State".

B. RESPONSIBILITY FOR ADMINISTERING CONTINGENCY FUND.

Problem: Sec. 403(b)(7)(B) of the Social Security Act defines "Secretary" as the Secretary of the Treasury for purposes of the contingency fund under sec. 403(b). This definition appears to be an inappropriate leftover from previous versions of the bill which would have given the Secretary of the Treasury a larger role in administration of TANF. While the Secretary of HHS administers the TANF program as enacted, this definition will require State requests for money from the contingency fund to be sent to the Treasury Secretary, and would also require the Secretary of the Treasury, rather than of HHS, to make the annual report to the Congress on the status of the fund.

Proposed amendment:

() DEFINITION OF "SECRETARY" FOR PURPOSES OF CONTINGENCY FUND.--Section 403(b)(7) is amended--

(1) by striking "(7) OTHER TERMS DEFINED.--As used in this subsection:

"(A) STATE.--The term" and inserting the following:

"(7) STATE.--As used in this subsection, the term"; and

(2) by striking subparagraph (B).

4. AVAILABILITY OF TANF LOANS TO INDIAN TRIBES.

Problem: Sec. 412(f)(1) of the Social Security Act, which specifies that Indian tribes are subject to the penalty under sec. 409(a)(6) for failure to repay a loan under sec. 406, indicates Congress' intent that the tribes be eligible for these loans. However, sec. 406 speaks only in terms of loan-eligible States. The following amendment to sec. 406 would provide explicitly for Indian tribes' eligibility for loans:

Proposed amendment:

() AVAILABILITY OF FEDERAL LOANS TO INDIAN TRIBES.--Section 406(a) is amended by adding after paragraph (2) the following:

"(3) ELIGIBILITY OF INDIAN TRIBES.--For purposes of this section--

"(A) the term 'loan-eligible State' includes an Indian tribe receiving a family assistance grant under section 412(a); and

"(B) the reference in subsection (c) to section 403(a) shall be considered, in the case of an Indian tribe, to be a reference to section 412(a)."

5. STATE OPTION TO EXCLUDE INDIVIDUALS SUBJECT TO TRIBAL WORK PROGRAMS FROM STATE PARTICIPATION RATES.

Problem: Sec. 407(b)(4) of the Social Security Act gives States the option whether to include, in their work participation rate calculations, individuals receiving assistance under a Tribal TANF plan under sec. 412(a)(1). States do not have the same flexibility to exclude from their participation rate calculations individuals who are in the State TANF program but are served by a tribal work program under sec. 412(a)(2).

Under sec. 412(a)(2), tribes that had JOBS programs in 1994 and 1995 remain eligible for grants for tribal work programs, regardless of whether they operate a TANF program. These tribal work programs are subject to neither the old JOBS rules nor the new TANF work rules. Because individuals served by tribal work

programs may not be participating in work activities at the same rate as those in State programs, and because States will face special obstacles in engaging tribal members in State work programs, it would be reasonable to give States the option to exclude them from the State participation rate calculation.

This amendment would not affect work requirements applicable to individuals.

Proposed amendment:

() STATE OPTION TO EXCLUDE INDIVIDUALS SUBJECT TO TRIBAL WORK PROGRAMS FROM STATE PARTICIPATION RATES.--Section 407(b)(4) of the Social Security Act is amended--

() in the caption, by inserting "OR WORK PROGRAM" after "FAMILY ASSISTANCE PLAN"; and

(2) by adding "or work program" before "approved under section 412".

6. AMENDMENTS TO MANDATORY WORK REQUIREMENTS.

A. INCONSISTENT STANDARDS FOR ENGAGEMENT IN WORK.

Problem: The provisions in sec. 407(c) of the Social Security Act for determining rate of engagement in work use different terminology for all families ("participating in work activities") and for 2-parent families ("making progress in work activities"). While the statute provides no guidance on the difference in meaning of the two terms, "making progress" suggests a higher standard than "participating". It is unclear why there should be a different participation standard for 2-parent families.

Proposed amendment:

() DETERMINATION OF ENGAGEMENT IN WORK.--Section 407(c)(1)(B) of the Social Security Act is amended in clauses (i) and (ii) by striking "making progress" each place it appears and inserting "participating".

B. PENALTIES AGAINST INDIVIDUALS: INCONSISTENT PROVISIONS.

Problem: Sec. 407(e)(1) of the Social Security Act provides for penalties against individuals in families assisted under TANF who refuse to "engage in work". The exception in sec. 407(e)(2) for single custodial parents unable to obtain child care, however, speaks of "a refusal...to work". The language of sec. 407(e)(2) should be conformed, to make clear that both the rule and the exception are referring to the same work activities.

Proposed amendment:

() PENALTIES AGAINST INDIVIDUALS: CONSISTENCY OF TERMINOLOGY.--Section 407(e)(2) of the Social Security Act is amended by striking "to work" and inserting "to engage in work".

7. ASSIGNMENT OF SUPPORT RIGHTS: CLARIFICATION.

Problem: Sec. 408(a)(3) of the Social Security Act (which provides the rule as to what support rights must be assigned to the State as a condition of receiving assistance under title IV-A) uses the date the family "leaves the program" as the cutoff date for such assignment. Other provisions which interact with this provision (notably sec. 457 of the Social Security Act, which provides different distribution rules for assigned and unassigned support) refers instead (as has long been common usage) to the date the family "ceases to receive assistance under the program". The variant language should be conformed to the language used elsewhere, to ensure that these provisions interact as intended.

Proposed amendment:

() Section 408(a)(3) of the Social Security Act is amended--

(1) in subparagraph (A), in the matter preceding clause (i), by striking "the date the family leaves the program, which assignment, on and after the date the family leaves the program" and inserting "the date the family ceases to

receive assistance under the program, which assignment, on and after such date";

(2) in subparagraph (A) (ii), and in subparagraph (B), by striking "leaves the program" each place it appears and inserting "ceases to receive assistance under the program".

8. TIME LIMIT ON BENEFITS: DISREGARD OF CERTAIN ASSISTANCE TO RESERVATION RESIDENTS.

Problem: In recognition of high jobless rates and lack of employment opportunities in Indian country, sec. 408(a)(7)(D) of the Social Security Act provides for disregard, in determining the 60-month time limit on TANF assistance to a family, of assistance to residents of Indian reservations where specified conditions are met. The provision, as drafted, presents various difficulties:

- (1) It requires reliance on data that may not be available. Neither the Interior Department's Bureau of Indian Affairs (BIA) nor any other federal agency collects monthly data on the population or labor force status of persons in reservation areas or in Alaska Native villages.
- (2) It does not apply to TANF programs operated by tribes, but only to State programs.
- (3) Its narrow reference to "Indian reservation" excludes important areas within the standard definition of Indian country (e.g., former reservation areas in Oklahoma).
- (4) Its 1,000-person population threshold would have the clearly unintended effect of making the disregard inapplicable to residents of most Alaska Native villages, as well as a large majority of Indian reservation areas, notably many small reservations in remote areas where unemployment is particularly severe.

Proposed amendments:

() TIME LIMIT ON BENEFITS: DISREGARD OF CERTAIN ASSISTANCE TO RESERVATION RESIDENTS.--Section 408(a)(7)(D) is amended to read as follows:

"(D) DISREGARD OF MONTHS OF ASSISTANCE RECEIVED BY ADULT WHILE LIVING ON TRIBAL LAND IN INDIAN COUNTRY, OR IN AN ALASKA NATIVE VILLAGE, WITH 50 PERCENT UNEMPLOYMENT.--

"(i) DISREGARD REQUIREMENT.--In determining the number of months for which an adult has received assistance under the State or tribal program under this part, the State or tribe shall disregard any month during which the adult lived on an Indian reservation, in Indian country occupied by a tribe, or in an Alaska Native village, if the most reliable Federal data available with respect to such month (or a period including such month) indicate that at least 50 percent of the Indian adults living on such Indian reservation, in Indian country occupied by such tribe, or in such village, were not employed.

"(ii) DEFINITION.--For purposes of this subparagraph, 'Indian country' has the meaning given such term in section 1151 of title 18 of the United States Code."

9. REQUIREMENT TO MAINTAIN LEVEL OF HISTORIC EFFORT.

A. DEFINITION OF QUALIFIED STATE EXPENDITURES: BENEFITS FOR ALIENS.

Problem: Sec. 409(a)(7)(B)(i)(III) of the Social Security Act permits States, in measuring current against historic State expenditures for assistance to "eligible families", to include families that would be eligible for such assistance but for the application of sec. 402 of PRWORA. The proposed amendment instead would count expenditures for families of lawfully present aliens that would be eligible for State AFDC or TANF benefits but for title IV of PRWORA.

(1) Reference to title IV of PRWORA. The reference to sec. 402 makes no sense: sec. 402(a) is completely irrelevant (it concerns aliens' eligibility for SSI and food stamps), and sec. 402(b) does not bar TANF eligibility, but rather gives States the option whether to provide TANF benefits to qualified aliens.

The conference report on PRWORA (H.Rept. 104-725) indicates that Congress intended to permit States to count toward maintenance of effort (MOE) all expenditures for aliens made ineligible for benefits under title IV-A of the Social Security Act by the provisions of title IV of PRWORA (subject to item (2) below). The report states, with respect to proposed sec. 409(a)(7) of the Social Security Act:

"Qualified State expenditures that count toward the 75 percent (or 80 percent) spending requirement are all State-funded expenditures under all State programs that provide any of the following assistance to families eligible for family assistance benefits (and those no longer eligible because of the 5-year time limit or ineligible because of the Act's treatment of noncitizens)...."

(2) Limitation to aliens lawfully present. Title IV-A of the Social Security Act limited AFDC eligibility to aliens who were "permanently residing under color of law" (PRUCOL). The TANF program under title IV-A as amended contains no such restriction; thus (depending on the terms of a given State plan), families who would be eligible for TANF but for application of title IV of PRWORA could include all alien families, whether present legally or illegally. It seems unlikely that Congress intended to permit States to count toward their TANF MOE aliens not lawfully present who would have been ineligible for AFDC.

Proposed amendment:

() DEFINITION OF QUALIFIED STATE EXPENDITURES: BENEFITS FOR ALIENS.--Section 409(a)(7)(B)(i)(III) is amended--

(1) by striking ", and families" and inserting "families"; and

(2) by striking "section 402" and inserting ", and families of aliens lawfully present in the United States that would be eligible for such assistance but for the application of title IV".

B. REDUCTION FOR FAILURE TO MEET MOE REQUIREMENT:
APPLICABLE PERCENTAGE.

Problem: Sec. 409(a)(7)(B)(ii) specifies the percentage reduction applicable for a State's failure to meet the MOE requirement. Two erroneous references require correction. (1) The provision reduces the amount of the reduction by 5 percent if a State meets work requirements; the reference to the applicable requirements should be to sec. 407, rather than sec. 407(a), because not all work requirements are in subsection (a). (2) Previous versions of the legislation permitted an additional 8 percent reduction for other factors. The provision as enacted provides only for the 5 percent reduction, but retains a reference to the eliminated 8 percent reduction.

Proposed amendment:

() REDUCTION FOR FAILURE TO MEET MOE REQUIREMENT:
APPLICABLE PERCENTAGE.--Section 409(a)(7)(B)(iii) of the Social Security Act, as added by sec. 103(a) of PRWORA, is amended--

(1) by striking "section 407(a)" and inserting "section 407"; and

(2) by striking all that follows "75 percent)" and inserting a period.

C. DEFINITION OF HISTORIC STATE EXPENDITURES.

Problem: Sec. 409(a)(7)(B)(iii) does not specify the source of data to be used to calculate historic State expenditures. However, the data being used by HHS to calculate FY 1994 expenditures are the State expenditure data that correspond to the FY 1994 Federal payment data that were used to calculate State family assistance grants under TANF. Using the same data is equitable and necessary to establish a fixed and consistent maintenance of effort level.

Proposed amendment:

() DEFINITION OF HISTORIC STATE EXPENDITURES.-- Section 409(a)(7)(B)(iii) is amended--

(1) by striking the period at the end of subclause (bb) and inserting a comma; and

(2) by striking "Such term" and inserting "as determined by the Secretary using the information sources specified in subparagraphs (C)(i) and (D)(ii) of section 403(a)(1). Such term".

D. DEFINITION OF EXPENDITURES BY THE STATE.

Problem: Sec. 409(a)(7) of the Social Security Act (penalty for failure to maintain a certain level of historic State effort) compares "qualified State expenditures" for specified purposes for the current fiscal year against "historic State expenditures" for these purposes.

The intent of this provision is to compare only the State share of "qualified" and "historic" expenditures for specified purposes, disregarding both Federal contributions under title IV-A and State funds expended as a condition of Federal matching under TANF or programs other than title IV-A. Two changes are needed to clause (iv) of sec. 409(a)(7)(B) to conform the language to the congressional intent:

(1) It is our understanding that, for purposes of determining "qualified" State expenditures, Congress intended the MOE calculation to exclude State expenditures under TANF that are

required as a condition of receiving Federal matching funds (such as for contingency fund payments). As written, however, some might misread this provision as also excluding the State share of expenditures under AFDC from the determination of "historic" State expenditures during the base period. This amendment ensures the provision is not misread. The revised subclause (III) applies only to title IV-A programs. State spending in matching programs outside title IV-A is covered by subclause (IV).

(2) The final sentence of subclause (iv) provides an explicit exception to the policy in (1) by allowing child care expenditures up to a base amount (reflecting FY 1994 or 1995 State expenditures) to be counted for the purpose of both TANF MOE and the MOE requirement in section 418(a)(2), related to State eligibility for the "new" Federal child care matching funds. We also propose a clarifying amendment to this sentence to reflect the fact that Federal payments for child care (and State expenditure and matching requirements) under sec. 418(a) of PRWORA can be considered to be "under" both the TANF and the CCDEG programs.

Proposed amendment:

() DEFINITION OF EXPENDITURES BY THE STATE.--

(1) TREATMENT OF STATE MATCHING FUNDS.--Section 409(a)(7)(B)(iv) is amended--

(A) in subclause (III), to read as follows:

"(III) any State funds which are expended as a condition of receiving Federal funds under the program of Temporary Assistance to Needy Families under this part or under section 418;" and

(B) in the sentence following subclause (IV), by inserting "(III) or" before "(IV)".

(2) CONFORMING AND TECHNICAL AMENDMENTS.--Section 409(a)(7)(B)(iv) is amended in the second sentence--

(A) by striking "an amount equal to";

(B) by striking "expenditures in" and inserting "expenditures for"; and

(C) by striking "that equal" and inserting "that equals".

10. PENALTIES FOR NONCOMPLIANCE WITH CSE REQUIREMENTS.

Problem: Title III of PRWORA amends the CSE program under title IV-D of the Social Security Act to focus audits, incentives and penalties on accurate and reliable data and results-oriented measures outcomes rather than on compliance with procedural requirements. Sec. 409(a)(8) of the Social Security Act (penalties for noncompliance with title IV-D requirements) fails to reflect these changes, and instead is modeled on the old approach under section 403(h) of the Social Security Act. Unless sec. 409(a)(8) is revised, States will continue to be subject to sanctions for requirements which may have little bearing on actual performance outcomes.

Proposed amendments:

() PENALTIES FOR NONCOMPLIANCE WITH CSE REQUIREMENTS.--

(1) CONFORMING TITLE IV-A PENALTIES TO TITLE IV-D PERFORMANCE-BASED STANDARDS.--Section 409(a)(8) of the Social Security Act is amended to read as follows:

"(8) NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH PERFORMANCE REQUIREMENTS OF PART D.--

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

"(i)(I) on the basis of data submitted by a State pursuant to section 454(15)(B), or on the basis of the results of a review conducted under section 452(a)(4),

that the State program failed to achieve the paternity establishment percentages (as defined in section 452(g)(2)), or to meet other performance measures that may be established by the Secretary, or

"(II) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C)(i), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

"(ii) that, with respect to the succeeding fiscal year--

"(I) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i), or

"(II) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable,

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in subparagraph (B).

"(B) AMOUNT OF REDUCTIONS.--The reductions required under subparagraph (A) shall be--

"(i) not less than 1 nor more than 2 percent,

"(ii) not less than 2 nor more than 3 percent; if the finding is the second consecutive finding made pursuant to subparagraph (A), or

"(iii) not less than 3 nor more than 5 percent, if the finding is the third or a subsequent consecutive such finding.

"(C) DISREGARD OF NONCOMPLIANCE OF A TECHNICAL NATURE.--For purposes of this subsection and section 452(a)(4), a State determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B) shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's performance."

(2) CONFORMING AMENDMENTS.--

(A) Section 452(d)(3)(A) of the Social Security Act is amended by striking all that follows "for purposes of" and inserting "section 409(a)(8), to be in compliance with the performance requirements of this part; and".

(B) Section 452(g)(1) of the Social Security Act is amended by striking "section 403(h) of this title" and inserting "section 409(a)(8)".

(3) EFFECTIVE DATE: CONFORMED TO CHANGE IN AUDIT REQUIREMENTS.--The amendments made by this [subsection] shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

11. EXCLUSIONS FROM REASONABLE CAUSE PENALTY EXCEPTIONS.

Problem: Section 409(b)(1) of the Social Security Act prohibits the imposition of a penalty on a State under section 409(a) if the Secretary finds the State had reasonable cause for failure to comply. Section 409(b)(2) provides that this prohibition does not apply with respect to failures to meet historic State expenditures (sec. 409(a)(7)) or to comply with CSE requirements (sec. 409(a)(8)).

The Explanatory Statement of Managers in the conference report for PRWORA stated the conferees' intent to make the reasonable cause exception unavailable for penalties under paragraphs (6) (failure to repay the loan fund), (7) (failure to meet historic State expenditures), and (12) (failure to replace grant reductions caused by penalties); the Explanatory Statement makes no mention of paragraph (8) (CSE requirements).

The following amendment would make the good cause exception unavailable in all cases where Congressional intent to do so is indicated in either statutory or report language.

Proposed amendment:

() EXCLUSIONS FROM REASONABLE CAUSE PENALTY EXCEPTIONS.--

Section 409(b)(2) of the Social Security Act is amended--

(1) by striking "(2) EXCEPTION.--" and inserting "(2) EXCEPTIONS.--"; and

(2) by striking "paragraph (7) or (8)" and inserting "paragraph (6), (7), (8), or (12)".

12. PENALTIES NOT AVOIDABLE THROUGH CORRECTIVE COMPLIANCE PLANS.

Problem: Sec. 409(c)(4) of the Social Security Act makes corrective compliance plans unavailable to avoid a penalty under sec. 409(a)(6) (for failure to repay a loan). We believe there are at least two additional areas where the application of a corrective compliance plan and penalty forgiveness seem inconsistent with the penalty provisions as a whole:

- o Sec. 409(a)(1)(B) (5 percent enhanced penalty for intentional use of grant funds in violation of title IV-A). This penalty is imposed only after an audit finds such violative use and the State fails to prove to the Secretary that the violation was unintentional. Further, it is subject to the reasonable cause exception under sec. 409(b). In any case where imposition of this penalty is nevertheless found to be justified, it does not seem reasonable to permit the State to avoid the penalty by corrective action.
- o Sec. 409(a)(12) (penalty for failure to expend additional State funds to replace penalty grant reductions). The penalties underlying this penalty would have been taken after a determination that reasonable cause and corrective compliance exceptions were either inapplicable or unavailable. It does not seem reasonable that a penalty imposed to enforce other penalties should be forgiven through a corrective compliance plan.

Proposed amendment:

() PENALTIES NOT AVOIDABLE THROUGH CORRECTIVE COMPLIANCE PLANS.--Section 409(c)(4) of the Social Security Act is amended--

(1) by striking the caption and inserting

"EXCEPTIONS.--"; and

(2) by striking "subsection (a)(6)" and inserting

"paragraph (1)(B), (6), or (12) of subsection (a)".

13. DATA COLLECTION AND REPORTING.

Problem: Sec. 411(a)(1)(A) of the Social Security Act requires States to collect and report disaggregated case record

information. Sec. 411(a)(1)(B) provides that States may comply with this requirement by submitting an estimate using scientifically acceptable sampling methods. Use of the term "estimate" suggests that data could be collected and reported on an aggregated basis.

The proposed amendment clarifies that samples are allowable, but that actual disaggregated case record information must be provided.

Proposed amendment:

() DATA COLLECTION: SAMPLING.--Section 411(a)(1)(B) of the Social Security Act is amended--

(1) in the heading, by striking "ESTIMATES" and inserting "SAMPLES"; and

(2) in clause (i), by striking "an estimate which is obtained" and inserting "disaggregated case record information on a sample of families selected".

14. GRANTS TO INDIAN TRIBES THAT RECEIVED JOBS FUNDS.

Problems: (1) Sec. 412(a) of the Social Security Act as drafted would require eligible tribes to operate work programs, even if some of them would prefer not to. Such a requirement was surely not intended.

(2) Sec. 412(a)(2)(C) states that these grant funds are to be used "to make work activities available to members of the Indian tribe". This language leaves unclear whether (or the extent to which) the tribe has the same discretion as it has under its basic family assistance grant to define the population served (for example, to include other reservation residents, or other Native Americans in the service area). We believe the Congress would wish to allow tribes to define the population they will serve under both TANF and the work activities program, in accord with tribal sovereignty and self-determination.

(3) The amount appropriated under sec. 412(a)(2) is higher than can be used even if all eligible tribes seek funding, since one tribe that received FY 1994 funds included in the funding base did not operate a program in FY 1995 and is thus ineligible.

Proposed amendments:

() GRANTS TO INDIAN TRIBES THAT RECEIVED JOBS FUNDS.--

(1) TRIBAL OPTION TO OPERATE PROGRAM.--Section 412(a)(2)(A) is amended--

(A) by striking "to each eligible Indian tribe" and inserting a comma; and

(B) by striking "2002" and inserting "2002, to each eligible Indian tribe proposing to operate a program described in subparagraph (C),".

(2) USE OF GRANT.--Section 412(a)(2)(C) is amended by striking "available" and all that follows and inserting "available. The Indian tribe shall specify the population and service area or areas to be served by such program.".

(3) APPROPRIATION.--Section 412(a)(2)(D) is amended by striking "\$7,638,474" and inserting "such sums as necessary (not to exceed \$7,633,287)".

15. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

A. METHODS AVAILABLE FOR CONDUCT OF RESEARCH.

Problem: Sec. 413(a) of the Social Security Act, by omitting standard language authorizing the Secretary to conduct the required research: "directly or through grants, contracts, or interagency agreements", makes the use of grants and interagency agreements unavailable, thus seriously hampering accomplishment of the required activities.

Proposed amendment:

() METHODS AVAILABLE FOR CONDUCT OF RESEARCH.--Section 413(a) of the Social Security Act is amended by striking "The Secretary" and inserting "The Secretary, directly or through grants, contracts, or interagency agreements,".

B. FUNDING OF PREVIOUSLY AUTHORIZED DEMONSTRATIONS.

Problem: Sec. 413(h)(1)(D) of the Social Security Act authorizes the Secretary to continue funding for operation and evaluation of demonstrations relating to title IV-A that were in effect or approved as of September 30, 1995. We believe this date originated in the prior vetoed bill, in which the TANF program would have taken effect October 1, 1995. Changing the cutoff date to August 22, 1996, the date of enactment of PRWORA, would make it more consistent with other effective dates relating to the title IV-A program.

Proposed amendment:

() FUNDING OF PREVIOUSLY AUTHORIZED DEMONSTRATIONS.--Section 413(h)(1)(D) of the Social Security Act, as added by section 103(a) of PRWORA, is amended by striking "September 30, 1995" and inserting "August 22, 1996".

C. STATE CHILD POVERTY REPORTS.

Problems: (1) Deadline for State reports. Sec. 413(i)(1) of the Social Security Act requires States to report their child poverty rates 90 days after enactment of PRWORA. In order to provide reliable information, States need longer than 90 days. The proposed amendment gives the States until November 30, 1997, to make the first annual report.

(2) Factors considered in methodology. HHS cannot implement this provision as written, because data on one of the three factors specified in the methodology are not available. The proposed amendment would give HHS flexibility to establish the methodology to be used by States to determine child poverty rates. HHS wants to work together with States to develop a valid methodology which

incorporates reliable and current data which would be available on an economical and consistent basis.

Proposed amendments:

() STATE CHILD POVERTY REPORTS.--

(1) DUE DATE FOR INITIAL REPORT.--Section 413(i)(1) of the Social Security Act is amended by striking "90 days after the date of the enactment of this part" and inserting "November 30, 1997".

(2) METHODOLOGY.--Section 413(i)(5) of the Social Security Act is amended by striking "shall take into account factors including" and inserting "may take into account factors such as".

16. DEFINITION OF INDIAN TRIBES IN ALASKA.

Problem: Sec. 419(4)(B) of the Social Security Act defines "Indian tribe" in Alaska, for purposes of TANF, to mean specified Alaska Native Corporations rather than the Alaska Native villages which are otherwise treated as tribes under Federal law. This choice of definition creates two problems.

Significantly, the current definition, by including entities that are not Indian tribes and excluding existing Federally recognized Indian tribes, falls outside the line of authority recognizing the special political relationship between the U.S. Government and Indian tribes and conflicts with the principle of government-to-government relations with Indian tribes. As a result, this definition raises potential litigation and policy concerns. The amended definition is intended to reduce the risk of litigation on this issue.

In addition, application of this variant definition to the portion of CCDBG funding transferred from the TANF program under sec. 418 (as added by sec. 603(b) of PRWORA) will make impossible, in the case of Alaska Natives, operation of a single unified child care program under CCDBG.

Proposed amendment:

() DEFINITION OF INDIAN TRIBES IN ALASKA.--Section 419A of the Social Security Act (as added by section 103(a) of PRWORA [and redesignated by the amendment relating to sec. 421 of PRWORA, above]) is amended in paragraph (4) by striking all that follows the caption and inserting "The terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).".

Sec. 103(b): TANF grants to territories:**1. FEDERAL PAYMENTS FOR TANF PROGRAMS IN TERRITORIES.**

Problems: Because of the ceilings on Federal TANF payments to territories under sec. 1108 of the Social Security Act, certain payments intended to be in addition to the basic grant would be unavailable. Without them, the TANF program will not operate in the territories as intended. Amendments are needed to allow payments to territories above the sec. 1108 ceilings for bonuses under sec. 403 for high performance or reduction of illegitimacy, loans under sec. 406, and state-initiated evaluations under sec. 413(f).

Proposed amendments:

() CERTAIN PAYMENTS TO TERRITORIES NOT SUBJECT TO CEILING.--Section 1108(a) of the Social Security Act is amended--

(1) by indenting the matter following the heading two
ems;

(2) by striking "Notwithstanding any other provision of this Act" and inserting the following:

"(1) IN GENERAL.--Notwithstanding any other provision of this Act, except as provided in paragraph (2)"; and

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

"(2) EXCEPTIONS.--The following payments to a territory under part A of title IV shall not be subject to the ceiling under this section:

"(A) BONUS FOR REDUCTION OF ILLEGITIMACY.--Any bonus payment under section 403(a)(2).

"(B) HIGH PERFORMANCE BONUS.--Any bonus payment under section 403(a)(4).

"(C) LOAN.--Any loan payment under section 406.

"(D) STATE-INITIATED EVALUATION.--Any payment pursuant to section 413(f) for evaluation of the territory's program under such part A of title IV.

2. MULTIPLE TERRITORIAL MAINTENANCE OF EFFORT REQUIREMENTS.

Problem: The territories are subject to three separate maintenance of effort (MOE) requirements for TANF:

- (1) sec. 409(a)(7) of the Social Security Act (maintenance of historic State effort under title IV-A (as of FY 1994));
- (2) sec. 1108(b)(1)(B)(ii) (additional matching grant conditioned on exceeding FY 1995 expenditures); and
- (3) sec. 1108(e) (territorial ceiling amount for all assistance programs (Aid to the Aged, Blind, and Disabled (AABD) as well as TANF) reduced by the amount, if any, by which expenditures in the previous fiscal year are exceeded by FY 1995 expenditures).

It is not clear that Congress intended that three such requirements apply to the territories. If one were to be

deleted, we would recommend deletion of item (3), as in the following proposed amendment.

Proposed amendment:

() ELIMINATION OF THIRD MAINTENANCE OF EFFORT REQUIREMENT FOR TERRITORIES.--Section 1108(e) is repealed.

Sec. 104: services provided by charitable, religious, or private organizations:

1. CLARIFICATIONS CONCERNING RELIGIOUSLY AFFILIATED PROVIDERS.

Problem: The Supreme Court has held that the Constitution does not preclude most organizations with religious affiliations from participating equally with other private organizations in public welfare programs, as long as such organizations do not engage in religious activities in using public funds. However, the Court has held that the government may not enlist pervasively sectarian organizations in administering welfare programs paid for with public funds.

Sec. 104(c) explicitly provides that TANF programs provided through religious organizations must be implemented in a manner consistent with the Establishment Clause of the Constitution. However, other provisions of sec. 104 and its legislative history could be read to be inconsistent with the constitutional limits. We recommend amending sec. 104 to clarify that it does not compel or allow States to provide TANF benefits through pervasively sectarian organizations, either directly or through vouchers redeemable with these organizations. In addition, we suggest an amendment to clarify that State funds received by an organization for the purposes of providing TANF services and benefits may not be used for sectarian purposes.

Proposed amendments:

() CLARIFICATIONS CONCERNING RELIGIOUSLY AFFILIATED PROVIDERS.--Section 104 of PRWORA is amended--

(1) in the heading, by striking "RELIGIOUS" and inserting "RELIGIOUSLY AFFILIATED";

(2) in subsection (a)(1)(A), by striking "religious", and inserting "religiously affiliated";

(3) in subsection (b)--

(A) by striking "to contract with religious organizations, or to allow religious organizations to accept" and inserting "to contract with religious organizations that are not pervasively sectarian; or to allow such religious organizations to accept; and

(B) by striking "religious character" and inserting "religious affiliation";

(4) in subsection (c)--

(A) by striking "religious organizations are eligible" and inserting "religious organizations that are not pervasively sectarian are eligible"; and

(B) by striking "religious character" and inserting "religious affiliation";

(5) in subsection (d)(1)--

(A) by striking "A religious organization" and inserting "A non-pervasively sectarian religious organization"; and

(B) by striking "the definition, development, practice, and expression of its religious beliefs" and inserting "its religious affiliation";

(6) in subsection (d)(2)--

(A) in the matter preceding subparagraph (A)--

(i) by striking "Neither" and inserting "To the extent such organization is not pervasively sectarian and complies with the limitation described in subsection (j), neither"; and

(ii) by striking "a religious organization" and inserting "such organization"; and

(B) in subparagraph (B), by inserting "all" before "religious";

(7) in subsection (e)(1), by striking "religious character" and inserting "religious affiliation";

(8) in subsection (f), by striking "its participation in, or receipt of funds from" and inserting "the participation of a non-pervasively sectarian affiliate in, or the receipt by such affiliate of funds from";

(9) in subsection (g), by striking "a religious organization" and inserting "an institution or organization";

(10) in subsection (h)(1), by inserting "described in subsection (b)" after "religious organization"; and

(11) in subsection (j), by striking "shall be expended for sectarian worship" and inserting "shall be used or expended for any sectarian activity, including sectarian worship".

Sec. 106: report on data processing:

1. CLARIFYING AMENDMENT.

Problem: Sec. 106(a)(1) includes a parenthetical reference which has no substantive effect but which is confusing. We believe it may be a leftover from H.R. 4, the vetoed predecessor bill, which would have taken effect on the date indicated.

Proposed amendment:

() REPORT ON DATA PROCESSING: CLARIFYING AMENDMENT.--

Section 106 of PRWORA is amended by striking "(whether in effect before or after October 1, 1995)".

Sec. 108: conforming amendments to Social Security Act.

1. AMENDMENTS TO TITLE IV-D.

Sec. 108(c) of PRWORA makes conforming amendments to title IV-D (child support enforcement) of the Social Security Act. Various necessary conforming amendments were either flawed or omitted altogether. Corrections are needed as follows:

A. PERFORMANCE STANDARDS FOR STATE PATERNITY ESTABLISHMENT PROGRAMS; DELETION OF OBSOLETE LANGUAGE.

Problems: The revision of the final sentence in sec. 452(g)(2), intended to conform to the changes made by sec. 333 of PRWORA, is incomplete. Sec. 333 of PRWORA transfers to the State IV-D agency (rather than the IV-A and IV-E agencies) the responsibility for determining whether custodial parents are cooperating with efforts to establish paternity and secure support. The conforming amendment in sec. 108(c)(8) correctly adds language referring to the IV-D agency determination, and deletes obsolete language referring to cooperation and good cause determinations by the IV-A agency, but fails to delete the obsolete language referring to this determination by the IV-E agency.

[NOTE: The decision by the drafters of PRWORA to place the first of the needed conforming amendments in title I is odd, since the most closely related substantive amendments are in title III.

The choice may explain why the second needed conforming amendment (which relates to title IV-E rather than IV-A) was overlooked.]

Proposed amendment:

() PERFORMANCE STANDARDS FOR STATE PATERNITY ESTABLISHMENT PROGRAMS: DELETION OF OBSOLETE LANGUAGE.--Section 452(g)(2) of the Social Security Act, as amended by section 108(c)(8) of PRWORA, is further amended in the final sentence by striking all that follows "section 454(29)" and inserting a period.

B. DISTRIBUTION FORMULA: AMENDMENT CONCERNING MEDICAID CASES TO CONFORM TO CHANGE MADE CONCERNING TITLE IV-A CASES.

Problem: Sec. 302 of PRWORA makes amendments to sec. 457 of the Social Security Act intended to establish a comprehensive set of rules for distribution of all child support collections by the State IV-D agency, and specifying the different rules applicable to collections on behalf of families currently receiving AFDC or TANF assistance under title IV-A or medical assistance (Medicaid) under title XIX, families who previously received such assistance, and families who have never received such assistance. The amendments to sec. 457 required conforming amendments to sec. 454(5) to delete language stating that the rules under sec. 457 do not apply to families losing eligibility for cash or medical assistance. The conforming amendment concerning families losing cash assistance was made by sec. 108(c)(11)(B) of PRWORA, but the corresponding amendment concerning families losing medical assistance was not made.

[NOTE: As with the previous item, the location of the first of the needed amendments in title I of PRWORA is odd, since the most closely related substantive amendments are in title III. The choice may explain why the second needed conforming amendment (involving title XIX rather than title IV-A) was overlooked.]

Proposed amendment:

() DISTRIBUTION FORMULA: AMENDMENT CONCERNING MEDICAID CASES TO CONFORM TO CHANGE MADE CONCERNING TITLE IV-A CASES.-- Section 454(5), as amended by section 108(c)(11) of PRWORA, is

amended in subparagraph (B) by striking ", except that this clause" and all that follows and inserting a semicolon.

C. ASSIGNMENT OF SUPPORT RIGHTS TO STATES: CORRECTION OF REFERENCES.

Problem: Title I of PRWORA, in rewriting title IV-A of the Social Security Act in its entirety, relocates from sec. 402(a)(26) to sec. 408(a)(3) the requirement to assign support rights to the State as a condition of receiving assistance under the State IV-A program. Sec. 108(c) of PRWORA fails to make (or make completely) some of the conforming changes required by this revision.

Proposed amendments:

() SUPPORT OBLIGATION AS OBLIGATION TO STATE: INSERTION OF OMITTED SECTION REFERENCE.--Section 456(a)(1) of the Social Security Act, as amended by sec. 108(c)(13) of PRWORA, is amended by inserting "pursuant to section 408(a)(3)" after "assigned to the State".

() TAX REFUND OFFSET: CORRECTION OF REFERENCE.--Section 464(a)(1) of the Social Security Act is amended by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(3)".

2. AMENDMENTS TO TITLE IV-E: UNIFORM METHODOLOGY FOR DETERMINING MEDICAID AND FOSTER CARE/ADOPTION ASSISTANCE ENTITLEMENTS.

Problem: PRWORA, in eliminating individual entitlements under TANF, substitutes AFDC entitlement in a previous year as a basis for entitlement to title IV-E foster care or adoption assistance (sec. 108(d) of PRWORA) and to Medicaid under title XIX (sec. 1931 of the Social Security Act, added by sec. 114(a) of PRWORA). However, the two standards are not identical: they use different previous years for eligibility standards. These discrepancies place on States the onerous and unnecessary burden of calculating two different eligibility standards.

Proposed amendments:

() ELIGIBILITY FOR FOSTER CARE/ADOPTION ASSISTANCE: BASE YEAR.--The following provisions are amended by striking "June 1, 1995" each place it appears and inserting "July 16, 1996":

(1) section 470, as amended by section 108(d)(1)(B) of PRWORA;

(2) section 472(a) (in the matter preceding paragraph (1), and in paragraphs (4)(A) and (4)(B)(ii)), as amended by section 108(d)(3);

(3) section 472(h)(1), as amended by section 108(d)(4) of PRWORA;

(4) section 473(a)(2) (in subparagraphs (A)(i), (B)(i), and (B)(ii)(II)), as amended by section 108(d)(5) of PRWORA: and

(5) section 473(b)(1), as amended by section 108(d)(6) of PRWORA.

Sec. 115: denial of assistance and benefits for certain drug-related convictions:

1. APPLICATION OF PROVISION ONLY TO CONDUCT OCCURRING BEFORE ENACTMENT.

Problem: Sec. 115 of PRWORA makes permanently ineligible for TANF or food stamp benefits individuals convicted of certain drug-related felonies, unless the State opts out of or limits this restriction. The provision's authors apparently intended to avoid inconsistency with the constitutional prohibition on laws imposing punishment ex post facto by making the restriction inapplicable to convictions obtained before enactment. But to

avoid this infirmity, the provision must apply only to conduct occurring after enactment.

Proposed amendment:

() DENIAL OF PROGRAM BENEFITS FOR DRUG-RELATED CONVICTION: APPLICATION ONLY TO CONDUCT AFTER ENACTMENT.--Section 115(d)(2) of PRWORA is amended by striking "convictions" and inserting "convictions for criminal conduct that occurred".

Sec. 116: effective dates; transition:

1. REPORTING REQUIREMENTS APPLICABLE TO TRANSITION PERIOD.

Problem: Under sec. 116(a), "old" reporting requirements for titles IV-A and -F are repealed effective July 1, 1997, and "new" requirements do not apply to a State until the later of July 1, 1997, or 6 months after its TANF plan is submitted. There will be no gap in reporting in the case of States that submit a TANF plan by January 1, 1997, since (under sec. 116(b)(1)(A)(ii)(II)) they will be subject to the "old" requirements until the effective date of the "new" requirements. But States submitting TANF plans after January 1, 1997, will be subject to neither "old" nor "new" reporting requirements for up to 6 months (depending on date of submission).

Unless a change is made, the information available to the Secretary for the first annual report to Congress under sec. 411(b) of the Social Security Act will be very deficient, and crucial information on the early implementation of TANF will be missing.

To maintain continuity of State reporting, we recommend requiring States submitting TANF plans after January 1, 1997, to make reports (under either the "old" or "new" rules, at their option) for the period from July 1, 1997, to the applicable effective date of the "new" rules.

Proposed amendment:

() INTERIM REPORTING REQUIREMENTS.--Section 116(a)(2) of PRWORA (as amended by the preceding amendment) is further amended--

(1) in the matter preceding subparagraph (A), by inserting "(but subject to subparagraph (C))" after "Notwithstanding any other provision of this section";

(2) by adding after subparagraph (B) the following new subparagraph:

"(C) DELAYED REPEAL OF REPORTING REQUIREMENTS; STATE OPTION.--Each State that submits to the Secretary after January 1, 1997, a plan described in subparagraph (A) shall, for the period beginning on July 1, 1997, and ending on the date a provision of section 411(a) would otherwise apply to such State pursuant to subparagraph (A) or (B), be subject (at State option) either to such provision of such section 411(a) or to the corresponding provisions of reporting requirements specified in subsection (b)(1)(A)(ii)(II).".

TITLE II--SUPPLEMENTAL SECURITY INCOME

Sec. 202: denial of SSI to fugitive felons, probation and parole violators:

1. ABILITY OF SSA TO CHARGE FOR PROVIDING INFORMATION.

Problem: The phrase "Notwithstanding any other provision of law" in section 1611(e) of the Social Security Act, as amended by section 202(b) of PRWORA, which is meant to allow disclosure of information on fugitive felons or parole violators, will also preclude SSA from charging for the costs of providing information for non-Social Security Act program requests in these cases. The addition of the reference to the Social Security Act will allow SSA to charge for these non-Social Security program requests for information.

Proposed amendment:

() DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS--Section 1611(e) of the Social Security Act (as amended by section 202(b) of PRWORA) is amended by inserting "but subject to section 1106(c) of this Act" after "of 1986".

Sec. 203: treatment of prisoners:

1. INMATES ELIGIBLE FOR SSI PAYMENTS.

Problem: The proposed amendment will correct three problems with the description of inmates in section 1611(e) of the Social Security Act, as added by section 203(a) of PRWORA, with respect to whom SSA will make payments:

The first change would provide that SSA will make payments if the inmate actually received a payment in the month before the first month throughout which the inmate was confined in the institution that notified SSA. This change corrects an inequity in PRWORA which precludes SSA from paying an institution which reports an inmate who is receiving an SSI benefit after the inmate had been confined in another institution which did not report such an individual as an inmate. This could occur when an inmate is

transferred from one institution to another and the first institution did not, for some reason, report to SSA.

The second change clarifies that payment to mental institutions will be made only with respect to those inmates who are confined by reason of a criminal charge. This is accomplished by listing the institutions and cross referencing the provisions of section 202(x)(1)(A) of the Social Security Act. Without this change, SSA would be required to pay public mental institutions for information regarding any of their inmates who are ineligible regardless of the reason for their ineligibility.

The third change corrects an inappropriate reference to "this subparagraph" as the cause of ineligibility and reason for payment to an institution by specifying that payments to an institution will be made only when the Commissioner determines that an individual is ineligible based on information provided by the institution.

Proposed amendment:

() TREATMENT OF PRISONERS.--Section 1611(e)(1)(I)(i)(II) of the Social Security Act (as added by section 203(a)(1) of PRWORA) is amended--

(1) by striking "inmate of the institution who is eligible for" and inserting "individual who receives";

(2) by striking "inmate is in such institution" and inserting "individual is an inmate of the jail, prison, penal institution, or correctional facility, or is confined in the institution as described in section 202(x)(1)(A),"; and

(3) by striking "becomes ineligible for such benefit as a result of the application of this subparagraph" and inserting "who is determined by the Commissioner to be

ineligible for such benefit by reason of confinement based on the information provided by the institution".

2. REFINEMENT IN EXEMPTION FROM PRIVACY ACT REQUIREMENTS.

Problem: Section 1611(e) of the Social Security Act, as added by section 203(a) of PRWORA, provides for an exemption from Privacy Act requirements. The proposed amendment revises the exemption from the Privacy Act by specifying that the exemption applies only to the computer matching provisions of the Privacy Act and by placing the exemption in section 552a of title 5 of the United States Code.

Proposed amendment:

() REFINEMENT OF EXEMPTION FROM COMPUTER MATCHING REQUIREMENTS APPLICABLE TO AGREEMENTS BETWEEN THE COMMISSIONER OF SOCIAL SECURITY AND PENAL INSTITUTIONS.--

(1) AMENDMENT TO THE PRIVACY ACT EXEMPTING AGREEMENTS BETWEEN THE COMMISSIONER OF SOCIAL SECURITY AND PENAL INSTITUTIONS FROM REQUIREMENTS RESPECTING COMPUTER MATCHING.--Section 552a(a)(8)(B) of title 5, United States Code, is amended--

- (A) by striking "or" at the end of clause (vi);
- (B) by adding "or" at the end of clause (vii); and
- (C) by inserting after clause (vii) the following

new clause:

"(viii) matches performed by the Commissioner of Social Security using records provided by an institution described in

section 1611(e)(1)(I)(i) of the Social Security Act;".

(2) CONFORMING AMENDMENT.--Section 1611(e)(1)(I)(ii) of the Social Security Act (as added by section 203(a)(1) of PRWORA) is amended by striking "(I)" and all that follows through "(II)".

Sec. 211: definition and eligibility rules:

1. CRITERIA FOR MEDICAL REDETERMINATIONS FOR CHILD SSI RECIPIENTS.

Problem: Under section 211(d) of PRWORA, within 1 year of enactment, SSA is expected to make a medical redetermination of current SSI childhood recipients, whose eligibility may be affected by the changes in the childhood disability eligibility criteria (i.e., the new definition of childhood disability and the elimination of the individualized functional assessment and references to maladaptive behavior in the Listing of Impairments) using the new eligibility criteria.

Current language limits the period for making medical redeterminations to 1 year. There may be some SSI children inadvertently missed during that period. Such children could be discovered during a continuing disability review (CDR) or when reviewing a file for other reasons more than 1 year after enactment. Without clarification, some could argue that cases so discovered would be subject to the medical improvement review standard (MIRS) rather than applying the new childhood disability eligibility criteria. Applying the MIRS could result in the continuation of benefits to a significant number of children who do not meet the new eligibility criteria.

The technical amendment will clarify that SSA has the authority to make redeterminations for applicable children after the 1-year period using the new childhood criteria.

Proposed amendment:

() ELIGIBILITY REDETERMINATIONS FOR CURRENT RECIPIENTS--

Subparagraph (A) of section 211(d)(2) of PRWORA is amended--

(1) in the first sentence, by striking "During the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the", and inserting in lieu thereof "The"; and

(2) following the first sentence, by inserting: "The Commissioner shall make every reasonable effort to complete these redeterminations within 1 year after the date of the enactment of this Act."

Sec. 212: eligibility determinations and continuing disability reviews:

1. CRITERIA FOR MEDICAL REDETERMINATIONS FOR SSI RECIPIENTS ATTAINING AGE 18.

Problem: Under section 1614 of the Social Security Act, as amended by section 212(b) of PRWORA, within 1 year of attainment of age 18, SSA is expected to make a medical redetermination of current SSI childhood recipients using the adult disability eligibility criteria. Current language limits the period for making medical redeterminations to 1 year. There may be some applicable age 18 (or over) recipients discovered after the 1-year period. Such recipients could be discovered during a continuing disability review (CDR) or when reviewing a file for other reasons more than 1 year after their attainment of age 18. Without clarification, some could argue that cases so discovered would be subject to the medical improvement review standard (MIRS) rather than applying the adult disability eligibility criteria. Applying the MIRS could result in the continuation of benefits to a significant number of individuals (after they attain age 18) who had been receiving SSI childhood disability benefits, but may not meet the SSI disabled adult criteria.

The technical amendment will clarify that SSA has the authority to make redeterminations using the adult criteria for applicable age 18 (or over) recipients discovered after the 1-year period.

Proposed amendment:

() DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.--Clause (iii) of section 1614(a)(3)(H) of the Social Security Act, as added by section 212(b)(1) of PRWORA, is amended by striking "eligibility --" through "are age 18 or older." and inserting "individual's eligibility by applying the criteria used in determining initial eligibility for individuals who are age 18 or older. The Commissioner shall make every reasonable effort to complete such redetermination during the 1-year period beginning on the individual's 18th birthday."

2. TIMETABLE FOR CONTINUING DISABILITY REVIEWS FOR LOW BIRTH WEIGHT BABIES.

Problem: Section 212(c) of PRWORA amended Section 1614 (a)(3)(H) by adding clause (iv)(I) to require SSA to perform a CDR if an individual's low birth weight is a contributing factor material to the disability determination, no later than 12 months after the individual's birth. This amendment would avoid the situation where SSA would find an individual eligible based on his or her low birth weight at the age of 9 or 10 months, and then have to initiate a CDR within 2 or 3 months. Without the amendment, SSA would have to perform one CDR by age 12 months and another CDR at a later point in time.

Proposed amendment:

() CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.--Clause (iv)(I) of section 1614(a)(3)(H) of the Social Security Act, as added by section 212(c) of PRWORA, is amended by striking "birth of an individual," and inserting in lieu thereof "month in which the Commissioner makes the determination that the individual is disabled,".

Sec. 213: additional accountability requirements:

1. DEDICATED ACCOUNTS FOR MINORS RECEIVING SSI: PENALTIES FOR MISAPPLICATION OF FUNDS; CLARIFICATION OF TERMS.

Problem: The provision added to section 1631 of the Social Security Act by section 213 of PRWORA provides a penalty when individuals who are their own payees misapply funds in a dedicated savings account by considering the amount so used as the uncompensated value of a disposed resource subject to the provisions of section 1613(c). The welfare reform legislation would have replaced the current section 1613(c) with a provision that established periods of ineligibility for individuals who disposed of resources for less than fair market value. This provision was dropped in conference. Consequently, under current law, if an individual misapplies funds from his own dedicated savings account, SSA would only be required to inform the State agency administering the Medicaid program of the transfer. Under Medicaid law, such a transaction would not be considered a transfer of assets that would require a Medicaid sanction under section 1917 of the Social Security Act. The proposed correction would direct that any amount misapplied from a dedicated savings account by individuals who are their own payees would reduce those individuals' future benefits by an equal amount. This penalty would parallel that imposed on a representative payee who misapplies these funds.

Amending section 1631 to change references from "underpayment" to "past-due benefits" would avoid the unintended effect of requiring--as the structure of the section would require--a distinction to be drawn between two things that refer basically to the same condition. Technically, "underpayment" refers to a condition when the individual has received less than the amount due him. The term should not be used to refer to a benefit payment. The law and regulations use the term only to describe a condition (e.g., "Overpayments and Underpayments" as a title for section 1631(b) and "Underpayments can occur only with respect to a period..." as in 20 CFR 416.536.) When there has been an underpayment of benefits, a payment representing past-due benefits would correct the payment record. The suggested changes correct this problem and also clarify that the benefits referred to include federally-administered State supplementary payments.

Proposed amendment:

() REQUIREMENT TO ESTABLISH AN ACCOUNT.--

(1) REDUCTION IN FUTURE BENEFITS.--Section 1631(a)(2)(F)(ii)(III)(bb) of the Social Security Act, as added by section 213(a) of PRWORA, is amended by striking "the total amount" and all that follows through "1613(c)" and inserting "in any case where the individual knowingly misapplies benefits from such an account, the Commissioner shall reduce future benefits payable to such individual (or to such individual and his spouse) by an amount equal to the total amount of such benefits so misapplied".

(2) CORRECTION IN TERMINOLOGY.--Section 1631(a)(2)(F)(iii) of the Social Security Act, as added by section 213(a) of PRWORA, is amended to read as follows--

"(iii) The representative payee may deposit into the account established pursuant to clause (i) any other funds representing past-due benefits under this title to the eligible individual, provided that the amount of such past-due benefits is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual (including State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of P.L. 93-66)."

Sec. 214: reduction in SSI payments to privately insured institutionalized individuals:

1. CHANGES TO OUTDATED TERMINOLOGY.

Problem: Section 1611(e) of the Social Security Act, as amended by section 214 of PRWORA, uses outdated terminology in referring to certain medical facilities. The terminology used in the Medicaid program to designate various kinds of covered facilities has changed. However, those changes are not reflected in SSI law. For example, the term "extended care facilities" no longer applies to any facility and new terminology, such as psychiatric residential treatment facilities (PRTF) has been added. PRTFs provide in-patient treatment to individuals under the age of 21. Even though Medicaid pays for the cost of care, SSI recipients in these facilities are not subject to the \$30 payment standard because the facility is not one of those specifically named in subparagraphs (B), (E), and (G) of section 1611(e)(1). Use of the term "medical treatment facility" would assure that the \$30 payment provision would apply to all medical facilities that receive Medicaid reimbursement for "costs of care." Conforming changes in section 1611(e)(1)(G) are also needed in order to assure that children whose SSI benefits are subject to the \$30 payment standard established under section 1611(e)(1)(B) receive the same treatment under this provision which provides benefits based on the full benefit rate for other individuals subject to the same standard whose stay in a treatment facility is anticipated to be for 3 or fewer months.

Proposed amendment:

() REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE

INSURANCE.--Section 1611(e)(1) of the Social Security Act, as amended by section 214 of PRWORA, is further amended--

(1) in subparagraph (B), by striking "hospital, extended care facility, nursing home, or intermediate care facility" and inserting "medical treatment facility";

(2) in clause (iii) of subparagraph (E), by striking "hospital, extended care facility, nursing home, or

intermediate care facility" and inserting "medical treatment facility"; and

(3) in subparagraph (G), in the matter preceding clause (i)--

(A) following the comma after "psychiatric care", by striking "or which is in a hospital, extended care facility, nursing home, or intermediate care" , and inserting "or is in a medical treatment"; and

(B) after "title XIX" by inserting "or, in the case of an individual who is a child under the age of 18, under any health insurance policy issued by a private provider of such insurance".

TITLE III--CHILD SUPPORT

Sec. 301: State obligation to provide CSE services:

1. STATE PLAN REQUIREMENTS: CLARIFYING AMENDMENT.

Problem: Sec. 454(6)(B), as amended by sec. 301(a)(2)(C) of PRWORA, specifies only individuals receiving title IV-A assistance as exempt from fees under title IV-D. Individuals receiving foster care or adoption assistance payments under title IV-E or receiving Medicaid under title XIX are also exempt. In addition, sec. 822 of PRWORA amends sec. 6 of the Food Stamp Act to give States the option to require cooperation with the State IV-D agency as a condition of receiving food stamps. Where the State elects this option, food stamp recipients should not be subject to CSE fees.

Proposed amendment:

() INDIVIDUALS SUBJECT TO FEE FOR CSE SERVICES.--Section 454(6)(B), as amended by section 301(a)(2)(C) of PRWORA, is amended by striking "not receiving assistance under any State program funded under part A", and inserting "(other than an individual who is receiving assistance under a State program under part A or E or title XIX, or who is required by the State to cooperate with the State agency administering the program under this part pursuant to section 6(l) or (m) of the Food Stamp Act of 1977)".

2. CORRECTION OF REFERENCE.

Problem: Amendments made by sec. 301(a) of PRWORA relocate language concerning CSE collections for children not receiving welfare benefits from sec. 454(6) to 454(4). A needed conforming amendment to sec. 464 was not made.

Proposed amendment:

() CONFORMING AMENDMENT.--Section 464(a)(2)(A) of the Social Security Act is amended in the first sentence by striking "section 454(6)" and inserting "section 454(4)(B)".

Sec. 302: distribution of CSE collections:

1. LIMITS ON COLLECTIONS RETAINED BY STATE AND FEDERAL GOVERNMENTS.

Problem: Sec. 457(a)(2) of the Social Security Act, as amended by sec. 302(a) of PRWORA, specifies, with respect to families that formerly received cash assistance, that the portion of child support collections retained by the State and Federal governments may not exceed their share of amounts paid to the family as assistance by the State. A parallel provision should be added with respect to families currently receiving assistance.

Proposed amendment:

() DISTRIBUTION OF CSE COLLECTIONS: FAMILIES RECEIVING ASSISTANCE.--Section 457(a)(1) is amended by adding at the end the following:

"In no event shall the total of amounts paid to the Federal Government and retained by the State exceed the total amounts that have been paid to the family as assistance by the State."

2. COLLECTIONS FOR FAMILIES RECEIVING ASSISTANCE FROM INDIAN TRIBES.

Problem: Sec. 457(a)(4) of the Social Security Act, added by sec. 302(a) of PRWORA, requires the State CSE agency "In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33)."

This provision should be deleted. It is at best unnecessary, adding nothing to the distribution rules otherwise provided under

sec. 457 and the permissive authority for cooperative agreements between State agencies and Indian tribes under sec. 454(33). At worst, it suggests that all CSE collections for families receiving assistance from a tribe pursuant to sec. 412 should be distributed by the State agency under a sec. 454(33) agreement, a reading at odds with both secs. 454(33) and 412. Such an agreement would be unnecessary and inappropriate if the tribe were also operating its own title IV-D program through direct funding under sec. 455(b), as added by sec. 375(b) of PRWORA.

Proposed amendment:

() COLLECTIONS FOR FAMILIES RECEIVING ASSISTANCE FROM INDIAN TRIBES.--Section 457(a) of the Social Security Act, as amended by section 302(a) of PRWORA, is amended--

(1) by striking paragraph (4); and

(2) by redesignating paragraph (5) as paragraph (4).

3. STUDY AND REPORT.

Problem: Sec. 457(a)(5) of the Social Security Act (redesignated as sec. 457(a)(4) by the preceding amendment), as added by sec. 302(a) of PRWORA, requires the Secretary to report to the Congress by October 1, 1998 on the impact of changes in support distribution made by PRWORA. However, most of the changes the report is intended to cover have a delayed effective date (either in the Federal law, or because of the grace period provided for State law amendments), and because information on case closures and on failures to pay support needs to be collected over time. Therefore, a report meeting the statutory deadline would necessarily omit much important information and be of limited usefulness. We propose a one-year delay in the report due date.

Proposed amendment:

() REPORT TO CONGRESS.--Section 457(a)(4) (as redesignated by the preceding amendment) is amended by striking "October 1, 1998" and inserting "October 1, 1999".

4. CONTINUATION OF ASSIGNMENTS.

Problem: New TANF rules on support assignments, and revised CSE rules on support distribution to families formerly receiving cash assistance, will require significant changes in States' recordkeeping and distribution systems.

Sec. 408(a)(3)(A) of the Social Security Act, as added by sec. 103(a) of PRWORA, provides that (subject to a specified phase-in schedule) once a family leaves the program, their assignment of support rights to the TANF program will not apply to any rights accruing before the family received assistance. Under sec. 457(a)(2) of the Social Security Act, as amended by sec. 302 of PRWORA, States must pay the family all arrears accruing before or after the family received assistance before reimbursing itself for the costs of such assistance.

PRWORA leaves a gap in guidance on the timetable for transition from the "old" to the "new" assignment and distribution rules. The amended sec. 457(b) provides that any rights so assigned and in effect before August 22, 1996, the date of enactment of PRWORA, remain assigned after that date. However, the new law is silent with respect to assignments made on or after August 22, 1996 but before October 1, 1997.

The following proposed amendment applies the old rules until the date (not later than October 1, 1997) chosen by the State. This approach will eliminate the ambiguity created by the "gap", and will give States needed flexibility to make the changes in recordkeeping, application, and distribution procedures that will be necessary to enable them to implement the new rules.

Proposed amendment:

() CONTINUATION OF ASSIGNMENTS.--Section 457(b) of the Social Security Act, as added by section 302(a) of PRWORA, is amended--

(1) by striking "which were assigned" and inserting "assigned"; and

(2) by striking "and which were in effect" and all that follows and inserting "and in effect on September 30, 1997

(or such earlier date, on or after August 22, 1996, as the State may choose), shall remain assigned after such date."

5. CONFORMING AMENDMENTS.

Problem: The amendments to sec. 457 of the Social Security Act made by sec. 302(a) of PRWORA create a comprehensive scheme for distribution of all child support collections. Conforming amendments are needed to language in secs. 464 and 466 of the Social Security Act concerning distribution of child support collections from Federal and State tax refund offsets.

Proposed amendments:

() CONFORMING AMENDMENT.--

(A) FEDERAL TAX REFUND OFFSET.--Section 464(a)(2)(A) of the Social Security Act is amended in the final sentence by inserting "in accordance with section 457" before the period.

(B) STATE TAX REFUND OFFSET.--Section 466(a)(3)(B) of the Social Security Act is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

Sec. 313: State directory of new hires:

1. CIVIL MONEY PENALTY AMOUNT.

Problems: Minor and clarifying amendments to sec. 453A(d) of the Social Security Act, as added by sec. 313(b) of PRWORA, would allow States to set penalties up to \$25 for failure to report a new hire, and \$500 for a failure involving conspiracy, and would clarify that the \$25 penalty applies to each failure to meet reporting requirements concerning a new hire.

Proposed amendments:

() CIVIL MONEY PENALTY AMOUNTS.--Section 453A(d) of the Social Security Act, as added by sec. 313(b) of PRWORA, is amended--

(1) in the matter preceding paragraph (1), by striking "shall be less than" and inserting "shall not exceed"; and

(2) in paragraph (1), by striking "\$25" and inserting "\$25 per failure to meet the requirements of this subsection with respect to a newly hired employee".

Sec. 316: expansion of FPLS:

1. CHILD CUSTODY AND VISITATION ORDERS: DELETION OF INCORRECT INSERTION.

Problem: Sec. 316 of PRWORA amends sec. 453 of the Social Security Act to broaden the purposes for which the FPLS may be used. These new uses include obtaining and transmitting, to any "authorized person", information helping to locate any individual under an obligation to provide child custody or visitation rights.

One of the amendments to the list of "authorized persons" is without effect, but misleading, and should be deleted. It amends the prior law referring to State agents responsible for implementing the title IV-D CSE plan by adding a reference to authority or duty under such plan "to enforce orders providing child custody or visitation rights". There is no such authority or duty under State IV-D plans, which are concerned only with establishment of paternity and establishment and enforcement of child support orders.

Proposed amendment:

() FPLS: DELETION OF ERRONEOUS INSERTION.--Section 453(c) (1) of the Social Security Act, as amended by section 316(b) (1) of PRWORA, is amended by striking "or to seek to enforce orders providing child custody or visitation rights".

2. FPLS ACCESS TO CERTAIN IRS RECORDS.

Problem: Sec. 6103(l)(6)(A)(ii) of the Internal Revenue Code permits the IRS to disclose to the Secretary of HHS the names and addresses of payors of income to individuals with respect to whom child support obligations are owing, but only if such return information is not reasonably available from any other source. It currently does not permit the IRS to disclose the taxpayer identification numbers (TINs) of such payors of income. The TINs can provide HHS and other CSE agencies useful identifying information and can be used as a cross-reference for payor names and addresses. The proposed correction would enable HHS to obtain this information, without changing any of the other requirements of sec. 6103(l)(6).

Proposed amendment:

() FPLS ACCESS TO TAXPAYER IDENTIFICATION NUMBERS.--Section 6103(l)(6)(A)(ii) of the Internal Revenue Code of 1986 is amended by deleting "names and addresses of payors" and inserting "names, addresses, and identifying numbers assigned under section 6109 of payors".

3. AVAILABILITY OF DATA IN REGISTRIES FOR RESEARCH.

Problem: Sec. 453(j)(5) of the Social Security Act, as added by sec. 316(f) of PRWORA, authorizes the Secretary to make available for research data in the New Hire Registry, but not data in the Federal Case Registry.

Proposed amendment:

() ACCESS TO REGISTRY DATA FOR RESEARCH PURPOSES.--Section 453(j)(5) of the Social Security Act, as added by sec. 316(f) of PRWORA, is amended--

(1) by inserting "data in the registries maintained under this section (including" before "information"; and

(2) by striking "section 453A(b)" and inserting "section 453A(b)".

Sec. 317: use of social security numbers in CSE:

**I. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS IN CSE:
CONFORMING AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY
ACT.**

Problem: Sec. 317 of PRWORA adds a new sec. 466(a)(13) of the Social Security Act, requiring recording of social security numbers of applicants for various licenses, in connection with certain court and administrative orders, and on death certificates. The enacted version omitted conforming amendments to title II of the Social Security Act which were included in previous versions of the bill, and which are critical for consistency with the changes to title IV-D. The following proposals restore these conforming amendments:

Proposed amendments:

() Section 317 of PRWORA is amended--

(1) by inserting "(a) IN GENERAL.--" before "Section 466(a)"; and

(2) by adding at the end the following:

"(b) CONFORMING AMENDMENTS.--Section 205(c)(2)(C) is amended--

"(1) in clause (ii), by inserting, after the first sentence the following: 'In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative

responsibility for the law involved, the social security number of the party.';

"(2) in clause (ii), by inserting 'or marriage certificate' after 'Such numbers shall not be recorded on the birth certificate'; and

"(3) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning application for a professional license, commercial driver's license, or occupational license may require each applicant for issuance of the license to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgements made, in each State shall include the social security number of each individual subject to the decree, order, determination, or acknowledgement in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV."

Sec. 321: adoption of uniform state laws:

1. DEADLINE FOR STATE ADOPTION OF UIFSA.

Problem: Sec. 466(f) of the Social Security Act, added by sec. 321 of PRWORA, requires States, by January 1, 1998, to have in effect the Uniform Interstate Family Support Act (UIFSA), including any changes adopted by the National Conference of Commissioners on Uniform State Laws (NCCUSL) on or before that date. This requirement needs to incorporate a grace period enabling State legislatures to consider UIFSA changes adopted by NCCUSL after enactment of PRWORA but before January 1, 1998.

Proposed amendment:

() DEADLINE FOR STATE ADOPTION OF UIFSA: GRACE PERIOD.--

Section 466(f), as added by sec. 321 of PRWORA, is amended by striking all that follows "section 454(20)(A)," and inserting the following:

"each State must accomplish the following with respect to the Uniform Interstate Family Support Act (UIFSA), as approved by the American Bar Association on February 9, 1993:

"(1) On and after January 1, 1998, (subject to paragraph (2)), the State must have in effect UIFSA, including any amendments adopted by the National Conference of Commissioners on Uniform State Laws (NCCUSL) on or before January 1, 1998.

"(2) In the case of any amendment described in paragraph (1) which is adopted by NCCUSL after August 22, 1996, the State must have such amendment in effect by the later of (i) January 1, 1998, or (ii) the first day of the first calendar quarter beginning after the close of the

first regular session of the State legislature that begins after the date of such adoption. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature."

Sec. 341: performance-based incentives and penalties:

1. CORRECTION OF REFERENCE.

Problem: Sec. 341(c)(2) of PRWORA amended sec. 452(g)(2) of the Social Security Act to replace the definition of "paternity establishment percentage" in subparagraph (A) with definitions of "IV-D paternity establishment percentage" in subparagraph (A) and "Statewide paternity establishment percentage" in subparagraph (B). The language in the final sentence of sec. 452(g)(2) provides a rule concerning which children are to be counted in determining these percentages. A needed conforming amendment to this final sentence, changing the reference from "subparagraph (A)" to "subparagraphs (A) and (B)", was not made.

Proposed amendment:

() CALCULATION OF PATERNITY ESTABLISHMENT PERCENTAGE:
CORRECTION OF REFERENCE.--Section 452(g)(2) of the Social Security Act, as amended by section 341(c)(2) of PRWORA, is amended in the matter following subparagraph (C) by striking "subparagraph (A)" and inserting "subparagraphs (A) and (B)".

Sec. 345: technical assistance:

1. MEANS AVAILABLE FOR PROVISION OF TECHNICAL ASSISTANCE, OPERATION OF FPLS.

Problem: Sec. 452(j) of the Social Security Act, as added by sec. 345(a) of PRWORA, and sec. 453(o) of the Social Security

Act, as added by sec. 345(b) of PRWORA, omit standard language authorizing the Secretary to conduct the authorized activities (technical assistance to States and operation of the FPLS) "directly or through grants, contracts, or interagency agreements". The omission makes the use of grants and interagency agreements unavailable, thus seriously hampering accomplishment of these activities.

Proposed amendments:

() MEANS AVAILABLE FOR PROVISION OF TECHNICAL ASSISTANCE, OPERATION OF FPLS.--

(1) TECHNICAL ASSISTANCE.--Section 452(j), as added by section 345(a) of PRWORA, is amended by striking "to cover costs incurred by the Secretary" and inserting "which shall be available for use by the Secretary, either directly or through grants, contracts, or interagency agreements,".

(2) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.-- Section 453(o), as added by section 345(b) of PRWORA, is amended--

(A) in the heading, by striking "RECOVERY OF COSTS" and inserting "USE OF SET-ASIDE FUNDS"; and

(B) by striking "to cover costs incurred by the Secretary" and inserting "which shall be available for use by the Secretary, either directly or through grants, contracts, or interagency agreements,".

2. AVAILABILITY OF CERTAIN FPLS FUNDS UNTIL EXPENDED.

Problem: Sec. 453(o) of the Social Security Act, added by sec. 345(b) of PRWORA, should be amended to provide that the funds equaling 2 percent of prior year Federal recoveries from CSE collections that are appropriated for use in operating the FPLS

remain available until expended. This would parallel the provision in sec. 452(j) of the Social Security Act, added by sec. 345(a) of PRWORA, with respect to the funds equaling 1 percent of prior year Federal recoveries from CSE collections that are appropriated for technical assistance. The proposed amendment would apply only to funds for the first 5 years.

Proposed amendment:

() AVAILABILITY OF CERTAIN FPLS FUNDS UNTIL EXPENDED.--
Section 453(o) of the Social Security Act, as added by sec. 345(b) of PRWORA, is amended by adding at the end "Amounts appropriated under this subsection for each of fiscal years 1997 through 2001 shall remain available until expended."

Sec. 362: support collection from Federal employees:

1. RESPONSE TO NOTICE OR PROCESS.

Problem: Sec. 459(c)(2)(C) of the Social Security Act, as added by sec. 362(a) of PRWORA, requires the government to respond in 30 days to an order, process, or interrogatory relating to enforcement of support obligations under this authority. The word "respond" is ambiguous, creating uncertainty as to the government agents' responsibilities. For example, this language might be read to require payment to a court within 30 days of receipt of the order, a task that would be impossible for many agencies. Federal pay periods often run on a two-week schedule with a pay day two weeks after the end of the cycle; thus, the earliest that the agency could pay into court would be 28 days after the first day of the new pay cycle. The first pay day for a full pay cycle following receipt of a writ will, accordingly, almost always occur after 30 days.

Proposed amendment:

() RESPONSE TO NOTICE OR PROCESS.--Section 459(c)(2)(C) of the Social Security Act, as amended by section 362(a) of PRWORA, is amended by striking "respond to the order, process, or

interrogatory" and inserting "begin the process to withhold available sums in response to the order or process, or answer the interrogatory."

2. MONEYS SUBJECT TO PROCESS.

Problem: Sec. 459(h) of the Social Security Act, as amended by sec. 362(a) of PRWORA, states that amounts subject to garnishment or other collection through the Federal employer for enforcement of support obligations includes moneys "paid or payable" to the employee. The U.S. cannot withhold or surrender money already "paid" to the employee. In addition, this language is inconsistent with sec. 459(a), under which only money "due from, or payable by" the U.S. is subject to process.

Proposed amendment:

() CORRECTION CONCERNING MONEYS SUBJECT TO PROCESS.--

Section 459(h)(1) of the Social Security Act, as added by section 362(a) of PRWORA, is amended in the matter preceding subparagraph (A), and in subparagraph (A)(i), by striking "paid or" each place it appears.

3. EXEMPTION OF CERTAIN VA BENEFITS.

Problem: Sec. 362(a) of PRWORA consolidates into sec. 459 of the Social Security Act several sections of prior law dealing with support collections from Federal employees by garnishment of wages and other legal process. The consolidated section omits prior sec. 462(f)(2), which exempted from such process certain payments to veterans and their dependents and survivors, including VA pensions, disability compensation not paid in lieu of retired pay, and dependency and indemnity compensation (DIC) (generally, a payment to a veteran's survivors based on the veteran's service-connected death).

Under new sec. 459(h)(1) of the Social Security Act, moneys subject to legal process for enforcement of child support or alimony obligations include "periodic benefits...or other payments...under any...system or fund established by the United

States which provides for the payment of pensions, ...dependents' or survivors' benefits, or...as compensation for death under any Federal program." Clause (V) of sec. 459(h)(1)(A)(ii) ("clause (V)") specifies that VA compensation paid in lieu of waived military retired pay is subject to such legal process.

It is unclear whether Congress intended to eliminate these exemptions for VA compensation. That result could be inferred from the failure to include language equivalent to "old" sec. 462(f)(2) in "new" sec. 459. But in that case clause (V) (which specifies that one subcategory of VA compensation is subject to process) would be superfluous. On the other hand, if the inclusion of clause (V) is read to indicate that the exemption survives for all of these benefits except those specified therein, the statute would protect non-need-based benefits while subjecting certain need-based benefits to garnishment.

This ambiguity is certain to spawn extensive litigation. We therefore propose that sec. 459 of the Social Security Act be amended to clarify congressional intent on this point. The following proposed amendment would preserve the current exempt status of VA pension, DIC, and disability compensation not paid in lieu of military retired pay.

Proposed amendment:

() COLLECTION OF SUPPORT FROM FEDERAL EMPLOYEES: EXEMPTION OF CERTAIN VETERANS' BENEFITS.--Section 459(h)(1)(B) of the Social Security Act, as amended by section 362(a) of PRWORA, is amended--

(1) in clause (i), by striking "individual; or" and inserting "individual;";

(2) in clause (ii), by striking "duty." and inserting "duty; or"; and

(3) by adding at the end the following new clause:

"(iii) of periodic benefits under title 38, United States Code, except as provided in subparagraph (A)(ii)(V)."

4. CONFORMING AMENDMENT.

Problem: Sec. 362 of PRWORA consolidated into sec. 459 of the Social Security Act provisions relating to support collections from Federal employees previously located in secs. 459, 461, and 462. A needed conforming change to a cross-reference was not made.

Proposed amendment:

() CORRECTION OF REFERENCE.--Section 454(19)(B)(ii) of the Social Security Act is amended by striking "section 462(e)" and inserting "section 459".

Sec. 366: definition of support order:

1. DEFINITION OF SUPPORT ORDER.

Problem: Sec. 453(p) of the Social Security Act, as added by sec. 366 of PRWORA, includes in the definition of "support order" only those orders for spousal support that provide for support of a child. However, sec. 454(4)(B) of the Social Security Act, as amended by sec. 301(a) of PRWORA, permits enforcement of a spousal support order of the custodial parent of a child receiving title IV-D services, without requiring that the order be combined with a child support order. Sec. 101 of UIFSA is consistent with sec. 454(4)(B).

Proposed amendment:

() CLARIFICATION CONCERNING SPOUSAL SUPPORT.--Section 453(p), as added by sec. 366 of PRWORA, is amended by striking "a child and" before "the parent with whom the child is living".

Sec. 371: international support enforcement:

1. CORRECTION OF REFERENCE.

Problem: This amendment corrects an incorrect reference.

Proposed amendment:

() CORRECTION OF REFERENCE.--Section 454(32)(A), as added by section 371(b)(3) of PRWORA, is amended by striking "section 459A(d)(2)" and inserting "section 459A(d)".

Sec. 375: CSE for Indian tribes:

1. COOPERATIVE AGREEMENTS WITH STATES.

Problems: Sec. 454(33) of the Social Security Act, as added by sec. 375(a) of PRWORA, requires several minor amendments to permit implementation.

This provision as drafted sets threshold conditions for tribal participation in a cooperative agreement that represent burdensome and unnecessary barriers. This provision requires a tribal court system to have the authority to establish paternity, establish, modify and enforce support orders, and have child support guidelines established by the tribe or tribal organization. Some tribes may have the authority to accomplish some, but not all, of these functions, and may be willing to use State procedures and guidelines. Amendments made by paragraphs (1) and (2) below would permit tribal participation in cooperative agreements without requiring them to provide all services listed and to adopt tribal guidelines.

This provision also requires amendments (made by paragraphs (3) and (4) below) to conform terminology to that used in title IV-D generally.

Proposed amendments:

() COOPERATIVE AGREEMENTS BY INDIAN TRIBES AND STATES FOR CSE.--Section 454(33), as added by section 375(a)(3) of PRWORA, is amended--

(1) by striking "and enforce support orders, and" and inserting "or enforce support orders, or";

(2) by striking "guidelines established by such tribe or organization" and inserting "guidelines established or adopted by such tribe or organization";

(3) by striking "funding collected" and inserting "collections"; and

(4) by striking "such funding" and inserting such collections".

2. DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.

A. TECHNICAL CORRECTION.

Proposed amendment:

() CORRECTION OF SUBSECTION DESIGNATION.--Section 455(b), as added by section 375(b) of PRWORA, is redesignated as section 455(f).

B. DIRECT GRANTS TO TRIBES.

Problems: Sec. 455(f) of the Social Security Act, as added by sec. 375(b) of PRWORA (and redesignated by the preceding amendment), provides for direct funding of Indian tribes to deliver child support services, but requires that eligible tribes meet all State plan requirements under title IV-D. This requirement would make the direct grant authority effectively inoperative, by preventing any tribe from qualifying for funding. The proposed amendment would authorize direct funding to a tribe that could demonstrate the ability to operate a CSE program meeting the statutory objectives.

Proposed amendment:

() DIRECT GRANTS TO TRIBES.--Section 455(f) of the Social Security Act, (as redesignated by the previous amendment) is amended to read as follows:

"(f) The Secretary is authorized to make direct payments under this part to an Indian tribe or tribal organization that demonstrates to the satisfaction of the Secretary that it has the capacity to operate a child support enforcement program meeting the objectives of this part, including establishment of paternity, establishment, modification, and enforcement of support orders, and location of absent parents. The Secretary shall promulgate regulations establishing the requirements which must be met by an Indian tribe or tribal organization to be eligible for a grant under this subsection."

TITLE IV--RESTRICTING WELFARE AND
PUBLIC BENEFITS FOR ALIENS

Secs. 402, 403, 412, 431: cross-cutting amendments concerning exceptions to benefit limitations:

1. CORRECTIONS TO REFERENCE CONCERNING ALIENS WHOSE DEPORTATION IS WITHHELD.

Problem: Various provisions of title IV of PRWORA except certain refugees and asylees from general rules limiting aliens' eligibility for Federal, State, or local public benefits. The reference in these provisions to the statutory authority to withhold deportation does not take into account amendments to this authority by the Illegal Immigration and Reform and Immigrant Responsibility Act of 1996 (P.L. 104-208), which amended the provision (previously at sec. 243(h) of the INA) and recodified it at sec. 241(b)(3). The following proposed amendments reflect that change, which takes effect April 1, 1997, so that an alien whose deportation is withheld under the new provision is treated the same as one whose case was adjudicated under the old provision.

Proposed amendments:

() EXCEPTIONS TO BENEFIT LIMITATIONS: CORRECTIONS TO REFERENCE CONCERNING ALIENS WHOSE DEPORTATION IS WITHHELD.--
Sections 402(a)(2)(A)(iii), 402(b)(2)(A)(iii), 403(b)(1)(C), 412(b)(1)(C), and 431(b)(5) of PRWORA are each amended by striking "section 243(h) of such Act" and inserting "section 243(h) of such Act (as in effect before enactment of section 307 of P.L. 104-208) or section 241(b)(3) of such Act (as amended by section 305(a) of P.L. 104-208)".

2. EXCEPTIONS FOR CERTAIN AMERASIAN IMMIGRANTS.

Problem: Certain Amerasian children born in Vietnam of U.S. military or civilian personnel are admitted into the U.S. as legal immigrants under sec. 584 of the Foreign Operations, Export

Financing, and Related Programs Appropriations Act, 1988, as amended. Sec. 584 provides for according these children and accompanying family members the same treatment as refugees, permitting them to immigrate without sponsors and making them eligible for refugee assistance under the INA. Prior to enactment of PRWORA, these immigrants were eligible for all benefits for which refugees were eligible. However, they are not included in the groups of refugees and asylees accorded a time-limited exception to the limitations on eligibility for benefits under title IV.

The following amendments would add this group to the category of refugees and asylees qualifying for these exceptions.

Proposed amendments:

() TREATMENT OF CERTAIN AMERASIAN IMMIGRANTS AS REFUGEES.--

(1) AMENDMENTS TO EXCEPTIONS FOR REFUGEES/ASYLEES.--

(A) FOR PURPOSES OF SSI AND FOOD STAMPS.--Section

402(a)(2)(A) of PRWORA is amended--

(i) by striking "; or" at the end of clause

(ii);

(ii) by striking the period at the end of clause (iii) and inserting "; or"; and

(iii) by adding at the end the following new clause:

"(iv) an alien is admitted to the United States as an Amerasian immigrant pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as incorporated into section 101(e) of the joint resolution making further continuing appropriations for the fiscal year 1988, Public

Law. 100-202, and amended by the 9th proviso under Migration and Refugee Assistance in title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, Public Law 101-513."

(B) FOR PURPOSES OF TANF, SSBG, AND MEDICAID.--

Section 402(b)(2)(A) is amended--

(i) by striking "; or" at the end of clause

(ii);

(ii) by striking the period at the end of clause (iii) and inserting "; or"; and

(iii) by adding at the end the following new clause:

"(iv) an alien described in subsection

(a)(2)(A)(iv) until 5 years after the date of such alien's entry into the United States."

(C) FOR PURPOSES OF EXCEPTION FROM 5-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS.--Section 403(b)(1) of PRWORA is amended by adding at the end the following new subparagraph:

"(D) An alien described in section

402(a)(2)(A)(iv)."

(D) FOR PURPOSES OF CERTAIN STATE PROGRAMS.--

Section 412(b)(1) of PRWORA is amended by adding at the end the following new subparagraph:

"(D) An alien described in section 402(a)(2)(A)(iv).".

(2) EFFECTIVE DATE.--The amendment made by this subsection shall be effective with respect to periods beginning on or after October 1, 1997.

3. CLARIFICATIONS OF EXCEPTIONS FOR VETERANS AND ACTIVE DUTY MILITARY.

Problems: (1) Veterans and active duty military personnel are excepted from the limitations under title IV of PRWORA on eligibility for SSI and food stamps (sec. 402(a)); eligibility for TANF, SSBG, and Medicaid (sec. 402(b)); the five-year limited eligibility for means-tested Federal benefits (sec. 403); and eligibility for State public benefit programs (sec. 412). However, in defining "veteran" these provisions refer only to 38 U.S.C. 101, thus omitting certain categories of individuals defined as veterans under other provisions of 38 U.S.C. Thus, for example, 38 U.S.C. 107 defines certain individuals serving in the military forces of the Philippines as veterans for purposes of certain benefits). 38 U.S.C. 1101 and 1301 define as veterans individuals who died on active military duty, for purposes of treating their survivors as the survivors of veterans.

(2) The same provisions of PRWORA provide an exception for the "spouse" or unmarried dependent child of a veteran or active duty military personnel. Under some interpretations, the term "spouse" does not include widow or widower. As a result, it is not clear whether aliens who qualify for SSI as spouses of veterans or military service personnel would lose or retain their SSI eligibility if the veteran or military service personnel dies. This seems contrary to the intent of the provision to provide access to these programs for dependents of persons who have served in the military service.

The following amendments clarify the definition of "veteran" used in title IV to include all veterans, and clarify the exceptions to include the widows and widowers of veterans and active duty military personnel.

Proposed amendments:() CLARIFICATION OF VETERANS' AND ACTIVE DUTY MILITARY
EXCEPTIONS TO ELIGIBILITY LIMITATIONS.--

(1) DEFINITION OF "VETERAN".--Sections 402(a)(2)(C)(i), 402(b)(2)(C)(i), 403(b)(2)(A), and 412(b)(3)(A) of PRWORA are each amended by striking "section 101 of".

(2) EXCEPTION APPLICABLE TO WIDOWS AND WIDOWERS.--
Sections 402(a)(2)(C)(iii), 402(b)(2)(C)(iii), 403(b)(2)(C), and 412(b)(3)(C) of PRWORA are each amended by inserting "(including widow or widower)" after "spouse".

Sec. 401: ineligibility of non-qualified aliens for Federal public benefits:

1. CLARIFICATION OF MEDICARE ENTITLEMENT.

Problem:

Prior to enactment of PRWORA, Medicare benefits were not restricted on the basis of citizenship. The prohibition on receiving "Federal public benefits" in sec. 401(c)(1)(B) of PRWORA would preclude Medicare benefits to an individual who is not a "qualified alien" but who is otherwise entitled to them. (For example: an individual legally earns Social Security and Medicare entitlement, is not a U.S. citizen or national, lives outside the U.S., re-enters the U.S. as a legal non-immigrant, enrolls in Medicare during a general enrollment period, but cannot use Medicare benefits.)

Section 401(b)(1) provides exceptions for such a person to receive certain benefits and 401(b)(2) provides exceptions for receipt of Title II Social Security cash benefits, but there is no exception for Medicare.

Proposed amendment:

() CLARIFICATION OF MEDICARE ENTITLEMENT.--Section 401(b)(2) is amended by inserting "or XVIII" after "title II".

Sec. 402: limited eligibility of qualified aliens for certain Federal programs:

1. CLARIFICATION OF QUALIFIED ALIENS' ELIGIBILITY FOR EMERGENCY BENEFITS.

Problem: Sec. 401 of PRWORA makes non-qualified aliens ineligible for Federal public benefits (including benefits under TANF, SSBG, and Medicaid), other than for emergency services specified in sec. 401(b)(1) (including (A) emergency medical services, (B) emergency disaster relief and (D) certain other programs, services, or assistance which the Attorney General finds necessary for the protection of life or safety).

Sec. 402(b) of PRWORA gives States the option to narrow or eliminate qualified aliens' eligibility for benefits under TANF, SSBG, and Medicaid. This provision is silent with respect to emergency benefits under States' TANF and SSBG programs. It includes language preserving qualified aliens' entitlement to emergency benefits under Medicaid, but does so in a confusing manner that has already prompted requests for clarification.

It was surely not Congress' intent to give States the option to deny emergency benefits under these programs to qualified aliens, while preserving mandates that these same services be provided in some cases to undocumented aliens.

Proposed amendment:

() CLARIFICATION OF QUALIFIED ALIENS' ELIGIBILITY FOR EMERGENCY BENEFITS.--Section 402(b) of PRWORA is amended--

(1) in paragraph (1)--

(A) by striking "(1) IN GENERAL.--Notwithstanding" and inserting the following:

"(1) STATE OPTION.--

"(A) IN GENERAL.--Subject to subparagraph (B), notwithstanding"; and

(B) by adding at the end the following:

"(B) LIMITATION.--Nothing in this subsection shall authorize a State to deny to a qualified alien any Federal public benefit specified in section 401(b)(1) under a designated Federal program (as defined in paragraph (3))."; and

(2) in paragraph (3)(C), by striking all that follows "Social Security Act".and inserting a period.

Sec. 403: 5-year limited eligibility for means-tested public benefits:

1. CORRECTION OF REFERENCE CONCERNING CUBAN AND HAITIAN ENTRANTS.

Problem: Section 403(d) of PRWORA makes reference to Cuban and Haitian entrants as defined in section 501(e)(2) of the Refugee Education Assistance Act of 1980 (REAA). However, under the INS interim rule published in the Federal Register on July 12, 1996, all Cuban/Haitian entrants who entered the U.S. since October 10, 1980, are to be considered to have been paroled in an immigration status referred to in section 501(e)(1) of the REAA. A correction to this reference is needed if sec. 403(d) is retained.)

Proposed amendment:

() 5-YEAR LIMITED ELIGIBILITY FOR MEANS-TESTED PUBLIC BENEFITS: SPECIAL RULE FOR CUBAN AND HAITIAN ENTRANTS.--

(1) CORRECTION OF REFERENCE.--Section 403(d) of PRWORA is amended by striking "section 501(e)(2)" and inserting "section 501(e)".

(2) EFFECTIVE DATE.--The amendment made by this subsection shall be effective with respect to periods beginning on or after October 1, 1997.

Sec. 404: notification and information reporting:

1. CORRECTION OF TERMINOLOGY.

Problem: Sec. 404 of PRWORA amends the statutory authorities for TANF, SSI, and public housing programs to require officials administering those programs to notify INS about individuals they are aware are not lawfully present in the U.S. The proposed amendment conforms terminology in these amendments to that used elsewhere in PRWORA and in immigration statutes.

Proposed amendments:

() NOTIFICATION CONCERNING ALIENS NOT LAWFULLY PRESENT:

CORRECTION OF TERMINOLOGY.--Sections 411A and 1631(e)(9) of the Social Security Act, and section 27 of the United States Housing Act of 1937, as added by section 404 of PRWORA, are each amended by striking "unlawfully in the United States" and inserting "not lawfully present in the United States".

Sec. 411: limits on eligibility for State and local public benefit programs:

1. ALIENS' ELIGIBILITY FOR STATE AND LOCAL BENEFITS: CORRECTION OF LIST OF ALIENS LAWFULLY PRESENT.

Problem: Sec. 411(a) of PRWORA provides that an alien not within certain categories is not eligible for any State or local public benefit (subject to certain exceptions). Sec. 411(d) permits a State nevertheless to provide such benefits to "an alien who is not lawfully present in the United States", but only by enacting, after the date of enactment of PRWORA, a State law affirmatively providing for such eligibility.

The structure of sec. 411 indicates its authors' belief that sec. 411(a) included all groups of aliens legally present in the U.S. But in fact there are a handful of other small administrative categories of legal aliens. Consequently, sec. 411 as drafted neither excepts these groups from the ban on eligibility under sec. 411(a), nor allows the State the option to cover them under sec. 411(d).

Proposed amendment:

() ALIENS' ELIGIBILITY FOR STATE AND LOCAL BENEFITS:

CORRECTION OF LIST OF ALIENS LAWFULLY PRESENT.--Section 411(a) of PRWORA is amended--

- (1) by striking "or" at the end of paragraph (2);
- (2) by inserting "or" at the end of paragraph (3); and
- (3) by inserting after paragraph (3) the following

paragraph:

"(4) otherwise lawfully present in the United States,".

Sec. 421 (attribution of sponsor's income and resources to alien); sec. 423 (sponsor's affidavit of support):

1. CLARIFICATION FOR STATE DEEMING OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.--

Problem: Sec. 213A of the INA, as added by sec. 423 of PRWORA and amended by sec. 551 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, requires the Attorney General to develop a new legally enforceable affidavit of support. At the same time, sec. 103 of PRWORA repealed the previous deeming authority for sponsored immigrants under sec. 415 of the Social Security Act. As a result, no Federal deeming requirements under title IV-A are in effect for sponsored aliens already in the U.S. or entering prior to implementation of the new affidavit of support. We do not believe the Congress intended this result. The proposed amendments reinstate the previous deeming requirement, and make it applicable to all affidavits of support executed before the effective date of the new requirement.

Proposed amendments:

() DEEMING OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.--

(1) REINSTATEMENT OF REPEALED TITLE IV-A PROVISION.--

Section 103(a) of PRWORA is amended--

(A) by redesignating paragraph (2) as paragraph (3);

(B) by striking "(1) by striking all that precedes section 418 (as added by section 603(b)(2) of this Act)" and inserting the following:

"(1) by redesignating section 415 as section 419, and relocating it after section 418 (as added by section 603(b)(2) of this Act);

"(2) by striking all that precedes such section 418";

(C) in paragraph (3), as redesignated--

(i) by striking "such section 418" and inserting "such section 419"; and

(ii) in the matter inserted by such paragraph, by striking "SEC. 419. DEFINITIONS." and inserting "SEC. 419A. DEFINITIONS."

(2) APPLICATION OF REINSTATED PROVISION.--

(A) Section 421(d)(1) of PRWORA is amended by striking "the day after the date of the enactment of this Act" and inserting "the date specified by the Attorney General pursuant to section 423(c)".

(B) Section 419 of the Social Security Act, as redesignated and relocated by the amendment made by paragraph (1)(B), is amended in subsection (f)--

(i) by striking "or" at the end of paragraph (4);

(ii) by striking the period at the end of paragraph (5) and inserting "; or"; and

(iv) by adding at the end the following new paragraph:

"(5) admitted into the United States on or after the effective date (as specified by the Attorney General pursuant to section 423(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) of requirements for sponsors' affidavits of support pursuant to section 213A of the Immigration and Nationality Act."

Sec. 431: definitions:

1. DEFINITIONS OF TERMS USED IN TITLE IV.

Problem: Sec. 431(a) of PRWORA provides that terms used in title IV have the meaning given such terms in the INA. The INA definitions for some terms differ from the long-standing definitions used under the Social Security Act and other statutes establishing benefit programs, notably, for family relationships and employment status. To have State and Federal agencies use the benefit statute definitions for most beneficiaries of programs under that Act, while using different definitions for aliens, would impose a significant administrative and financial burden and result in increased errors and litigation.

Proposed amendment:

() DEFINITIONS OF TERMS USED IN TITLE IV.--Section 431(a) of PRWORA is amended to read as follows:

"(a) IN GENERAL.--Except as otherwise provided, as used in this title--

"(1) terms relating to immigration status have the meaning given such terms in applicable statutes relating to immigration and nationality; and

"(2) terms relating to Federal, State, or local public benefit programs, and terms (other than those described in paragraph (1)) relating to eligibility of an individual for benefits under such programs, have the meaning given such terms in applicable statutes (and implementing regulations) providing for such benefits."

2. TREATMENT OF LAWFULLY PRESENT ALIENS AS "QUALIFIED ALIENS".

Problems: Sec. 431(b) of PRWORA includes within the definition of "qualified alien" a number of categories of aliens lawfully admitted for permanent residence. However, it is silent with respect to two groups which, for purposes of consistency, should be treated as "qualified aliens":

(1) Aliens residing in American Samoa (AS) or the Commonwealth of the Northern Mariana Islands (CNMI). Unlike other U.S. territories, AS and CNMI are not subject to the Immigration and Nationality Act, but rather have their own immigration laws.

(2) Citizens of Freely Associated States admitted into U.S. or its territories. The Compacts of Free Association between the U.S. and the Freely Associated States (FAS) of the Marshall Islands, the Federated States of Micronesia, and Palau, rather than any of the authorities cited in sec.

431(b) of PRWORA, are the legal basis for admission of FAS citizens into the U.S. or its territories or possessions.

Proposed amendment:

() DEFINITION OF "QUALIFIED ALIEN".--Section 431(b) of PRWORA is amended--

(1) by striking "or" at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting a comma; and

(3) by adding at the end the following new paragraphs:

"(7) an alien lawfully present in American Samoa or the Commonwealth of the Northern Mariana Islands in an immigration status under the laws of such jurisdiction analogous to any immigration status specified in the preceding paragraphs of this subsection; or

"(8) an alien lawfully present in the United States, or its territories or possessions, pursuant to section 141 of the Compact of Free Association, approved in Public Law 99-239 or section 141 of the Compact of Free Association approved in Public Law 99-658, if such section or a successor provision is in effect."

3. TREATMENT OF BATTERED ALIEN AS "QUALIFIED ALIEN" FOR LIMITED PURPOSES.

Problem: Secs. 501 and 552 of P.L. 104-208 amended secs. 421 (concerning attribution of a sponsor's income to an alien) and 431 (the definition of "qualified alien") of PRWORA to create special rules for certain aliens who are battered or subjected to extreme cruelty by a sponsor or family member.

Under sec. 431, as amended, these individuals are included within the definition of "qualified alien" for purposes of receiving program benefits for which they are otherwise ineligible because of their immigration status, where a substantial connection is found between the battery or cruelty and the need for those benefits.

Under sec. 421, as amended, the abused alien would not be subject to the deeming rules for a period of 12 months. In addition, if certain conditions are met, the abusing individual's income and resources would not be attributed to the abused alien beyond the initial 12-month period.

Amendments to these sections are needed to ensure that the Attorney General (AG) is not responsible for individual determinations under these provisions, as the statutory language seems to require. The agencies administering benefit programs have the expertise necessary to weigh the connection between abuse and need for specific benefits; and both determinations (concerning existence of abuse and need for benefits) need to be made by the same entity to minimize burdens on both administrative agencies and alien applicants. The AG's role would be to issue specific uniform guidelines on which the agencies would base determinations.

In addition, in some respects the statutory language seems clearly at odds with the Congressional intent. First, these provisions do not make clear that the alien is a "qualified alien" only for purposes of the benefit program concerned. Second, the definition covers a battered alien and an alien whose child is battered, but not an alien child whose custodial parent is battered; in these cases, although the parent would be a "qualified alien", the child would not be, and benefits would be unavailable to either parent or child under the numerous statutes which provide benefits only to families with an eligible child.

Proposed amendments:

() BATTERED ALIEN DEFINED AS "QUALIFIED ALIEN" FOR LIMITED PURPOSES.--Section 431(c) of PRWORA, as added by sec. 501 of P.L. 104-208, is amended to read as follows:

"(c) TREATMENT OF CERTAIN BATTERED ALIENS AS QUALIFIED ALIENS.--

"(1) IN GENERAL.--For purposes of eligibility for benefits under a specific Federal, State, or local program, the term 'qualified alien' includes an alien if--

"(A) the agency charged with determining individual eligibility for benefits under such program makes a determination, in accordance with guidance of the Attorney General issued pursuant to paragraph (2), that--

"(i) the alien (or the alien's child or custodial parent) has been battered or subjected to extreme cruelty in the United States--

"(I) by a spouse or parent of the alien (or of the alien's parent), or

"(II) by a member of such spouse or parent's family who was residing in the same household as the alien, and the spouse or parent consented to or acquiesced in such battery or cruelty;

"(ii) the alien did not actively participate in, consent to, or acquiesce in any such battery or cruelty (in cases where the victim is the alien's child); and

"(iii) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided;

"(B) the alien has been approved or has a petition pending which sets forth a prima facie case for--

"(i) status as a spouse or a child of a United States citizen pursuant to clause (ii), (iii), or (iv) of section 204(a)(1)(A) of the Immigration and Nationality Act,

"(ii) classification pursuant to clause (ii) or (iii) of section 204(a)(1)(B) of the Act,

"(iii) suspension of deportation and adjustment of status pursuant to section 244(a)(3) of such Act, or

"(iv) status as a spouse or child of a United States citizen pursuant to clause (i) of section 204(a)(1)(A) of such Act, or classification pursuant to clause (i) of section 204(a)(1)(B) of such Act; and

"(C) the individual responsible for such battery or cruelty no longer resides in the same household or family eligibility unit as the victim of such battery or cruelty.

"(2) GUIDANCE BY THE ATTORNEY GENERAL.--After consultation with the Secretaries of Health and Human Services, Agriculture, and Housing and Urban Development, the Commissioner of Social Security, and as appropriate with the heads of other Federal agencies administering benefit

programs, the Attorney General shall issue guidance (in the Attorney General's sole and unreviewable discretion), for purposes of this subsection and section 421(f), on--

"(A) the meaning of the terms 'battery' and 'extreme cruelty'; and

"(B) the standards and methods to be used for determining whether a substantial connection exists between battery or cruelty suffered and an individual's need for benefits under a specific Federal, State, or local program."

() NON-ATTRIBUTION OF CERTAIN INCOME AND RESOURCES TO BATTERED ALIEN.--Section 421(f) of PRWORA, as added by section 552 of P.L. 104-208, is amended to read as follows:

"(f) SPECIAL RULE FOR BATTERED SPOUSE AND CHILD.--

"(1) Notwithstanding any other provision of this section (but subject to paragraph (2)), subsection (a) shall not apply to benefits for an alien--

"(A) during the 12-month period beginning on the date as of which the alien--

"(i) has been determined to meet the criteria specified in subparagraphs (A) and (C) of section 431(c)(1) because the alien (or the alien's child or custodial parent) has been subjected to battery or extreme cruelty; and

"(ii)(I) is a qualified alien as defined in section 431(b); or

"(II) meets the criteria specified in subparagraph (B) of section 431(c); and

"(B) thereafter (with respect only to the income and resources of the individual responsible for the battery or cruelty), if--

"(i) the alien demonstrates that such battery or cruelty has been recognized in an order of a court or administrative law judge or a determination of the Immigration and Naturalization Service;

"(ii) a substantial connection continues between such battery or cruelty and the need for such benefits, as determined in accordance with the Attorney General's guidance under section 431(c)(2); and

"(iii) the requirement of section 431(c)(1)(C) (concerning separation from the individual responsible for the battery or cruelty) continues to be met.

"(2) REQUIREMENT OF SEPARATION FROM ABUSER.--This subsection shall not apply to an alien during any period in which the alien fails to meet the criteria of section 431(c)(1)(C)."

Sec. 433: statutory construction:

1. CLARIFICATION OF SCOPE OF TITLE IV: APPLICATION TO BENEFITS PAID TO ALIENS PRESENT IN U.S.

Problem: The provisions of title IV of PRWORA must be read to apply only with respect to aliens present in the U.S. or its territories or possessions in order to avoid results which the Congress cannot have intended. Otherwise, for example, the expansive definition of "Federal public benefit" in sec. 401(c), and the ineligibility of any but "qualified aliens" for Federal public benefits under sec. 401(a), would severely impede normal operations of U.S. embassies, overseas military installations, and other government entities operating or doing business in foreign countries. The lack of such a limitation of scope would also seem to prohibit payments of government pensions or similar benefits to foreign nationals entitled to them. In some cases, such an expansive reading of title IV would be inconsistent with treaty obligations.

The lack of an explicit declaration of this limitation on the scope of title IV has caused considerable anxiety and confusion. It has also prompted suggestions for piecemeal amendments, specifying that title IV does not apply to specific pension or other payments to aliens residing outside the U.S., that would exacerbate the problem by lending support to the very reading that we believe was not intended.

Proposed amendment:

() CLARIFICATION OF SCOPE OF TITLE IV: APPLICATION TO BENEFITS PAID TO ALIENS PRESENT IN U.S.--Section 433 of PRWORA is amended--

(1) by redesignating subsections (b) and (c) as subsections (c) and (d); and

(2) by inserting after subsection (a) the following new subsection:

"(b) BENEFIT LIMITATIONS APPLICABLE ONLY WITH RESPECT TO ALIENS PRESENT IN THE U.S.--The provisions of this title concerning the eligibility of aliens for benefits apply only with

respect to aliens present in the United States or its territories or possessions [NOTE ON ALTERNATIVE DRAFT LANGUAGE: if "territories or possessions" is unclear, specify "Puerto Rico, Guam, the Virgin Islands, American Samoa, or the Commonwealth of the Northern Mariana Islands]."

Sec. 435. qualifying quarters:

1. DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION.

Problem: Currently, certain qualified aliens with 40 quarters of coverage, as defined by the Social Security Act, which could include quarters of coverage of a spouse or parent under specified circumstances set forth in section 435 of PRWORA, may be eligible for certain welfare benefits. SSA has been asked to provide quarters of coverage information to the States (as well as to the Department of Agriculture for food stamp purposes), so that a determination of eligibility may be made. These requests for disclosure raise Privacy Act issues, as information concerning a third party (spouse or parent) would be disclosed to the States or the Department of Agriculture, or perhaps even to the alien (for due process purposes in an appeal).

SSA could be subject to litigation under the Privacy Act if it releases information concerning an alien or his/her spouse or parent to a State, the Department of Agriculture, or to the alien, for purposes of implementing the quarters of coverage provisions of PRWORA. The proposed amendment provides explicit statutory authority for the release of this information.

Proposed amendment:

() DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION.--Section 435 of PRWORA is amended by adding at the end the following:

"The Commissioner of Social Security is authorized to disclose quarters of coverage information concerning an alien and his or her spouse or parent to a government agency for the purposes of this title."

TITLE V--CHILD PROTECTION

Sec. 503: national random sample study of child welfare:

1. METHODS PERMITTED FOR CONDUCT OF STUDY.

Problem: Sec. 413(a) of the Social Security Act, by omitting standard language authorizing the Secretary to conduct the required research "directly or through grants, contracts, or interagency agreements", makes the use of grants and interagency agreements unavailable, thus seriously hampering accomplishment of the required activities.

Proposed amendment:

() METHODS PERMITTED FOR CONDUCT OF STUDY.--Section 429A of the Social Security Act, as added by sec. 503 of PRWORA, is amended by inserting "(directly or by grant, contract, or interagency agreement)" after "The Secretary shall conduct".

TITLE VI--CHILD CARE

Sec. 603: authorization of appropriations and entitlement authority:

1. FUNDING FOR CHILD CARE.A. PERFECTING AND CLARIFYING AMENDMENTS.

Problem: Sec. 418 of the Social Security Act, as added by sec. 603(b) of PRWORA, is confusingly drafted. It contains inexact language that obscures its intended operation. Among other problems, this section includes misleading captions ("AMOUNT" instead of "ALLOTMENT FORMULA", and "MATCHING REQUIREMENT" to describe the formula for determining the Federal matching share State expenditures exceeding historic levels). The appropriations provision fails to make the Federal funds available for two years, although this is necessary to carry out the provisions of subsection (a) (2) (D).

Proposed amendments:

() TITLE IV-A FUNDING FOR CHILD CARE.--Section 418(a) of the Social Security Act, as added by section 603(b) of PRWORA, is amended--

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking "in an amount equal to" and inserting "of an amount equal to the greater of";

(2) in paragraph (1) (A)--

(A) by striking "the sum of";

(B) by striking "amounts expended" and inserting "expenditures"; and

(C) by striking "section--" and all that follows and inserting "subsections (g) and (i) of section 402";

(D) by striking the semicolon at the end of subparagraph (B) and inserting a period; and

(E) by striking "whichever is greater";

(3) in paragraph (2) (B), to read as follows:

" (B) ALLOTMENTS TO STATES.--The total amount available for payments to States under this paragraph, as determined under subparagraph (A), shall be allotted among the States on the formula used for determining the amount of Federal payments to each State under section 403(n) (as in effect before October 1, 1995);

(4) in paragraph (2) (C), to read as follows:

" (C) FEDERAL MATCHING OF STATE EXPENDITURES EXCEEDING HISTORICAL EXPENDITURES.--The Secretary shall pay to each eligible State for a fiscal year an amount equal to the lesser of the State's allotment under subparagraph (B) or the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of expenditures by the State for child care in such fiscal year as exceed the total amount of expenditures by the State (including expenditures from amounts made available from Federal funds) in fiscal year 1994 or 1995 (whichever is greater) for the programs described in paragraph (1) (A)."; and

(5) in paragraph (3), by striking "for fiscal year 2002." and inserting the following:

"for fiscal year 2002,
to remain available, in each case, through the end of the
succeeding fiscal year."

B. DATA USED TO CALCULATE STATE EXPENDITURES IN BASE PERIOD.

Problem: Sec. 418 establishes a new maintenance of effort (MOE) requirement, based on historic State expenditures for child care, as a condition of a State's receiving Federal funds in addition to a "general entitlement" grant based on historic Federal payments. This provision does not specify the data to be used to determine Federal or State expenditures in the base years; it would be highly desirable to do so to eliminate uncertainty and the potential for disagreement.

HHS has computed the sec. 418 general entitlement and MOE levels for each State using the data sources required to be used (per sec. 403(a)(1)(D)(ii) and (iii)(III)) to calculate base-period child care expenditures for purposes of the State family assistance grant under title IV-A. We believe use of these data sources is equitable to the States and that the data, as they are fixed, are the best data available.

Proposed amendment:

() Section 418(a) of the Social Security Act, as added by section 603(b) of PRWORA, is amended by adding at the end the following new paragraph:

"(5) DATA USED TO DETERMINE STATE AND FEDERAL SHARES OF EXPENDITURES.--In making the determinations concerning expenditures required under paragraphs (1) and (2)(C), the Secretary shall use the data sources specified in clauses (ii) and (iii)(III) of section 403(a)(1)(D)."

C. FUNDING FOR TERRITORIES.

Problem: Sec. 418 provides no mandatory child care funds for territories, although the territories have operated child care programs under sec. 402(g) of the Social Security Act (as in effect before PRWORA) which this section replaces. In contrast, sec. 6580 of the CCDBG defines Puerto Rico as a State, and reserves 1/2 of 1 percent of the child care discretionary funds for Guam, American Samoa, the US Virgin Islands, and the Northern Marianas.

The territories may use their TANF grants for child care purposes, but those funds are subject to the payment ceiling amounts at section 1108 of the Social Security Act, and the "TANF clock" runs for families receiving child care under the TANF program. (As a practical matter, territories also have less flexibility than States to transfer TANF funds to the CCDBG or title XX, because such a transfer would undermine their eligibility for the additional matching funds at sec. 1108(b) of the Social Security Act.)

We propose setting aside 1/2 of 1 percent of sec. 418 funds for allotment among the territories, thus giving territories access to all child care funds, instead of only to the CCDBG discretionary fund. As a matter of equity, the territories should be eligible for a set-aside of the section 418 funds dedicated to child care, as are the tribal grantees. Since the new statute created a unified child care program, there should not be a discrepancy between categories of grantees that are eligible for child care funds.

We recommend including Puerto Rico among the territories for this purpose (rather than defining it as a State, as does sec. 6580 of the CCDBG Act).

We also recommend delaying the effective date until FY 1998, to avoid having to take back from States grant funds they are already relying on receiving.

Proposed amendment:

() GRANT FUNDS FOR TERRITORIES.--

(1) GRANT AUTHORITY.--Section 418(a) of the Social Security Act is further amended by adding at the end the following new paragraph:

" (6) TERRITORIES.--

" (A) IN GENERAL.--The Secretary shall reserve one-half of 1 percent of the amount appropriated under paragraph (3) for fiscal year 1998 and each succeeding fiscal year, for payments to the territories specified in subparagraph (C) in accordance with subparagraph (B).

" (B) DISTRIBUTION FORMULA.--The Secretary shall pay to each territory specified in subparagraph (C) for a fiscal year an amount bearing the same ratio to the amount set aside for such fiscal year under subparagraph (A) as payments to such territory for fiscal year 1995 under the Child Care and Development Block Grant Act bore to total payments to all such territories under such Act for such fiscal year.

" (C) TERRITORIES DEFINED.-- The territories eligible for payments under this paragraph are Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands."

(2). CONFORMING AMENDMENTS.--

(A) EXCLUSION FROM REMAINDER GRANTS TO STATES.-- Section 418(a)(2)(A) is amended by striking "the reservation described in paragraph (4)" and inserting "the reservations described in paragraphs (4) and (6)".

(B) TRANSFER OF GRANT FUNDS TO CCDBG PROGRAM.--

Section 418(c) is amended by adding at the end: "For purposes of this subsection, the term "State" includes the territories specified in subsection (a)(6)(C).".

(C) EXEMPTION FROM SECTION 1108 CEILING.--Section

1108(a) of the Social Security Act [as previously amended: see amendments relating to sec. 103(b) of PRWORA] is further amended by adding at the end the following new subparagraph:

"(E) CHILD CARE GRANT.--Any payment under section 418(a),(6).".

Sec. 612: report by the Secretary:1. REPORT TO CONGRESS.

Problem: Under sec. 658K of the CCDBG Act, as amended by sec. 611 of PRWORA, States would begin transmitting biannual reports to the Secretary with aggregate data on December 31, 1997. Under sec. 658L of the CCDBG Act, as amended by sec. 612 of PRWORA, the Secretary's reports to Congressional committees would become biennial, with the first due July 31, 1997.

The July 1997 due date does not make sense, since the first biannual State reports will not yet be due. The proposed amendment would enable the first HHS report to incorporate the information in the initial set of new State reports.

Proposed amendment:

() REPORT TO CONGRESS.--Section 658L of the CCDBG Act, as amended by section 612 of PRWORA, is amended by striking "1997" and inserting "1998".

TITLE VIII--FOOD STAMPS AND COMMODITY DISTRIBUTION

TITLE IX--MISCELLANEOUS

Sec. 846: expanded forfeiture for food stamp violations:

1. CRIMINAL FORFEITURE: CORRECTIONS TO CONFORM TO OTHER CRIMINAL FORFEITURE STATUTES.

Problem: Sec. 15(h) of the Food Stamp Act of 1977, as added by section 846(b) of PRWORA, attempts to make criminal forfeiture available in food stamp cases. As a technical matter, however, it mixes concepts of criminal and civil forfeiture. For example, it provides for forfeiture as part of the sentence following a criminal conviction (clearly a criminal forfeiture concept) but also provides for the exemption of property belonging to innocent owners (a civil forfeiture concept). The following amendment revises sec. 846(b) to make it more consistent with other criminal forfeiture statutes.

Proposed amendment:

(a) CRIMINAL FORFEITURE: CORRECTIONS TO CONFORM TO OTHER CRIMINAL FORFEITURE STATUTES.--Section 15(h) of the Food Stamp Act of 1977, as added by section 846(b) of PRWORA, is amended--

(1) by striking paragraphs (1), (2), and (3);

(2) by redesignating paragraph (4) as paragraph (3);

and

(3) by inserting before paragraph (3), as so redesignated, the following new paragraphs:

"(1) IN GENERAL.--Any person convicted of a violation of subsection (b) or (c) shall forfeit to the United States, irrespective of any provision of State law--

"(A) any of such person's property, used in a transaction or attempted transaction, to commit or to

facilitate the commission of such violation (other than a misdemeanor); and

"(B) any property, real or personal, constituting, derived from, or traceable to any proceeds such person obtained directly or indirectly as a result of such violation.

"The court, in imposing sentence on such person, shall order, in addition to any other sentence imposed under this section, that the person forfeit to the United States all property described in this subsection.

"(2) APPLICABILITY OF GENERAL CRIMINAL FORFEITURE STATUTE.--All property subject to forfeiture under this subsection, any seizure and disposition thereof, and any proceeding relating thereto, shall be governed by section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. §853), with the exception of subsection (d), which shall not apply to forfeitures under this section."

Secs. 891, 907: electronic benefits transfer:

1. DUPLICATIVE PROVISIONS.

Problem: We note that Congress addresses electronic benefits transfer in two sections of PRWORA -- 891 and 907. These sections amend the same provision of law (sec. 904 of the Electronic Fund Transfer Act), with virtually identical language. One or the other should be deleted.

APPENDIX A

Self-Explanatory Corrections to Text

"PART A--BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE
FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

"(a) IN GENERAL.--The purpose of this part is to increase the flexibility of States in operating a program designed to--

"(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

"(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

"(4) encourage the formation and maintenance of two-parent families.

"(b) NO INDIVIDUAL ENTITLEMENT.--This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.--As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State where the chief executive officer that, during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that the Secretary has found includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.--

"(A) GENERAL PROVISIONS.--A written document that outlines how the State intends to do the following:

"(i) Conduct a program, designed to serve all political subdivisions in the State (not necessarily in a uniform manner), that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

"(ii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier.

"(iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

"(iv) Take such reasonable steps as the State

deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.

"(v) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy

ratio of the State (as defined in section 403(a)(2)(B)) for calendar years 1996 through 2005.

"(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

"(B) SPECIAL PROVISIONS.--

"(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

"(ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

"(iii) The document shall set forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including an explanation of how the State will provide opportunities for recipients who have been adversely affected to be heard in a State administrative or appeal process.

"(iv) Not later than 1 year after the date of enactment of this Act, unless the chief executive officer of the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for 2 months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.--A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.--A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E, and that the State will take such actions as

are necessary to ensure that children receiving assistance under such part are eligible for medical assistance under the State plan under title XIX.

"(4) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.--A certification by the chief executive officer of the State specifying which State agency or agencies will administer and or supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations--

"(A) have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

"(B) have had at least 45 days to submit comments on the plan and the design of such services.

"(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.--A certification by the chief executive officer of the State that, during the fiscal year, the State will provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a tribal family assistance plan approved under section 412, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

"(6) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE AGAINST PROGRAM FRAUD AND ABUSE.--A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

"(7) OPTIONAL CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.--

"(A) IN GENERAL.--At the option of the State, a certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to--

"(i) screen and identify individuals receiving assistance under this part with a history of being victimized by domestic violence while maintaining the confidentiality of such individuals;

"(ii) refer such individuals to counseling and supportive services; and

"(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk

of further domestic violence.

"(B) DOMESTIC VIOLENCE DEFINED.--For purposes of this paragraph, the term 'domestic violence' has the same meaning as the term 'battered or subjected to extreme cruelty', as defined in section 408(a)(7)(C)(iii).

"(b) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.--The State shall make available to the public a summary of any plan submitted by the State under this section.

"SEC. 403. GRANTS TO STATES.

"(a) GRANTS.--

"(ii) BONUS YEAR.--The term 'bonus year' means fiscal years 1999, 2000, 2001, and 2002.

"(D) APPROPRIATION.--Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2002, such sums as are necessary for grants under this paragraph.

"(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.--

"(A) IN GENERAL.--Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary--

"(i) for fiscal year 1998 a grant in an amount equal to 2.5 percent of the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(ii) for each of fiscal years 1999, 2000, and 2001, a grant in an amount equal to the sum of--

"(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

"(II) 2.5 percent of the sum of--

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

"(B) PRESERVATION OF GRANT WITHOUT INCREASES FOR STATES FAILING TO REMAIN QUALIFYING STATES.--Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

"(C) QUALIFYING STATE.--

"(i) IN GENERAL.--For purposes of this paragraph, a State is a qualifying State for a fiscal year if--

"(I) the level of welfare spending per poor person by the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

"(II) the population growth rate of the State

(as determined by the Bureau of the Census) for the most recent fiscal year for which information is available exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

"(ii) STATE MUST QUALIFY IN FISCAL YEAR 1998.--

~~1997.~~

Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1998 by reason

"(B) ELIGIBILITY CHANGES NOT COUNTED.--The regulations required by subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under the State program operated under the State plan approved under part A (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

"(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.--For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families in the State that are receiving assistance under a tribal family assistance plan approved under section 412.

"(5) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.--For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work, and may disregard such an individual in determining the participation rates under subsection (a) for not more than 12 months.

"(c) ENGAGED IN WORK.--

"(1) GENERAL RULES.--

"(A) ALL FAMILIES.--For purposes of subsection (b)(1)(B)(i), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in work activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d), subject to this subsection:

"If the month is in fiscal year:	The minimum average number of hours per week is:
1997.....	20
1998.....	20
1999.....	25
2000 or thereafter.....	30.

"(B) 2-PARENT FAMILIES.--For purposes of subsection (b)(2)(B), an individual is engaged in work for a month in a

Act" and inserting "section 404(e), 464, or 1137 of the Social Security Act".

SEC. 111. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.--

(1) IN GENERAL.--The Commissioner of Social Security (in this section referred to as the "Commissioner") shall, in accordance with this section, develop a prototype of a counterfeit-resistant social security card. Such prototype card shall--

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.--The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to enable the Commissioner to comply with this section.

(b) STUDY AND REPORT.--

(1) IN GENERAL.--The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.--The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3-, 5-, and 10-year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3-, 5-, and 10-year phase-in options.

(3) DISTRIBUTION OF REPORT.--The Commissioner shall submit copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year after the date of the enactment of this Act.

SEC. 112. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C.

1315 note) is amended--

(1) in the heading, by striking "demonstration";

(2) by striking "demonstration" each place such term appears;

(3) in subsection (a), by striking "in each of fiscal years" and all that follows through "10" and inserting "shall enter into agreements with";

(4) in subsection (b) (3), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the program funded under part A of title IV of the Social Security Act ~~of~~ in the State in which the individual resides";

(5) in subsection (c)--

"(b) REQUIREMENTS.--The study required by subsection (a) shall--

"(1) have a longitudinal component; and

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

"(c) PREFERRED CONTENTS.--In conducting the study required by subsection (a), the Secretary should--

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

"(2) follow each case for several years while obtaining information on, among other things--

"(A) the type of abuse or neglect involved;

"(B) the frequency of contact with State or local agencies;

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

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

"(E) the average duration of each placement.

"(d) REPORTS.--

"(1) IN GENERAL.--From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a).

"(2) AVAILABILITY.--The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

"(3) AUTHORITY TO CHARGE FEE.--The Secretary may charge and collect a fee for the furnishing of reports under paragraph (2).

"(e) APPROPRIATION.--Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary for each of fiscal years 1996 through 2002 \$6,000,000 to carry out this section."

SEC. 504. REDESIGNATION OF SECTION 1123.

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

SEC. 505. KINSHIP CARE.

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

(1) by striking "and" at the end of paragraph ~~(16)~~ (17);

(2) by striking the period at the end of paragraph ~~(17)~~ (18) and inserting "; and"; and

(3) by adding at the end the following:

"~~(18)~~ (19) provides that the State shall consider giving preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards."

TITLE VI--CHILD CARE

SEC. 601. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.--This title may be cited as the "Child Care and Development Block Grant Amendments of 1996".

payment (as determined under this subsection) for the fiscal year in which the redistribution is made.

"(3) APPROPRIATION.--For grants under this section, there are appropriated--

- "(A) \$1,967,000,000 for fiscal year 1997;
- "(B) \$2,067,000,000 for fiscal year 1998;
- "(C) \$2,167,000,000 for fiscal year 1999;
- "(D) \$2,367,000,000 for fiscal year 2000;
- "(E) \$2,567,000,000 for fiscal year 2001; and
- "(F) \$2,717,000,000 for fiscal year 2002.

"(4) INDIAN TRIBES.--The Secretary shall reserve not less than 1 percent, and not more than 2 percent, of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

"(b) USE OF FUNDS.--

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

"(2) USE FOR CERTAIN POPULATIONS.--A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

"(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT of 1990.--Notwithstanding any other provision of law, amounts provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

"(d) DEFINITION.--As used in this section, the term 'State' means each of the 50 States ~~or~~ and the District of Columbia."

SEC. 604. LEAD AGENCY.

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

(1) in paragraph (1)--

(A) in subparagraph (A), by striking "State" the first place that such appears and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the

notice of such hearing," after "hearing in the State"; and (2) in paragraph (2), by striking the second sentence.

SEC. 605. APPLICATION AND PLAN.

Section 658E (42 U.S.C. 9858c) is amended--

(1) in subsection (b)--

(A) by striking "implemented--" and all that follows through "(2)" and inserting "implemented"; and

(B) by striking "for subsequent State plans";

(2) in subsection (c)--

(A) in paragraph (2)--

(i) in subparagraph (A)--

(I) in clause (i) by striking ", other than through assistance provided under paragraph (3)(C),"; and

(II) by striking "except" and all that follows through "1992", and inserting "and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph";

(ii) in subparagraph (B)--

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

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

(iii) in subparagraph (C)--

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

(II) by inserting before the period at the end "and provide a detailed description of how such record is maintained and is made available";

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

"(D) CONSUMER EDUCATION INFORMATION.--Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.";

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

"(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.--

"(i) IN GENERAL.--Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

"(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.--In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organizations receiving assistance under this subchapter.";

(vi) in subparagraph (F) by striking "Provide assurances" and inserting "Certify";

(vii) in subparagraph (G) by striking "Provide assurances" and inserting "Certify"; and

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

"(H) MEETING THE NEEDS OF CERTAIN POPULATIONS.--
Demonstrate the manner in which the State will meet the
specific child care needs of families who are receiving
assistance under a State program under part A of title IV of
the Social Security Act, families who are attempting

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

SEC. 613. ALLOTMENTS.

Section 6580 (42 U.S.C. 9858m) is amended--

(1) in subsection (a)--

(A) in paragraph (1)--

(i) by striking "POSSESSIONS" and inserting "POSSESSIONS";

(ii) by inserting "and" after "States,"; and

(iii) by striking ", and the Trust Territory of the Pacific Islands"; and

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

(2) in subsection (c)--

(A) in paragraph (5) by striking "our" and inserting "out"; and

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

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.--

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

"(B) DETERMINATION.--With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.--The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph ~~(A)~~ (B) is being made.

"(D) UNIFORM PROCEDURES.--The Secretary shall

develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

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

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS. --Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for which the grant or contract is made available, shall be allotted by the Secretary to other

tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs."

SEC. 614. DEFINITIONS.

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

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

(2) by striking paragraph (3);

(3) in paragraph (4)(B), by striking "75 percent" and inserting "85 percent";

(4) in paragraph (5)(B)--

(A) by inserting "great grandchild, sibling (if such provider lives in a separate residence)," after "grandchild,";

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

(C) by striking "State" and inserting "applicable".

(5) by striking paragraph (10);

(6) in paragraph (13)--

(A) by inserting ~~or~~ "and" after "Samoa,"; and

(B) by striking ", and the Trust Territory of the Pacific Islands";

(7) in paragraph (14)--

(A) by striking "The term" and inserting the following:

"(A) IN GENERAL.--The term"; and

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

"(B) OTHER ORGANIZATIONS.--Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C.4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians."

APPENDIX B

Cost Table

*Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002 .
(\$ in millions)*

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
<i>Title I - Block Grants for TANF</i>								
<i>103(a)</i>	<i>Advance State plan requirement</i>							
	<i>Calculation of bonus for decrease in illegitimacy</i>							
	<i>Contingency Fund</i>							
	<i>Amendment of inconsistent terminology</i>							
	<i>Responsibility for administering contingency fund</i>							
	<i>Availability of TANF loans to Indian tribes</i>							
	<i>State option to exclude individuals subject to tribal work programs from State participation rates</i>							
	<i>Amendments to mandatory work requirements</i>							
	<i>Inconsistent standards for engagement in work . .</i>							
	<i>Penalties against individuals: Inconsistent provisions</i>							
	<i>Assignment of support rights: Clarification</i>							
<i>103(a)</i>	<i>Time limit on benefits: Disregard of certain assistance to reservation residents</i>							

PRWORA

Blank spaces mean that that provision has negligible cost or savings.

Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
	<i>Requirement to maintain level of historic effort</i>							
	<i>Definition of qualified State expenditures: Benefits for aliens</i>							
	<i>Reduction for failure to meet MOE requirement: applicable percentage</i>							
	<i>Definition of historic State expenditures</i>							
	<i>Definition of expenditures by the State</i>							
	<i>Penalties for noncompliance with CSE requirements .</i>							
	<i>Exclusions from reasonable cause penalty exceptions .</i>							
	<i>Penalties not avoidable through corrective compliance plans</i>							
	<i>Data collection and reporting</i>							
	<i>Grants to Indian tribes that received JOBS funds . . .</i>							
<i>103(a)</i>	<i>Research, evaluations, and national studies</i>							
	<i>Methods available for conduct of research</i>							
	<i>Funding of previously authorized demonstrations .</i>							
	<i>State child poverty reports</i>							

PRWORA
Blank spaces mean that that provision has negligible cost or savings.

Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
	<i>Definition of Indian tribes in Alaska</i>							
<i>103(b)</i>	<i>Federal payments for TANF programs in territories . . Multiple territorial maintenance of effort requirements</i>							
<i>104</i>	<i>Services provided by charitable, religious, or private organizations: Clarifications concerning religiously affiliated providers</i>							
<i>106</i>	<i>Report on data processing: Clarifying amendment . . .</i>							
<i>108</i>	<i>Conforming amendments to Social Security Act Amendments to Title IV-D: Performance standards for State paternity establishment programs: Deletion of obsolete language Distribution formula: Amendment concerning Medicaid cases to conform to change made concerning Title IV-A cases</i>							
<i>108</i>	<i>Assignment of support rights to States: Correction of references</i>							
	<i>Amendments to Title IV-E: Uniform methodology for determining Medicaid and Foster Care Adoption Assistance Entitlements</i>							

PRWORA

Blank spaces mean that that provision has negligible cost or savings.

Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
<i>115</i>	<i>Denial of assistance and benefits for certain drug-related convictions: Application of provision only to conduct occurring before enactment</i>							
<i>116</i>	<i>Effective dates; transition: Reporting requirements applicable to transition period</i>							
<i>Title II - SSI</i>								
<i>202(b)</i>	<i>Denial of SSI benefits for fugitive felons and probation and parole violators</i>							
<i>203</i>	<i>Treatment of prisoners</i>							
<i>211</i>	<i>Application to current recipients - eligibility redeterminations</i>							
<i>212(b)</i>	<i>Disability eligibility redeterminations required for SSI recipients who attain 18 years of age</i>							
<i>212</i>	<i>Continuing disability review required for low birth weight babies</i>							

PRWORA
Blank spaces mean that that provision has negligible cost or savings.

*Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)*

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						
		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>1997-2002</u>
<i>213(a)</i>	<i>Requirements to establish an account</i>							
<i>214</i>	<i>Reduction in cash benefits to institutional individuals whose medical costs are covered by private insurance</i>	<i>(a)</i>	<i>(a)</i>	<i>(a)</i>	<i>(a)</i>	<i>(a)</i>	<i>(a)</i>	<i>(a)</i>
<i><u>Title III - Child Support</u></i>								
<i>301</i>	<i>State obligation to provide CSE services: State plan requirements: Clarifying amendment</i>							
	<i>Correction of reference</i>							
<i>302</i>	<i>Distribution of CSE collections: Limits on collections retained by State and Federal governments</i>							
	<i>Collections for families receiving assistance from Indian tribes</i>							
	<i>Study and Report</i>							

(a) The technical proposal to amend this section has offsetting effects. Replacing the list of specific types of facilities with the general term "medical treatment facility" would decrease benefit payments, whereas providing benefits based on the full FBR to children whose benefits are subject to the \$30 payment standard, but whose stay in a treatment facility is anticipated to be for three or fewer months, would increase benefit payments. The net impact on benefit payments is difficult to quantify but is presumed to be negligible.

PRWORA

Blank spaces mean that that provision has negligible cost or savings.

Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
302	<i>Continuation of assignments</i>							
	<i>Conforming amendment</i>							
313	<i>State directory of new hires: Civil money penalty amount</i>							
316	<i>Expansion of FPLS: Child custody and visitation orders:</i>							
	<i>Deletion of incorrect insertion</i>							
	<i>FPLS access to certain IRS records</i>							
	<i>Availability of data in registries for research</i>							
317	<i>Use of social security numbers in CSE: Collection and use of social security numbers in CSE: Conforming amendments to Title II of SSA</i>							
321	<i>Adoption of uniform State laws: Deadline for State adoption of UIFSA</i>							
341	<i>Performance-based incentives and penalties: Correction of reference</i>							
345	<i>Technical assistance: Means available for provision of technical assistance, operation of FPLS</i>							
	<i>Availability of certain FPLS funds until expended . . .</i>							

PRWORA

Blank spaces mean that that provision has negligible cost or savings.

Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
362 (a)	<i>Clarify the exemption of certain VA benefits from legal process for enforcement of child support or alimony obligations,.....</i>							
366	<i>Definition of support order</i>							
371	<i>International support enforcement: Correction of reference</i>							
375	<i>CSE for Indian tribes: Cooperative agreements with States</i>							
	<i>Direct Federal funding to Indian tribes and tribal organizations</i>							
	<i>Technical Correction</i>							
	<i>Direct grants to tribes</i>							
 <i>Title IV - Restricting welfare and public benefits for aliens</i>								
	<i>Exceptions to benefit limitations: Corrections to reference concerning aliens whose deportation is withheld</i>							
	<i>Exceptions for certain Amerasian Immigrants</i>		3	3	2	2	2	12
	<i>Clarifications of exceptions for veterans and active duty military</i>							

PRWORA

Blank spaces mean that that provision has negligible cost or savings.

Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
401	<i>Ineligibility of non-qualified aliens for Federal public benefits: Clarification of Medicare entitlement</i>							
401	<i>Clarification of qualified aliens' eligibility for emergency benefits</i>							
403	<i>5-year limited eligibility for means-tested public benefits: Correction of reference concerning Cuban and Haitian entrants</i>		<i>1</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>3</i>	<i>10</i>
404	<i>Notification and information reporting. Correction of terminology.....</i>							
411	<i>Aliens' eligibility for State and local benefits: Correction of list of aliens lawfully present</i>							
421	<i>Attribution of sponsor's income and resources to alien Clarification for State deeming of sponsor's income and resources to alien</i>							
423	<i>Sponsor's affidavit of support</i>							

PRWORA

Blank spaces mean that that provision has negligible cost or savings.

Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
431	<i>Definitions: Definitions relating to family relationships, employment, status, and similar matters</i>							
	<i>Treatment of lawfully present aliens from freely associated States as "qualified aliens"</i>							
	<i>Treatment of battered alien as "qualified alien" for limited purposes</i>							
	<i>Definition of qualified alien</i>							
435	<i>Qualifying quarters</i>							
 <i>Title V - Child Protection</i>								
503	<i>National random sample study of child welfare: Methods permitted for conduct of study</i>							

PRWORA

Blank spaces mean that that provision has negligible cost or savings.

Estimated Federal Cost Impacts under Technical Proposals to Amend Selected Sections of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, fiscal years 1997-2002
(\$ in millions)

<i>Total</i>	<i>Section</i>	<i>Fiscal year</i>						<i>1997-2002</i>
		<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	
<i><u>Title VI - Child Care</u></i>								
603	<i>Authorization of appropriations and entitlement authority:</i>							
	<i>Perfecting and clarifying amendments</i>							
	<i>Data used to calculate State expenditures in base period</i>							
	<i>Funding for territories</i>							
612	<i>Report by the Secretary: Report to Congress</i>							
<i><u>Miscellaneous</u></i>								
891,907	<i>Electronic benefits transfer (EBT): Duplicative provisions</i>							
<i><u>Title VIII - Food Stamps and Commodity Distribution</u></i>								
846	<i>Expanded forfeiture: corrections to conform to other criminal forfeiture statutes.....</i>							
	TOTAL COSTS, all sections		4	4	4	5	5	22

PRWORA
Blank spaces mean that that provision has negligible cost or savings.



DATE: 12/11

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 INDEPENDENCE AVE., SW
WASHINGTON, D.C. 20201

PHONE: (202) 690-7627

FAX: (202) 690-7380

OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION
ROOM 416-G HUMPHREY BUILDING

TO : Bruce Reed
OFFICE : _____
PHONE NO : _____
FAX NO : 456-5557
TOTAL PAGES
(INCLUDING COVER): 10

FROM:

- RICHARD J. TARPLIN
- HELEN MATHIS
- KEVIN BURKE
- SANDI EUBANKS BROWN
- ROSE CLEMENT LUSI
- STEPHANIE WILSON
- HAZEL FARMER

REMARKS:

**Report on Welfare Reform Technical Amendments
Roll-Out Activities**

HHS and SSA plan to submit the report to Congress on welfare reform technical amendments on Monday, December 16 at 2 PM. The package will include the cover letter from the Secretary and the Commissioner, the Executive Summary and the proposals. Individually addressed packages will be delivered to the attached distribution list of leadership, chairs and ranking members of relevant committees of Congress. Prior to the delivery on Monday, HHS and SSA legislative staff will make calls to alert key staff of the upcoming submission.

On Monday afternoon, HHS intergovernmental affairs office will make the package available to the key state, local and union groups, per the attached list.

The HHS press office will send the package to the New York Times (Robert Pear) and the Washington Post (Judy Havemann) and inform them that the package has been submitted to Congress. HHS and SSA will handle press calls using the attached internal talking points and referring inquiries to other agencies as appropriate.

Attachments: Congressional distribution list
Intergovernmental contact list
Agency contacts for press and hill calls
Internal Talking Points
Executive Summary

List of Members to Whom Technical Amendments Will Be Sent

SENATE

Leadership

Maj. Leader	Asst. Leader	D. Leader	D. Whip
Lott	Nickles	Daschle	Ford

Agriculture

Chair	Ranking	New Chair	New Ranking
Lugar	Leahy	Lugar	Harkin

Appropriations

Hatfield	Byrd	Stevens	Byrd
----------	------	---------	------

Budget

Domenici	Exon	Domenici	Lautenberg
----------	------	----------	------------

Finance

Roth	Moynihan	Roth	Moynihan
------	----------	------	----------

Judiciary

Hatch	Biden	Hatch	Leahy
-------	-------	-------	-------

Indian Affairs

McCain	Inouye	Nighthorse-Campbell	Inouye
--------	--------	---------------------	--------

Labor and Human Resources

Kassebaum	Kennedy	Jeffords	Kennedy
-----------	---------	----------	---------

HOUSE

Leadership

Speaker	Maj. Leader	D. Leader	D. Whip
Gingrich	Armey	Gephardt	Bonior

Agriculture

Roberts	de la Garza	Smith	Stenholm
---------	-------------	-------	----------

Appropriations

Livingston	Obey	Livingston	Obey
------------	------	------------	------

Budget

Kasich	Sabo	Kasich	Spratt
--------	------	--------	--------

Commerce

Bliley	Dingell	Bliley	Dingell
--------	---------	--------	---------

Economic and Educational Opportunities

Goodling	Clay	Goodling	Clay
----------	------	----------	------

Judiciary

Hyde	Conyers	Hyde	Conyers
------	---------	------	---------

Ways and Means

Archer	Gibbons	Archer	Rangel
--------	---------	--------	--------

Welfare Technicals Rollout -- IGA Distribution

APWA
NCSL
NGA
DGA
NACO
Conference of Mayors
League of Cities

SEIU
AFL-CIO
AFSCME

Welfare Technicals Rollout -- Agency ContactsPress Calls

HHS:	Melissa Skolfield	(202) 690-6853
SSA:	Phil Gambino	(410) 965-8904)

Hill Calls:

HHS:	Mary Bourdette/Patricia Savage	(202) 690-6311
SSA:	Judy Chessner/Bill Daly	(202) 358-6030
DOJ:	Faith Burton/Greg Jones	(202) 514-1653
VA:	Jack Thompson	(202) 273-6316

12/11/96

INTERNAL TALKING POINTS ON TECHNICALS PACKAGE
to accompany the Executive Summary

Today, the Secretary of Health and Human Services and the Commissioner of Social Security submitted a report to the appropriate committees of Congress containing proposals for technical and conforming amendments to the welfare reform bill enacted August 22, 1996.

- ▶ The report was developed pursuant to a requirement in section 113 of the new law. (It was due 90 days after enactment -- or November 22, 1996)
- ▶ It contains technical, corrective or clarifying amendments only (see Executive Summary for examples). All of the proposals maintain the spirit and intent of the newly enacted legislation. Most of the proposals have no costs, while a few have minor costs or savings.

This report does not contain any major policy changes to the new welfare law. Any policy changes that the Administration wishes to pursue will be submitted separately.

- ▶ For example, the President has discussed the importance of tax credits and job creation mechanisms to help move welfare recipients into the workforce. These policies are under review and are not contained in this package.

The reform of welfare programs is proceeding smoothly, and these technical changes and corrections will further the implementation process. We hope to work closely with Republican and Democratic members of Congress to ensure speedy, bipartisan action on this package.

12/11/96

Summary of Technical and Conforming Amendments to Personal
Responsibility and Work Opportunity Reconciliation Act of 1996
(P.L. 104-193)

Implementation of the Personal Responsibility and Work Opportunity Reconciliation Act is proceeding smoothly at both the federal and state levels. To date, 37 states have submitted Temporary Assistance for Needy Families (TANF) state plans, and many have already begun to reform their welfare programs. The changes in other programs are also proceeding smoothly.

Section 113 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) directs the Secretary of Health and Human Services and the Commissioner of Social Security; in consultation with other federal agencies, to submit to the appropriate committees of Congress legislative proposals for technical and conforming amendments necessary to bring the statutory language into conformity with the policies enacted in this new legislation.

A thorough consultation process was conducted among affected agencies to identify provisions in the new law that require technical or conforming amendments to PRWORA. Each proposal includes an explanation of the specific problem that has been identified and a statutory amendment to address the problem in a manner that maintains the spirit and intent of the new law. Early enactment of these technical and conforming amendments will assist the Administration and the States to implement the new law successfully.

Amendments are proposed to the following Titles: Title I (Block Grants for Temporary Assistance for Needy Families (TANF)), Title II (Supplemental Security Income), Title III (Child Support), Title IV (Restricting Welfare and Public Benefits for Aliens), Title V (Child Protection), Title VI (Child Care), and Title VIII (Food Stamps and Commodity Distribution). With the exception of two amendments, which have some costs, we estimate that all of the amendments have negligible costs.

The following summarizes the type and nature of the technical amendments contained in this report.

Resolve Inconsistent Terminology: In several instances, the new law inadvertently uses incorrect or inconsistent terminology. For example, PRWORA establishes mandatory work requirements, but uses the phrase "participating in work activities" in some places and the phrase "making progress in work activities" in others. To resolve this inconsistency, an amendment is proposed to use the phrase "participating in work activities" throughout these provisions. (p.6)

Conform Dates: Amendments are proposed to conform or revise a number of dates utilized in the statute. For example, the new law requires states to "look back" to prior AFDC eligibility standards to determine eligibility for Medicaid and for Foster Care and Adoption Assistance. However, the statute utilizes two different look back dates (June 1, 1995 and July 16, 1996) -- creating administrative burdens on the states. An amendment is proposed to use the July 16, 1996 look-back date for both programs. (p.31)

Make Data Elements Uniform: Upon further review of the data and reporting requirements in PRWORA, several amendments are proposed to ensure reference to uniform, accurate and available data sources. The new law does not, for example, specify the data used to calculate historic state expenditures for maintenance of effort purposes. In order to establish a fixed and consistent maintenance of effort level, an amendment is proposed to specify that the same data elements used to calculate the TANF state family assistance grants be used to calculate historic state expenditures. (p.13)

Another data problem arises with the state bonus for reductions in rates of illegitimacy. While the statute explicitly requires the calculation of one data source on a fiscal-year basis, this data is currently available on a calendar-year basis only. Thus, an amendment is proposed to allow calculation of the bonus using the data available on a calendar-year basis in order to avoid the burden and expense of new data collection requirements. (p.3)

Clarify Congressional Intent: Several amendments are proposed to conform statutory language to congressional intent. For example, the new law establishes several penalties on states for failure to comply with various provisions. However, it also prohibits imposition of the penalties in certain reasonable cause instances and then makes specified exceptions to the reasonable cause prohibition. Because the conference report specifies additional exceptions to the reasonable cause prohibition (e.g. failure to repay the loan fund, and failure to replace grant reductions caused by penalties) beyond those included in the statute, an amendment is proposed to include those specified exceptions in statute. (p.18)

Another amendment is proposed to clarify congressional intent with respect to access to federal programs for qualified alien widow(er)s of persons who have served in the military. While the new law prohibits certain federal benefits for qualified aliens, it provides an exception for the spouse or unmarried dependent

child of veterans or active duty military personnel. In order to clarify that qualified alien widow(er)s do not lose eligibility for these benefits when the veteran or active duty personnel dies, an amendment is proposed to except widow(er)s of such personnel from the general prohibition. (p.66)

Close Gaps Between Previous Law and New Statute: In a few instances, the transition from the previous law to the new statute inadvertently left gaps in the application or coverage of various laws. For example, the Attorney General is required to develop a new legally enforceable affidavit of support for aliens entering the country after enactment of PRWORA. At the same time, the authority for states to deem sponsor income for aliens already in the country was repealed. Because this leaves states with no authority to deem sponsor income for current aliens, an amendment is proposed to reinstate the previous deeming requirement, and make it applicable to all affidavits of support executed before the effective date of the new requirement. (p.72)

Conform Provisions and Correct Citations: A number of amendments are proposed to correct citations and references in the new law, and to add further conforming amendments.